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7 Attorneys for Defendant PC Village
Association, Inc.

2012 JAN -3 PM 1:55

9 **SUPERIOR COURT OF THE STATE OF ARIZONA**

10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
12 HAWK, husband and wife,

13 Plaintiffs,

14 v.

15 PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,

16 Defendant.

NO. CV2011-00775

**DEFENDANT'S STATEMENT OF
FACTS SUPPORTING ITS
RESPONSE TO PLAINTIFF'S
MOTION FOR SUMMARY
JUDGMENT**

(Assigned to the Honorable Mark R.
Moran)

18
19 1. The Plaintiffs, Robert and Cecelia Hawk ("Hawks") own real
20 property in Coconino County located in the Pine Canyon Subdivision ("Pine Canyon")
21 and more specifically identified as:

22 Lot 197 of the Estates at Pine Canyon Unit Two as shown on
the plan thereof, recorded in Case 9, Maps 28, 28A and 28B,
23 records of Coconino County Arizona.

24 (Warranty Deed of Hawks, Attached as Exhibit A.)

25 2. PC Village Association Inc., ("PC Village") is an Arizona non-profit
26 corporation. (See, Complaint ¶ 3, Admitted by Answer.)

27 3. The Pine Canyon Subdivision is subject to a Declaration of
28 Covenants Conditions and Restrictions recorded at instrument number 3171314 as

1 amended by a First Amendment to Declaration of Covenants Conditions and Restrictions
2 at instrument number 3261475 (collectively, "CC&Rs"), both documents being recorded
3 in Coconino County Public Records. (See, Complaint ¶ 6, Admitted by Answer.)

4 4. The Original CC&Rs were recorded in 2002 and the First
5 Amendment was recorded in 2004. Section 12.3 of these CC&Rs states that "No 'For
6 Sale' or 'For Rent' sign may be posted on any Lot, Tract or Condominium Property." (See
7 CC&Rs, attached as Exhibit B and Exhibit C respectively.)

8 5. An amendment in A.R.S. § 33-1808 pertaining to the display of "for
9 sale" signs was first passed in 2007, with the most recent amendment effective on January
10 1, 2012. A.R.S. § 33-1808, S. B. 1062, Ariz. 48th Leg. (2007) (enacted).

11 6. A.R.S. § 33-441 was passed in 2009. A.R.S. § 33-441, S.B. 1148,
12 Ariz. 49th Leg. (2009) (enacted).

13 7. A case and controversy exists as to whether or not Plaintiffs can post
14 a conforming "for sale" sign on a lot that they own in Pine Canyon. (See Complaint ¶ 15,
15 Admitted by Answer.)

16 8. Pine Canyon residents avow that they expected to enjoy an
17 environment without "for sale" signs, which they consider an eyesore. (Affs. of Pine
18 Canyon Residents ¶ 3, Attached as Exhibit D.)

19 9. Pine Canyon residents avow that, given the recorded Pine Canyon
20 CC&Rs, they purchased property with an expectation that they would not have to view
21 "for sale" signs. (Ex. D ¶ 4.)

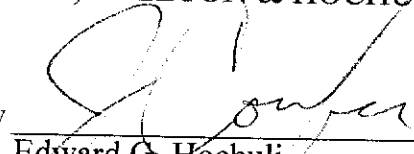
22 10. Pine Canyon residents further avow that the existence of "for sale"
23 signs amounts to an eyesore and would negatively impact their quality of life, as well as
24 property values. (Ex. D ¶¶ 6-8.)

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DATED this 29 day of December, 2011.

JONES, SKELTON & HOCHULI, P.L.C.

By



Edward G. Hochuli
J. Gary Linder
Jonathan D. Confer
2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
Attorneys for Defendant PC Village
Association, Inc.

1 ORIGINAL of the foregoing mailed via federal
2 express for filing this 29th day of December, 2011 to:

3 Clerk of the Court
4 Civil Filings
5 Coconino County Superior Court
6 200 N. San Francisco St. (Courthouse)
7 Flagstaff AZ. 86001

8 COPY of the foregoing mailed
9 this 29th day of December, 2011, to:

10 Tevis Reich
11 Attorney at Law
12 6 East Dale Avenue
13 Flagstaff, Arizona 86001
14 Attorney for Plaintiffs

15 *Courtesy Copies* mailed this 29th day of
16 December, 2011, to:

17 Office of the Attorney General
18 1275 W. Washington Street
19 Phoenix, AZ 85007

20 Andy Tobin, Speaker of the House
21 Capital Complex
22 1700 W. Washington
23 Phoenix, AZ 85007

24 Steve Pierce, President of the Senate
25 Capital Complex
26 1700 W. Washington
27 Phoenix, AZ 85007

28  _____



at the request of Pioneer Title Agency, Inc.

When recorded mail to
ROBERT R. HAWK
4241 E. COBURN DRIVE
FLAGSTAFF, AZ 86004

01454332-CJW

Tax Code: 105-19-044

WARRANTY DEED

For the consideration of Ten Dollars, and other valuable consideration, I or we,

JOHN SCOLA and SHEILA SCOLA, Husband and Wife, as Joint Tenants with Right of Survivorship
do/does hereby convey to ^{A.} ^{M.}

ROBERT R. HAWK and CECELIA J. HAWK, Husband and Wife

the following real property situated in Coconino County, Arizona:

Lot 197, of THE ESTATES AT PINE CANYON UNIT TWO, as shown on the plat thereof, recorded in Case 9, Maps 28, 28A and 28B, records of Coconino County, Arizona.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record.

The Grantor warrants the title against all persons whomsoever.

DATED this 25th day of August, 2009

John Scola
JOHN SCOLA

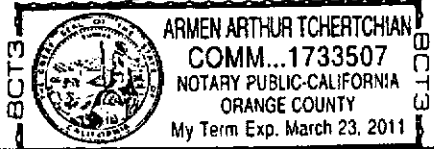
Sheila Scola
SHEILA SCOLA

State of *California*
County of *Orange*

The foregoing instrument was acknowledged before me this 25th day of August, 2009, by **JOHN SCOLA and SHEILA SCOLA.**

Armen Arthur Tchertchian
NOTARY PUBLIC

My commission expires: 3/23/2011



AFFIDAVIT OF PROPERTY VALUE

1. ASSESSOR'S PARCEL IDENTIFICATION NUMBER(s)
 Primary Parcel: 105-19-044
 BOOK MAP PARCEL SPLIT LETTER
 Does this sale include any parcels that are being split / divided?
 Check one: Yes No
 How many parcels, other than the Primary Parcel, are included in this sale? _____
 Please list the additional parcels below (no more than four):
 (1) _____ (3) _____
 (2) _____ (4) _____

9. **FOR OFFICIAL USE ONLY: Buyer and Seller leave blank**
 AOV - 03 pages: 2 3537165
 09/01/2009 04:17 PM
 Validation Codes:
 (e) ASSESSOR _____ (f) DOR _____
ASSESSOR'S USE ONLY
 Verify Primary Parcel in Item 1: _____
 Use Code: _____ Full Cash Value: \$ _____

2. SELLER'S NAME AND ADDRESS
JOHN SCOLA and SHEILA SCOLA
22505 PEARTREE
MISSION VIEJO, CA 92692
 3. (a) BUYER'S NAME AND ADDRESS:
ROBERT R. HAWK and CECELIA J. HAWK
4241 E. COBURN DRIVE
FLAGSTAFF, AZ 86004
 (b) Are the Buyer and Seller related? Yes _____ No
 If Yes, state relationship: _____

10. TYPE OF DEED OR INSTRUMENT (Check Only One Box):
 a. Warranty Deed d. Contract or Agreement
 b. Special Warranty Deed e. Quit Claim Deed
 c. Joint Tenancy Deed f. Other:
 11. SALE PRICE: \$ 170,000.00
 12. DATE OF SALE (Numeric Digits): 09 / 2009
 Month Year
 (For example: 03 / 05 for March 2005)
 13. DOWN PAYMENT: \$ 170,000.00

4. ADDRESS OF PROPERTY:
3422 LAS COLINAS, FLAGSTAFF, AZ 86001
 5. MAIL TAX BILL TO:
ROBERT R. HAWK and CECELIA J. HAWK
4241 E. COBURN DRIVE
FLAGSTAFF, AZ 86004

14. METHOD OF FINANCING:
 a. Cash (100% of Sale Price)
 b. Exchange or Trade
 c. Assumption of existing loans
 d. Seller Loan (Carryback)
 e. New loan(s) from financial institution:
 (1) Conventional
 (2) VA
 (3) FHA
 f. Other financing; Specify: _____

6. PROPERTY TYPE (for Primary Parcel): **NOTE: Check Only One Box**
 a. Vacant Land f. Commercial or Industrial Use
 b. Single Family Residence g. Agriculture
 c. Condo or Townhouse h. Mobile or Manufactured Home
 d. 2-4 Plex i. Other Use; Specify _____
 e. Apartment Building
 7. RESIDENTIAL BUYER'S USE: If you checked b, c, d or h in Item 6 above, please check one of the following:
 To be occupied by owner or "family member."
 To be rented to someone Other than "family member."
 See reverse side for definition of a "family member."

15. PERSONAL PROPERTY (see reverse side for definition):
 (a) Did the Sale Price in Item #11 include Personal Property that impacted the Sale Price by 5% or more? Yes _____ No
 (b) If Yes, provide the dollar amount of the Personal Property:
 \$ 00 AND
 briefly describe the Personal Property:
 16. PARTIAL INTEREST: If only a partial ownership interest is being sold, Briefly describe the partial interest: _____
 17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone):
Pioneer Title Agency, Inc.
1120 W. University Ave., Flagstaff, AZ 86001
Phone (928) 779-3059

8. NUMBER OF UNITS: _____
 For Apartment Properties, Motels, Hotels, Mobile Home Parks, RV Parks, Mini-Storage Properties, etc.

18. LEGAL DESCRIPTION (attach copy if necessary)
See Exhibit A attached hereto and made a part hereof.

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Signature of Seller/Agent _____
 State of Arizona, County of COCONINO
 Subscribed and sworn to before me this 1 day of SEPT, 2009
 Notary Public _____
 Notary Expiration Date _____

Signature of Buyer/Agent _____
 State of Arizona, County of COCONINO
 Subscribed and sworn to before me this 3 day of Aug, 2009
 Notary Public _____
 Notary Expiration Date _____

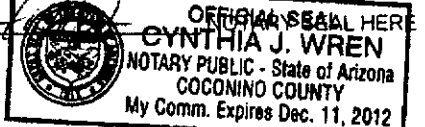


EXHIBIT A

Lot 197, of THE ESTATES AT PINE CANYON UNIT TWO, as shown on the plat thereof, recorded in Case 9, Maps 28, 28A and 28B, records of Coconino County, Arizona.

Unofficial Copy

When recorded, please return to



**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

This Declaration of Covenants, Conditions and Restrictions ("Village Declaration") is made and entered into as of the 14 day of November, 2002, by LONE TREE INVESTMENTS, L L C , an Arizona limited liability company

This Village Declaration provides for an extensive degree of control by "Developer" including, but not limited to, (a) control of the "Village Association", the type and design of improvements which may be built upon "Lots" and "Tracts" with fines for non-compliance, and the use, and limitations upon use, of the "Common Areas", (b) the right to amend this Village Declaration, and (c) substantial flexibility in developing the "Property" Developer's control is an integral part of this Village Declaration and the general scheme of development and operation of the Property Section 16 6 contains a limitation on the liability of Developer and its members and principals Each "Owner", by accepting title to a Lot, and all other "Persons" hereafter acquiring any other interest in any of the Property, acknowledge and agree to and accept Developer's control of the Property and the limited liability of Developer, and its members and principals, as provided in this Village Declaration Capitalized terms used in this paragraph are defined below in this Village Declaration

Recitals

A Developer is the record owner of the tracts and parcels of real property in Coconino County, Arizona, described on Exhibit "A" hereto (collectively defined as the "Parcel" below)

B The Parcel is the master-planned community known as Pine Canyon in Flagstaff, Arizona (the "City")

C Developer desires to submit and subject the Parcel (and any other real property annexed to it pursuant to the provisions of this Village Declaration), together with all buildings, improvements and other permanent fixtures of whatever kind now or hereafter located thereon, and all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto, to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights contained herein

D Developer desires that the Property be developed in accordance with a master plan and general scheme of development as part of a master-planned community to be known as "Pine Canyon" containing residential lots and related recreational facilities

E Developer deems it desirable to establish covenants, conditions and restrictions applicable to the Property and each and every portion thereof, and certain mutually beneficial restrictions and obligations with respect to the proper use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and enhancing the quality of life within the Property

F It is desirable for the efficient management of the Property to create an owners association and to delegate to it the powers of (a) managing, maintaining and administering the Common Areas and any "Areas of Common Responsibility" within the Property, (b) administering and enforcing these covenants, conditions and restrictions, (c) collecting and disbursing funds pursuant to the "Village Assessments" and other charges hereinafter created, and (d) performing other acts provided for in this Village Declaration or which generally benefit its Members, the Property, and the owners of any interests therein

G The PC Village Association, Inc., a nonprofit corporation, (or a similarly named entity) has been, or will be, incorporated under the laws of the State of Arizona for the purpose of exercising the foregoing powers and functions

H Developer desires and intends that the owners, mortgagees, beneficiaries and trustees under trust deeds, occupants and all other Persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights hereinafter set forth, all of which are declared to be in furtherance of a plan to promote, benefit and protect the Property

I Developer intends, but is not obligated, to annex additional real property to the Parcel, thereby subjecting the annexed property to the plan of this Village Declaration, and binding the owners of any interests therein to the covenants, conditions and restrictions contained in this Village Declaration. Owners of any property annexed to the Property and subjected to the Village Declaration will automatically become Members of the Village Association as provided herein

Declarations

NOW, THEREFORE, Developer, for the purposes above set forth, declares that the Property shall hereafter be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights hereinafter set forth, all of which shall run with the land and be binding upon the Property and all parties having or acquiring any right, title or interest in or to the Property, or any part thereof, and shall inure to the benefit of each owner thereof, the Village Association and each Member of the Village Association



1 Definitions

Unless the context clearly requires otherwise, the following terms used in this Village Declaration are defined as follows. Defined terms appear throughout this Village Declaration with the initial letter of each word in the term capitalized.

1.1 "Annexation Property" means any additional real property which is annexed to the Parcel in accordance with Section 14, thereby becoming a part of the Property and subject to the Village Declaration.

1.2 "Areas of Common Responsibility" means any portions of the Property not owned by the Village Association (and, thus, not Common Areas) for which the Village Association has maintenance and/or repair responsibility pursuant to this Village Declaration, a recorded subdivision plat or other recorded instrument, or by contract.

1.3 "Articles" means the Articles of Incorporation of the Village Association, as they may be amended from time to time, or of any successor thereto.

1.4 "Board" means the Board of Directors of the Village Association, or any successor thereto.

1.5 "Bylaws" means the bylaws of the Village Association adopted in accordance with the Articles, as the bylaws may be amended from time to time, or of any successor thereto.

1.6 "City" means the City of Flagstaff, Arizona, a municipal corporation of the State of Arizona.

1.7 "Common Areas" means all real property (and the improvements or amenities thereon) which may from time to time be owned by the Village Association expressly for the common use and enjoyment of the Owners. The Common Areas include, but are not limited to, any "Private Roads." Any real property, and improvements or amenities thereon, which are described as "common areas" in a Supplemental Village Declaration or a plat or other instrument recorded by Developer with respect to any portion of the Property shall be deemed to be "Common Areas" as that term is defined herein for the common use and enjoyment of the Owners, and shall, for all purposes, be integrated into and deemed to be a part of the Common Areas subject to this Village Declaration. Common Areas may be abandoned as provided in Section 12.14.

1.8 "Common Expenses" means the actual and estimated costs incurred by the Village Association in administering, maintaining and operating the Property, and in owning or leasing any portions thereof, and in otherwise performing its rights and responsibilities including, but not limited to, the following:

(a) The costs of maintenance, management, operation, repair and replacement of the Common Areas (including any Private Roads) and all other areas in the Property which are



managed or maintained by the Village Association other than those areas being managed or maintained through a "Village Special Assessment" or "Neighborhood Assessment",

- (b) Unpaid Village Assessments
- (c) The costs of maintenance by the Village Association of areas within the right-of-way of public streets in the vicinity of the Property which may be provided for in this Village Declaration or pursuant to agreements with the City,
- (d) The costs of managing and administering the Village Association including, but not limited to, compensation paid by the Village Association to managers, accountants, attorneys and employees,
- (e) The costs of utilities including, but not limited to, water, electricity, gas, sewer, and trash pickup and disposal services which are provided to the Village Association or the Property and not individually metered or assessed by Lot, landscaping maintenance, and other services which generally benefit and enhance the value and desirability of the Property and which are provided by the Village Association,
- (f) The costs of insurance maintained by the Village Association as permitted herein,
- (g) Reasonable reserves, as required or permitted herein, including any "Reserve for Capital Improvements", for contingencies, replacements and other proper purposes to meet anticipated costs and expenses including, but not limited to, repair and replacement of those Common Areas and Areas of Common Responsibility which must be repaired or replaced on a periodic basis,
- (h) The costs which the Board may elect to incur to bond the members of the Board, officers of the Village Association, any professional managing agent or any other Person handling the funds of the Village Association,
- (i) Taxes paid by the Village Association,
- (j) Amounts paid by the Village Association for discharge of any lien or encumbrance levied against all or any portion of the Common Areas or the Village Association's interest in any Areas of Common Responsibility,
- (k) Costs incurred by the "Design Review Committee", or by Developer in exercising its rights under Section 11 8,
- (l) Costs incurred by any other committees established by the Board or the President of the Village Association ("President"),
- (m) The costs of any patrols and operation of access control at entrances to the Property, and any other alarm systems or services installed, operated or contracted for by the Village Association, other than alarm service to individual Lots,



(n) The costs of, or the subsidization of, recreation, cultural, health-related or similar facilities or enterprises available to or for the benefit of all Owners, and

(o) Other expenses incurred by the Village Association for any reason whatsoever in connection with the Common Areas or Areas of Responsibility (excepting reconstruction costs and capital improvements as otherwise provided herein), or the costs of any other item or items designated by, or to be provided or performed by the Village Association pursuant to, this Village Declaration, the Articles, Bylaws, "Village Association Rules" or "Design Guidelines", or in furtherance of the purposes of the Village Association or in the discharge of any duties or powers of the Village Association

Common Expenses do not include costs of owning, administering, maintaining and operating the "Golf Club Facilities" described in Section 4

1 9 "Compound" means a consolidation of Lots by re-platting, or a re-platting of two or more contiguous Lots to permit a clustering or other relocation of dwellings. A Compound may have commonly owned amenities as permitted in Section 12 14, and in accordance with the Design Guidelines

1 10 "Condominium Association" means and refers to any condominium association which governs and controls any "Condominium Property"

1 11 "Condominium Declaration" means and refers to the condominium declaration establishing, governing and controlling a Condominium Property

1 12 "Condominium Property" means and refers to those portions of the Property which are developed and established from time to time as a condominium pursuant to the Arizona Condominium Act, A.R.S. §33-1201, et seq., as amended from time to time

1 13 "Condominium Unit" means and refer to any condominium unit created as part of any Condominium Property

1 14 "Default Rate of Interest" means 12% per annum, or such other rate as may be specified by the Board from time to time. Notwithstanding anything herein to the contrary, if, during any periods, the highest lawful rate of interest which may, under applicable law, be paid by the Person required to pay the Default Rate of Interest hereunder, despite the provisions hereof, is less than the rate provided above, the Default Rate of Interest payable during those periods shall be the highest lawful rate

1 15 "Design Guidelines" means the rules, regulations, restrictions, architectural standards and design guidelines from time to time adopted by the Design Review Committee, or by Developer prior to the "Transition Date", pursuant to Section 11 3

1 16 "Design Review Committee" means the committee provided for in Section 11 2

1 17 "Developer" means LONE TREE INVESTMENTS, LLC, an Arizona limited liability company, its successors and assigns, or any Person to whom Developer's rights



hereunder are hereafter assigned in whole or in part by recorded instrument, or any "Mortgagee" of Developer which acquires title to or succeeds to the interest of Developer in any Lot or other portion of the Property by reason of the foreclosure (or conveyance in lieu of foreclosure) or trustee's sale under the "Mortgage" of a Mortgagee. The term Developer, as used herein, shall include not only the named Developer but also any of the foregoing successors, assigns, assignees of right(s) and Mortgagees. An assignment by recorded instrument of all of Developer's rights shall vest in the assignee all of Developer's rights hereunder (including, but not limited to, all of Developer's easements, rights of consent or approval and voting rights) on the same terms that they were held by Developer hereunder. A recorded assignment of part of Developer's rights shall vest in the assignee the specific Developer's right(s) named in the instrument of assignment on the same terms they were held by Developer. Notwithstanding anything to the contrary herein, an assignment of all or any portion of Developer's rights shall not deprive the assignor of any protection, indemnity or freedom from liability that would otherwise exist under this Village Declaration if the assignor had retained all of Developer's rights hereunder.

1 18 "Golf Club Facilities" means the golf course (the "Golf Course") and related facilities (including the any golf practice facilities and related recreational and social facilities) to be constructed within the boundaries of the Property, and all improvements thereto, including any maintenance or other buildings constructed thereon.

1 19 "Golf Club Owner" means Developer, and its successors and assigns who from time to time own the Golf Club Facilities.

1 20 "Lot" means a subdivided lot as shown on the Plat or any future plat of subdivision of any tract shown on the Plat or other parcel which is added to or becomes part of the Property. The term "Lot" also includes a Condominium Unit. A "Lot" also includes the residential dwelling unit, garages, structures and other improvements constructed thereon or relating thereto, including limited common elements of a Condominium Unit.

1 21 "Majority of Members" means the Members holding more than 50% of the total votes entitled to be cast with respect to a given matter. Any specified fraction or percentage of the Members means the Members holding that fraction or percentage of the total votes entitled to be cast with respect to a given matter. A specified fraction or percentage "of all of the Members except Developer" means that fraction or percentage of the total votes of all Members other than Developer. Unless otherwise specified, any provision herein requiring the approval of the Members means the approval of a Majority of Members.

1 22 "Member" means every Person who is a member of the Village Association.

1 23 "Membership" means a membership in the Village Association but does not in any manner imply or refer to membership rights which may exist by contract with respect to the Golf Club Facilities.

1 24 "Mortgage" means any recorded, filed or otherwise perfected instrument given in good faith and for valuable consideration (which is not a fraudulent conveyance under Arizona



law) as security for the performance of an obligation including but not limited to a deed of trust, but shall not include any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code

1 25 "Mortgagee" means the holder of a note secured by a Mortgage, including the trustee and beneficiary under any deed of trust

1 26 "Mortgagor" means the party executing a Mortgage as obligor

1 27 "Neighborhood Assessment" means a charge against each Lot within a particular portion of the Property (a "Neighborhood"), representing the Lot's share of incremental costs incurred by the Village Association in connection with a particular feature or characteristic of, or service to, the Neighborhood which is substantially different from other Lots not within the Neighborhood (as determined from time to time by the Board)

1 28 "Occupant" means any Person, other than an Owner, in rightful possession of a Lot, whether an Owner's immediate family member, guest, tenant or other individual

1 29 "Owner" means the record owner of fee simple title to any Lot or Tract which is a part of the Property, whether or not title is held by more than one Person or is subject to a Mortgage. The term also includes Condominium Associations to the extent of their control over Condominium Property and contract sellers, but excludes those having an interest in a Lot merely as security for the performance of an obligation. If a Lot is subject to a deed of trust as described in Arizona Revised Statutes, Section 33-801 et. seq., legal title shall be deemed to be in the trustor under the deed of trust

1 30 "Parcel" means the parcels and tracts of real property referred to in the recitals hereof and described in Exhibit "A" hereto

1 31 "Person" means an individual, corporation, partnership, limited liability company, trustee or other entity capable of holding title to real property, and their respective heirs, successors and assigns

1 32 "Plat" means the plat of subdivision which includes the Parcel thereon recorded in the official records of Coconino County, Arizona, on 11-22-02, 2002, in Book 8 of Maps and Plats, at page _____, and as thereafter from time to time amended or supplemented, together with all subsequently recorded plats for real property annexed to the Property

1 33 "Private Road" means any street or roadway within the Property which has not expressly been dedicated to public use

1 34 "Property" means the Parcel and any additional real property made subject to this Village Declaration by annexation pursuant to Section 14, together with all buildings, improvements and other permanent fixtures of whatever kind now or hereafter located thereon, and all easements, rights, appurtenances and privileges belonging or in any way pertaining



thereto The Property shall not include the Golf Club Facilities or any other property (other than the Parcel), unless and until the property is annexed hereto pursuant to Section 14

1 35 "Proportionate Share" means (a) in the case of Neighborhood Assessments, that fraction wherein the numerator is one and the denominator is the total number of Lots in the applicable Neighborhood, and (b) in all other cases, that fraction wherein the numerator is one and the denominator is the sum of the total number of Lots

1 36 "Related Party" means any member in Developer and any member partner, trustee, officer, director, shareholder, employee or similar Person holding an interest or position in Developer or in any member in Developer, and their successors and assigns

1 37 "Reserve for Capital Improvements" means a reserve established pursuant to Section 6 15, for repair and replacement of capital assets and similar property, and other proper purposes to meet anticipated costs and expenses including, but not limited to, repair and replacement of those Common Areas or Areas of Common Responsibility which must be repaired or replaced on a periodic basis

1 38 "Supplemental Village Declaration" means a declaration of covenants, conditions and restrictions, or similar instrument, annexing additional real property to the Property and subjecting the annexed real property to this Village Declaration as provided in Section 14 A Supplemental Village Declaration may contain such additional or different provisions as may be appropriate for the real property being annexed so long as any such additional or different terms are not materially in conflict with the general plan of development established by this Village Declaration for the rest of the Property

1 39 "Tract" or "Tracts" means a tract or tracts established by or shown on the Plat and which are now or hereafter part of the Property

1 40 "Transition Date" means 20 years from the date hereof or such earlier date as (a) neither Developer nor any Related Party owns fee title or beneficial title to any portion of the Property, or (b) Developer voluntarily turns over control of the Village Association to the Owners

1 41 "Village Assessments" or "Assessments" shall include the following

1 41 1 "Village Regular Assessment" means the amount which is to be paid by each Owner as the Owner's Proportionate Share of the Common Expenses of the Village Association, as provided in Section 6 4, and any applicable Neighborhood Assessments

1 41 2 "Village Special Assessment" means a charge against a particular Owner or Lot, directly attributable to the Owner or Lot, to reimburse the Village Association for costs incurred in bringing the Owner or the Lot into compliance with the provisions of this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines, or any other charge designated as a Village Special Assessment in this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines, together with attorneys' fees and other



charges payable by the Owner or chargeable to the Lot pursuant to the provisions of this Village Declaration, as provided in Section 6 5

1 41 3 "Village Reconstruction Assessment" or "Reconstruction Assessment" means the amount which is to be paid by each Owner representing the Owner's Proportionate Share of the cost to the Village Association for reconstruction of any portion of the Common Areas or the Village Association's interest in any Areas of Common Responsibility, as provided in Section 3

1 41 4 "Village Capital Improvement Assessment" means the amount which is to be paid by each Owner representing the Owner's Proportionate Share of the cost to the Village Association for the installation or construction of any capital improvements on any of the Common Areas or Areas of Common Responsibility which the Village Association may from time to time authorize pursuant to the provisions of Section 6 6

1 42 "Village Association" means PC Village Association, Inc . an Arizona nonprofit corporation, (or a similarly named entity), its successors and assigns

1 43 "Village Association Rules" means the rules and regulations adopted by the Board pursuant to Section 3 10

1 44 "Village Declaration" means this instrument, as from time to time amended

1 45 "Visible from Neighboring Property" means, with respect to any given object, that it is visible to an individual six feet tall (without artificial vision enhancement devices), standing on any part of the Property or the Golf Club Facilities at an elevation no greater than ground level where the object is located

2 Rights of Enjoyment

2 1 Owners' Right of Enjoyment

Every Owner and Occupant shall have a non-exclusive easement for use and enjoyment of the Common Areas, subject to all of the easements, covenants, conditions, restrictions and other provisions contained in this Village Declaration including, but not limited to, the following provisions

2 1 1 The right of the Village Association to limit the number of guests of Owners and Occupants and to limit the use of the Common Areas by Persons who are not Owners, but who are in possession of a Lot or own a portion of, or less than the entire ownership interest of, a Lot

2 1 2 The right of the Village Association to establish reasonable rules and regulations pertaining to or restricting the use of the Common Areas by Owners, Occupants and other Persons, including restricting certain areas to drainage, utility or similar uses



2 1 3 The right of the Village Association to borrow money for the purpose of improving, replacing, restoring or expanding the Common Areas or Areas of Common Responsibility, or adding new Common Areas or Areas of Common Responsibility, and the right to mortgage the Common Areas and the Village Association's interest in any Areas of Common Responsibility, provided that the rights of any lender shall be subordinated to the rights of the Owners

2 1 4 The right of the Village Association to suspend an Owner, Occupant and any other Person (including, but not limited to, a member of the family of an Owner or Occupant) from use of the Common Areas (or any designated portion thereof) during any time in which any Village Assessment attributable to the Owner or the Owner's Lot remains unpaid and delinquent, or for a period not to exceed 60 days for any single infraction of the Village Association Rules or breach of this Village Declaration, and up to one year for any subsequent violation of the same or similar provision of the Village Association Rules or this Village Declaration Any suspension of a Person's right to use the Common Areas, except for failure to pay Village Assessments, shall be made only by the Board or a duly appointed committee thereof, after notice and an opportunity for a hearing in accordance with Village Association Rules and any applicable law Notwithstanding the foregoing, the Village Association shall not have the right to suspend any Owner's right to use any portion of the Property (including Private Roads) necessary for the Owner to gain access to his Lot

2 2 Delegation of Use

An Owner may delegate his right of use and enjoyment of the Common Areas to Occupants of his Lot, or to his guests, or to any other Person, only as permitted by the Village Association Rules An Owner's right to use and enjoy the Common Areas shall be appurtenant to and shall pass with title to his Lot

2 3 Waiver of Use

No Owner may exempt himself and no Owner shall be exempt, from personal liability for Village Assessments or release any Lot owned by him from the liens, charges and other provisions of this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines, by voluntary waiver of, or suspension or restriction of the Owner's right to, the use and enjoyment of the Common Areas, or the abandonment of the Owner's Lot

3 Village Association

3 1 Purpose of Village Association

The Village Association has been, or will be, incorporated as a nonprofit corporation to serve as the governing body for all of the Owners for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of the Property, the assessment of expenses, payment of losses, disposition of casualty insurance proceeds payment of ad valorem taxes on Common Areas, and other matters as provided in this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines The Village Association shall



not be deemed to be conducting a business of any kind and all funds received by the Village Association shall be held and applied by it for the Owners in accordance with the provisions of this Village Declaration, the Articles and the Bylaws

3 2 Membership in Village Association

Except as provided in Sections 3 5 and 3 17, there shall be one Membership in the Village Association with one Membership vote for each Lot Each Membership shall be entitled to one vote on each matter to be decided by the Members If the Owner of a Lot is other than one individual, each individual and entity comprising the Owner shall be considered a Member but the number of Memberships or votes attributable to the Lot shall not be increased by the fact of multiple ownership In the case of multiple ownership, the Owner shall give the Village Association notice identifying the individual who is entitled to cast the Membership vote for the Lot In the absence of such a notice, Village Assessments shall nevertheless be charged against the Lot and the Owner thereof but there shall be no right to cast the Membership vote The individual entitled to cast the Membership vote must be an Owner, or, if the Owner is or includes a Person other than an individual, must be an individual who is (a) a member of the limited liability company, if the Owner is or includes a limited liability company, or (b) a partner in the partnership, if the Owner is or includes a partnership, or (c) an officer of the corporation, if the Owner is or includes a corporation, or (d) a beneficiary of the trust, if the Owner is or includes a trust, or (e) an owner of the entity, if the Owner is or includes a Person other than an individual, a limited liability company, a partnership, a corporation or a trust The individual as so specified, shall be the only Person entitled to vote for the Owner of the Lot at Village Association meetings and elections An Owner may change the individual who is designated for his Lot, provided the individual is eligible to cast the Membership vote hereunder The Board may establish reasonable processing fees and reasonable procedures for changing the designated individual including rules governing the manner and frequency in which designations can be made An Owner shall remain a Member of the Village Association until he ceases to be an Owner, at which time his Membership in the Village Association shall automatically cease

3 3 Suspension of Voting Rights

No Owner shall be entitled to exercise any voting rights as a Member in the Village Association during any period in which the Owner is delinquent in the payment of any Village Assessments

3 4 Pledge of Voting Rights

Notwithstanding the foregoing, in the event that an Owner has granted an irrevocable proxy or otherwise pledged the voting right appurtenant to his Lot to a Mortgagee as additional security, only the vote of the Mortgagee will be recognized in regard to the designated matters if a copy of the proxy or other instrument pledging the vote has been filed with the Village Association In the event that more than one proxy or pledge has been filed, the Village Association shall recognize the rights of the first Mortgagee to file, regardless of the priority of the Mortgagees themselves



3 5 Assignment of Developer's Voting Rights

If any lender to whom Developer has assigned, or hereafter assigns, all or substantially all of its rights under this Village Declaration as security succeeds to the interests of Developer by virtue of the assignment, the absolute control rights of Developer provided for in Section 3 17 shall not be terminated by the assignment, and the lender shall hold Developer's Memberships and rights on the same terms as they were held by Developer pursuant hereto

3 6 Board of Directors

3 6 1 The affairs of the Village Association shall be conducted by the Board as provided herein and in accordance with the Articles and Bylaws Except for directors appointed by Developer, each director shall be an individual qualified under Section 3 2 to cast votes for a Membership If a director ceases to meet these qualifications during his term, he will automatically cease to be a director and his place on the Board shall be deemed vacant Unless the vote or consent of the Members is expressly required hereunder, any action required or permitted to be taken by the Village Association shall be satisfied or taken by the Board

3 6 2 Developer shall have the absolute power and right to appoint and remove the members of the Board until the Transition Date After the Transition Date, the Members of the Village Association shall have the power and right to elect and remove the members of the Board as provided in the Articles and Bylaws Developer may (but shall not be required to) relinquish its rights under this Section prior to the Transition Date by recording a notice of relinquishment Developer may also allow Members of the Village Association to elect one or more members of the Board from time to time before the Transition Date without relinquishing the absolute power to appoint and remove directors provided for in this Section

3 7 Board's Determination Binding

Subject to the provisions of Section 15, in the event of any dispute or disagreement between or among any Owners, Members, or any other Persons subject to this Village Declaration, relating to the Property, or any question of interpretation or application of the provisions of this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines, then (subject to any judicial decision by a court of competent jurisdiction) the determination thereof by the Board shall be final and binding on each Owner, Member or other Person subject to this Village Declaration The Board, at its election, may delegate the resolution of any such dispute or disagreement to the President or a committee appointed by the Board

3 8 Approval of Members

Unless elsewhere otherwise specifically provided in this Village Declaration, the Articles or Bylaws, any provision of this Village Declaration, the Articles or Bylaws which requires the vote or written assent of the Members of the Village Association shall be deemed satisfied by the following



(a) The vote in person or by proxy of the specified percentage of Members at a meeting duly called and noticed pursuant to the provisions of the Articles or Bylaws dealing with annual or special meetings of the Members

(b) Written consents signed by the specified percentage of Members as provided in the Bylaws following notice to all Members

(c) If no percentage of Members is otherwise specified then the vote or written assent of a Majority of Members shall be required

3 9 Additional Provisions in Articles and Bylaws

The Articles and Bylaws may contain any provision relating to the conduct of the affairs of the Village Association and the rights and powers of its directors, officers, employees, agents and members not inconsistent with law or this Village Declaration

3 10 Village Association Rules

The Board shall be empowered to adopt, amend or repeal rules and regulations which it deems reasonable and appropriate (the "Village Association Rules"), binding upon all Persons subject to this Village Declaration and governing the use and/or occupancy of the Common Areas or any other part of the Property. The Village Association Rules may establish a system of fines and penalties enforceable as Village Special Assessments. The Village Association Rules shall govern all matters pertaining to the purposes of the Village Association including, but not limited to, the use of the Common Areas, provided, however, that the Village Association Rules may not discriminate among similarly situated Owners except as expressly provided or permitted herein, and shall not be inconsistent with this Village Declaration, the Articles, Bylaws or Design Guidelines. The Village Association Rules shall have the same force and effect as if they were set forth in and were part of this Village Declaration and shall be binding on the Owners, and all other Persons having any interest in, or making any use of, the Property, whether or not actually received thereby. The Village Association Rules, as adopted and amended, shall be available at the principal office of the Village Association to each Owner and other Person reasonably entitled thereto, upon request. In the event of any conflict between any provision of the Village Association Rules and any provisions of this Village Declaration, or the Articles, Bylaws or Design Guidelines, the provisions of the Village Association Rules shall be deemed to be superseded by the provisions of this Village Declaration, the Articles, Bylaws or Design Guidelines to the extent of the conflict. Additional rules and regulations may be adopted by Condominium Associations or other homeowners associations which are to apply only to the Condominium Property or other portions of the Property, as applicable, relating thereto.

3 11 Indemnification

To the fullest extent permitted by law, every director and every officer of the Village Association, and the members of the Design Review Committee and Developer (to the extent a claim may be brought against Developer by reason of its appointment, removal or control over members of the Board or the Design Review Committee) shall be indemnified by the Village



Association, and every other individual serving as an employee or direct agent of the Village Association, or on behalf of the Village Association as a member of a committee or otherwise, may in the discretion of the Board, be indemnified by the Village Association, against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having served in such capacity on behalf of the Village Association (or in the case of Developer by reason of having appointed, removed or controlled or failed to control members of the Board or the Design Review Committee), or any settlement thereof, whether or not he is a director, officer or member of the Design Review Committee or serving in such other specified capacity at the time the expenses are incurred, provided that the Board determines, in good faith, that the officer, director member of the Design Review Committee or other individual, or Developer, did not act, fail to act, or refuse to act willfully or with gross negligence or fraudulent or criminal intent in the performance of his duties. These rights of indemnification shall be in addition to and not exclusive of all other rights to which those individuals may be entitled at law or otherwise.

3 12 Non-Liability of Officials

To the fullest extent permitted by law, Developer, the Board, the Design Review Committee and other committees of the Village Association, and each member thereof, each director and officer of the Village Association, shall be free from liability to any Member, Owner, Occupant, the Village Association or any other Person for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, inaction, omission, error, negligence or the like made in good faith and which Developer, the Board, or any committee or other individual reasonably believed to be within the scope of their respective duties.

3 13 Easements

In addition to the other easements granted hereunder, the Village Association is authorized and empowered to grant permits, licenses, easements and rights-of-way upon, across or under real property owned or controlled by the Village Association for sewer lines, water lines, underground conduits, storm drains, television cable and other similar public or private utility purposes, roadways or other purposes as may be reasonably necessary and appropriate or for the development, maintenance or preservation of the Common Areas or Areas of Common Responsibility, or for the preservation of the health, safety, convenience or welfare of the Owners, provided that any damage to a Lot resulting from a grant of any of the foregoing rights shall be repaired by the grantee at its expense.

3 14 Accounting

The Village Association shall keep, or cause to be kept, true and correct records of account in accordance with generally accepted accounting principles. The Village Association's records shall specify in reasonable detail all expenses incurred and funds accumulated from Village Assessments or otherwise. The Village Association shall cause the books and records of



the Village Association to be audited on an annual basis by an accounting firm selected by the Board

3.15 Records

Upon reasonable written request and during reasonable business hours, the Village Association shall make the books, records and financial statements of the Village Association available for inspection by each Owner, at the Village Association's office, together with current copies of this Village Declaration and the Articles, Bylaws, Village Association Rules and Design Guidelines. Notwithstanding the foregoing to the contrary, until the Transition Date, the Village Association shall not be required to make its books and records available for inspection except as required by law. Developer shall be under no obligation to make its own books or records available for inspection by any Owner or other Person.

3.16 Managing Agent

All powers, duties and rights of the Village Association, the President and the Board, as provided by law and herein, may be delegated to a managing agent under a management agreement, provided, however, that no delegation shall relieve the Village Association of its obligation to cause the delegated duty to be performed.

3.17 Developer's Control of Village Association

Notwithstanding anything in this Village Declaration to the contrary, Developer shall maintain absolute control over the Village Association, including appointment of the President and the members of the Board, until the Transition Date. In addition, until the Transition Date, Developer shall have exclusive jurisdiction over architectural and design matters and shall be entitled to exercise the architectural and design review powers reserved to Developer under this Village Declaration as provided in Section 11.8. Until the Transition Date, only Developer will be entitled to cast any vote with respect to any matter requiring the approval of the Members except referendums of the Members with respect to certain provisions of this Village Declaration as set forth in Sections 6.8, 6.19, 8.3, and 17.4. Developer voluntarily may (but shall not be required to) permit the Members to assume control of the Village Association at any time. Developer may also allow the Members to vote on particular matters without relinquishing Developer's absolute control of the Village Association.

4 Golf Club Facilities

4.1 General

The Golf Club Facilities are not Common Areas and are not subject to this Village Declaration, and no provision of this Village Declaration gives, or shall be deemed to give, any Owner or Occupant the right to use the Golf Club Facilities. Rights to use the Golf Club Facilities will be granted only to those Persons, and on those terms and conditions, as may be determined from time to time by the Golf Club Owner. By way of example, but not limitation, the Golf Club Owner shall have the right to approve users and determine eligibility for use, to



reserve use rights, to transfer any or all of the Golf Club Facilities or operation thereof to anyone and on any terms, to limit availability of use privileges, and to require the payment of a purchase price, a membership contribution, an initiation fee, a membership deposit, dues, and/or use charges. Each Owner and Occupant hereby acknowledges that no right to the use or enjoyment of the Golf Club Facilities arises from ownership or occupancy of a Lot but arises, if at all, only from a membership agreement or other similar agreement with the Golf Club Owner. The Golf Club Owner shall have the right, from time to time at its sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Golf Club Facilities for any Person who becomes a member of the Golf Club Facilities, or is granted the right to use the same thereafter, including, but not limited to, eligibility for and duration of use rights, categories of use, extent of use privileges, and number of users. The Golf Club Owner shall also have the right, at its sole and absolute discretion and without notice, to reserve use rights and to terminate use rights altogether, subject to the provisions of any outstanding membership or other documents.

4.2 Jurisdiction and Cooperation

It is Developer's intention that the Village Association and the Golf Club Owner cooperate to the maximum extent feasible in the separate operations of the Property and the Golf Club Facilities. Neither Developer, the Design Review Committee nor the Village Association shall approve or permit any construction, addition, alteration, change or installation on or to any portion of the Property which is adjacent to, or otherwise in the direct line of sight of the Golf Club Facilities, without the prior written consent of the Golf Club Owner. If any change requiring the consent of the Golf Club Owner is proposed, prior written notice of thereof shall be delivered to the Golf Club Owner. If the Golf Club Owner does not approve the proposed construction, addition, alteration, change or installation within 15 business days following receipt of the notice, the request for approval shall be deemed denied. The Village Association shall have no power to promulgate rules and regulations affecting activities on or use of the Golf Club Facilities without the prior written consent of the Golf Club Owner, which may be withheld in its sole and absolute discretion.

4.3 Ownership of Golf Club Facilities

Each Owner and Occupant hereby acknowledges that no representations or warranties have been or are made by Developer or any other Person with regard to the use of, or the nature or size of improvement to, or the continuing ownership or operation of the Golf Club Facilities except to the extent that they may be set forth in written membership agreements or a written membership plan promulgated by the Golf Club Owner or other documentation executed thereby. No representation or warranty of Developer regarding the foregoing matters shall be effective unless in writing and signed by Developer. It is not contemplated that the Golf Club Facilities will be annexed to the Property and thereby subjected to this Village Declaration.

4.4 No Assessments, Golf Club Charges

Notwithstanding any other provision of this Village Declaration, the Golf Club Owner shall not pay any Village Assessments under this Village Declaration, and the Golf Club



Facilities shall be completely exempt from any of the provisions of this Village Declaration pertaining to the payment of Village Assessments and liens in favor of the Village Association. If the Golf Club Owner enters into a cost-sharing (or similar) agreement with the Village Association requiring a contribution by the Golf Club Owner toward the costs of maintenance and repair of those Common Areas used by the Golf Club Owner, payments due thereunder may be enforced only by an action at law to collect the debt. Use of Common Areas provided for herein may not be denied or limited as a way of collecting sums owed or of enforcing other terms and conditions of this Village Declaration or any cost-sharing (or similar) agreement with the Golf Club Owner.

4.5 Golf Club Facilities Easements

4.5.1 There are hereby established non-exclusive easements over the Common Areas for ingress and egress, utilities, and other purposes reasonably necessary or convenient to the development, maintenance, preservation, administration, advertisement, or operation of the Golf Club Facilities and the sale of memberships to, or the grant of rights to use, the Golf Club Facilities. The easements created by this Section shall be in favor of the Golf Club Owner, the members of the Golf Club Facilities (regardless of whether the members are Owners), others who are granted rights to use the Golf Club Facilities, and all of their guests and invitees, licensees, and the employees, agents, contractors and designees of the Golf Club Owner, and shall be appurtenant to the Golf Club Facilities. The easements created by this Section shall include, but are not limited to, easements for the installation, operation, maintenance, repair, replacement, monitoring and controlling of irrigation systems and equipment (including wells, pumps, and pipelines), utility lines, wires, and drainage pipelines, and for ingress and egress for storage and maintenance vehicles and equipment, including transportation of chemicals and other items.

4.5.2 The easement for ingress and egress established by this Section shall include the use of the Common Areas (including access through control points) as reasonably necessary to travel from the entrance to the Property to the Golf Club Facilities and to and from portions of the Golf Course to other portions of the Golf Course, including in connection with public or private functions held at the Golf Club Facilities. Without limiting the generality of the foregoing, the Golf Club Owner, members of the Golf Club Facilities, others who are granted rights to use the Golf Club Facilities, and all of their guests and invitees, licensees and permitted members of the public shall have the right to park their vehicles on the Private Roads at reasonable times before, during, and after tournaments and other similar functions or other events held at the Golf Club Facilities. The easement created in this Section includes the right of golfers playing the Golf Course to drive their golf carts along or across the Private Roads within the Property during play (but not as transportation to or from a Lot in the Property prior to or after play).

4.5.3 In no event shall the Village Association exercise its authority over the Common Areas (including, but not limited to, entrances and similar controls on access to the Property) in any manner that would deny or impede access to the Golf Club Facilities, including through access control points and other security points, or to otherwise materially frustrate the rights of the Golf Club Owner and its guests, invitees, licensees, employees, agents, contractors,



and designees to use the Common Areas as provided in this Village Declaration. Except as otherwise provided in Section 4.4, no fees or other charges shall be imposed on the Golf Club Owner or its members, others who are granted rights to use the Golf Club Facilities or their guests for the use by the Golf Club Owner or its guests, invitees, licensees, employees, agents, contractors, and designees of the Common Areas. The Village Association shall not establish or change the hours of operation of any security point without the prior written consent of the Golf Club Owner.

4.5.4 The Golf Club Facilities shall have an easement over, upon and across every Lot and the Common Area permitting errant golf balls to pass over or land upon the Lots and Common Areas and for golfers at reasonable times and in a reasonable manner to enter upon the Common Areas or the exterior portions of a Lot to retrieve errant golf balls, provided, however, if any Lot or Common Area is fenced or walled, the golfer shall seek the Owner's (in the case of a Lot) or the Village Association's (in the case of Common Area) permission before entry. The existence of the foregoing easement shall not relieve golfers of liability, if any, which may exist under Arizona law for damage caused by errant golf balls. Neither the Village Association, its Members, others who are granted rights to use the Golf Club Facilities, the Golf Club Owner, nor Developer, any Related Party or their respective members, partners, officers, directors or shareholders shall be liable for any damage or injury resulting from errant golf balls or the exercise of this easement. Each Owner, by acceptance of a deed or other conveyance of an interest in a Lot, is deemed to agree and covenant not to make any claim or institute any action whatsoever against Developer, the Village Association, the Golf Course Owner, or the Golf Course designer arising or resulting from any errant golf balls, any damage that may be caused thereby, or for negligent design of the Golf Course or the location of any Lot.

4.5.5 The Lots and Common Areas adjacent to the Golf Club Facilities are hereby subjected to a non-exclusive easement in favor of the Golf Club Facilities for overspray of water from any irrigation system serving the Golf Club Facilities. Under no circumstances shall the Village Association, Developer, any Related Party or the Golf Club Owner be held liable for any damage or injury resulting from overspray or the exercise of the foregoing easement.

4.6 Assumption of Risk

Each Owner and Occupant expressly assumes the risk of noise, personal injury and property damage and any other condition caused by the existence of the Golf Club Facilities or caused by the maintenance or operation of the Golf Club Facilities including, but not limited to (a) noise from maintenance equipment, (b) noise caused by golfers, (c) use of pesticides, herbicides, fertilizers and effluent, (d) view restrictions caused by maturation of trees and shrubbery, (e) reduction in privacy caused by golf traffic on the Golf Course or the removal or pruning of shrubbery or trees on the Golf Course, (f) design of the Golf Course, and (g) the possibility of golf balls entering the property adjacent to the Golf Club Facilities and causing damage to property and injury to persons. Each Owner and Occupant acknowledges that maintenance of the Golf Course typically takes place around sunset or sunrise. Each Owner and Occupant agrees that neither Developer, the Village Association, any Related Party, any agents of Developer, nor any other entity owning or managing the Golf Course or supplying equipment, materials or services to the Golf Course shall be liable to Owner or any other Person claiming



any loss or damage including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction or property, trespass, loss of enjoyment or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of Owner's Lot to the Golf Club Facilities including, but not limited to, any claim arising in whole or in part from the negligence of Developer, the Village Association, the Golf Club Owner or any other entity owning or managing the Golf Course

5 Easements

5.1 Blanket Easements

A blanket easement is hereby created upon, across, over and under the Property for ingress and egress (over roadways existing from time to time), and for installing, constructing, replacing, repairing, maintaining and operating all utilities including, but not limited to, water, sewer, gas, telephone, electricity, television cable, security systems, and communication lines and systems, and in addition thereto for the use of emergency vehicles of all types. By virtue of the easement, it shall be expressly permissible for the utility provider to erect (including, but not limited to, underground installation) and maintain the necessary facilities, wires, circuits, conduits, cables and related appurtenances, facilities and equipment on the Property. Notwithstanding anything to the contrary contained in this Section, no easements shall be created nor shall any sewers, electrical lines, water lines or other facilities for utilities be installed or relocated except as initially created and approved by Developer or thereafter created or approved by the Developer of the Village Association. This provision shall in no way affect any other recorded easements on the Property.

5.2 Use of Common Areas

Except for the use limitations provided in this Section and in the Sections titled Owners Right of Enjoyment and Exclusive Use Rights, each Owner shall have the non-exclusive right to use the Common Areas in common with all other Owners as required for the purposes of access and ingress and egress to (and use, occupancy and enjoyment of) any Lot owned by the Owner or other Common Areas available for the use of the Owner. This right to use the Common Areas for purposes of access and ingress and egress shall, subject to the Village Association Rules, extend to each Owner, Occupant and the agents, servants, tenants, family members and invitees and licensees of each Owner. The right to use the Common Areas shall be perpetual and appurtenant to each Lot, but shall be subject to and governed by the provisions of this Village Declaration, the Articles, Bylaws and Village Association Rules, and the reasonable limitations and restrictions as are from time to time contained therein. The Board may limit or restrict the right of Owners and other Persons to use portions of the Common Area which exist for the benefit of the Village Association but which, by their nature, are not intended for access and ingress and egress including, but not limited to, drainage, utility or similar easements or rights.

5.3 Exclusive Use Rights

Certain portions of the Common Areas may be reserved by the Board for the exclusive control, possession and use of the Owner of a Lot. If any portion of the Common Area serves as



access to and from two Lots, the Owners of the two Lots shall have joint control, possession and exclusive use of the portion of the Common Area which reasonably serves both Lots. The exclusive use rights created herein are subject to the blanket easement maintenance, and architectural and landscape control provisions contained in this Village Declaration and to any reasonable rules and regulations the Board may promulgate from time to time with respect to possession, control, use and maintenance. Easements are hereby created in favor of and running with each Lot having a portion of the Common Area reserved exclusively therefor in accordance with the provisions hereof. Each Owner, by accepting title to a Lot, shall be deemed to have further ratified the easements and rights to exclusive use created by this Section 5 J.

5.4 Perimeter Wall Easement

There is hereby created an affirmative easement in favor of Developer, each Related Party, the Village Association, and their employees, invitees, licensees and agents, upon, over and across each Lot adjacent to the perimeter boundaries of the Property for reasonable ingress, egress, installation, replacement, maintenance and repair of any perimeter wall which Developer or the Village Association elects to locate along a perimeter boundary of the Property.

5.5 Developer Easement

There is hereby created an affirmative, non-exclusive easement in favor of Developer, Related Parties, and their employees, agents, invitees, licensees, contractors and guests, and appurtenant to the portions of the Property owned by Developer or a Related Party, for ingress and egress over, and unrestricted right of entry and use of, all Common Areas, including, but not limited to, Private Roads (including access through any control points), and for the right to go over, under and across, and to enter and remain upon all Common Areas and all unoccupied Lots for all purposes reasonably related to Developer's rights and obligations hereunder and to the development, management, administration, operation, maintenance, advertisement and sale or rental of the portions of the Property owned by Developer or any Related Party. The easement created in this Section 5.5 shall continue until the day upon which neither Developer nor any Related Party has any interest in any portion of the Property.

5.6 Internal Trail Easement

There is hereby created an affirmative, non-exclusive easement in favor of Developer, each Related Party, the Village Association, each Owner, each Occupant, and all of their respective employees, invitees, licensees and agents, upon, over and across that portion of (a) each Lot which is within ten (10) feet of Clubhouse Circle (defined herein as Tract B as shown on the Plat), (b) all other portions of the Property which are within ten (10) feet of Clubhouse Circle, and (c) all portions of the Golf Course which are within ten (10) feet of Clubhouse Circle, for trail and related recreational purposes only. Clubhouse Circle is the loop road shown on the Plat. Except in connection with the maintenance and construction of said trail, no motorized vehicles shall be permitted on said trail. Use of said trail shall also be subject to all Village Association Rules relating thereto as they may be established from time to time.



5 7 Shared Driveway Access Easement

Each access easement shown on the Plat and located within the boundaries of a Lot shall be non-exclusive and for the benefit of the contiguous Lot served thereby only each Owner and Occupant thereof, and all of their respective employees, invitees, licensees and agents, and by acceptance of a deed or other conveyance of an interest in a Lot, each Owner acknowledges and consents to such easement

5 8 Specific Public Utility Easement

There is hereby created a non-exclusive easement for the sole and limited purpose of installing, constructing, replacing, repairing, maintaining and operating all utilities including, but not limited to, water, sewer, gas, telephone, electricity, television cable, security systems, and communication lines and systems, upon, over and across that portion of (a) each Lot which is within ten (10) feet of Clubhouse Circle, (b) all other portions of the Property which are within ten (10) feet of Clubhouse Circle, and (c) all portions of the Golf Course which are within ten (10) feet of Clubhouse Circle. Notwithstanding anything to the contrary contained in this Section, no easements shall be created nor shall any sewers, electrical lines, water lines or other facilities for utilities be installed or relocated except as initially created and approved by Developer or thereafter created or approved by the Developer of the Village Association. This provision shall in no way affect any other recorded easements on the Property

6 Assessments

6 1 Village Assessments in General

This Village Declaration provides for Village Assessments which are payable by all Owners

6 2 Creation of Lien and Personal Obligation

Each Owner, by acceptance of a deed or other conveyance of an interest in a Lot, is deemed to covenant and agree to pay to the Village Association Village Regular Assessments, Village Special Assessments, Village Capital Improvement Assessments, if applicable, Reconstruction Assessments, if applicable, and Neighborhood Assessments, if applicable. All Assessments shall be established and collected from time to time as provided in this Village Declaration. All Assessments, together with interest thereon, late charges, attorneys' fees and court costs, and other costs of collection thereof, as herein provided, shall be a continuing lien upon the Owner's Lot (or combined Lots as provided in Section 12 14) against which the Village Assessments are made. Each Village Assessment, together with interest and other costs, shall also be the personal obligation of the Owner to whom the Village Assessment relates. The personal obligation for delinquent payments shall not pass to an Owner's successor unless expressly assumed thereby



6 3 Purpose of Assessments

The Village Assessments levied by the Village Association shall be used to promote the recreation, health, safety, and welfare of the Owners, to enhance the quality of life within the Property, to preserve the value of the Property, and to pay the costs of administration of the Village Association and all other Common Expenses. Where a Lot has separate gas, electrical sewer or other similar utility service, the cost of the service shall be the personal obligation of the Owner of the Lot. Maintenance of utility service lines wherever located serving a single Lot shall be the responsibility of the Owner of the Lot.

6 4 Village Regular Assessments

6 4 1 Except as otherwise specifically provided herein, each Owner's Village Regular Assessment shall be the Owner's Proportionate Share of the Common Expenses and any applicable Neighborhood Assessment.

6 4 2 Not later than 60 days prior to the beginning of each fiscal year of the Village Association after Village Assessments commence, the Village Association shall make a pro forma operating statement or budget for the upcoming fiscal year available for review by each Owner at the Village Association's office during reasonable times. The pro forma operating statement or budget shall, among other things, estimate the total Common Expenses to be incurred for the fiscal year. The Village Association shall at that time determine the amount of the Village Regular Assessment to be paid by each Owner and notify the Owner. Each Owner shall thereafter pay his Village Regular Assessment to the Village Association in installments. Each installment shall be due and payable on the date set forth in the written notice sent to Owners. Unless otherwise determined by the Board, Village Regular Assessments shall be payable monthly.

6 4 3 If the Village Association determines that the total Village Regular Assessments for the current year are, or will become, inadequate to meet all Common Expenses for any reason, including Common Expenses in excess of the estimated Common Expenses used in preparation of the Village Association's budget for that year, the Village Association shall immediately determine the approximate amount of the inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of Village Regular Assessments to be paid by each Owner for the balance of the year, and the date or dates when due. If the estimated total Village Regular Assessments for the current year prove to be excessive in light of the actual Common Expenses, the Village Association may, at the discretion of the Board, retain the excess as additional working capital or reserves, reduce the amount of the Village Regular Assessments for the succeeding year, or abate collection of Village Regular Assessments for a period of time deemed appropriate by the Board, or elect any combination of the foregoing. No reduction or abatement of Village Regular Assessments because of any anticipated surplus may diminish the quantity or quality of services upon which the Common Expenses for the year in question are based.

6 4 4 In no event shall the Board increase Village Regular Assessments payable by Lots by more than the greater of (a) 20% of the Village Regular Assessments for the



preceding year or (b) the increase during the preceding year of the Consumer Price Index for All Urban Consumers - US Cities Average - All Items (the "CPI") published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100), from one fiscal year to the next without a vote or written consent by a Majority of Members unless required or requested by the Developer (so long as Developer or any Related Party owns any Lot within the Property) In the event the Bureau of Labor Statistics ceases to publish the CPI and such information is not available from any other source, public or private, then a new formula for determining the maximum annual increase without a vote or written consent of the Members shall be adopted by the Board

6.5 Village Special Assessments

Village Special Assessments shall be levied by the Village Association against an Owner and his Lot to compensate the Village Association for

6.5.1 Costs incurred in bringing an Owner and his Lot into compliance with the provisions of this Village Declaration, or the Articles, Bylaws, Village Association Rules or Design Guidelines,

6.5.2 Any increased maintenance costs to the Village Association caused by the use or treatment of the Owner's Lot by the Owner or Occupant, or any guest, family member, invitee, licensee or other Person present on the Lot with the consent of the Owner or Occupant,

6.5.3 Any other charge designated as a Village Special Assessment in this Village Declaration, the Articles, Bylaws, Village Association Rules or the Design Guidelines,

6.5.4 Fines levied or fixed by the Board under Section 11.10 or as otherwise provided herein, and

6.5.5 Attorneys' fees, interest and other costs or charges provided to be paid as, or which are incurred in connection with, a Village Special Assessment in accordance with this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines

Notwithstanding any other provision hereof, the Village Association, through the Board, shall have the authority to identify a single source of material or service providers for the entire Property and all of the Owners. Upon notice from time to time from the Board to the Owners, the Owners shall only utilize the material or service provider identified by the Board and each Owner shall, as determined by the Board, either pay for the materials or services therefrom directly to said material or service provider and be responsible for all charges relating thereto or, the costs thereof shall be a Village Special Assessment, and in any such event, no other similar material or service provider shall be allowed onto the Property

6.6 Village Capital Improvement Assessments

In addition to the Village Regular Assessments, the Village Association may levy a Village Capital Improvement Assessment in any calendar year after 2002, applicable to that year



only, for the purpose of defraying, in whole or in part, any action or undertaking on behalf of the Village Association in connection with, or the cost of, any construction or replacement of a described capital improvement upon the Common Areas or Areas of Common Responsibility, including the necessary fixtures, or personal property related thereto, to the extent not covered by the provisions affecting Reconstruction Assessments in Section 8.2. Without the vote of a Majority of Members (and, if prior to the Transition Date, the written consent of Developer), the Village Association shall not impose a Village Capital Improvement Assessment in an amount which in any one year exceeds 5% of the estimated annual Common Expenses. Any reserves collected by the Village Association for the future maintenance and repair of the Common Areas, or any portion thereof, pursuant to Section 6.15, shall not be included in determining this limitation on any annual Village Capital Improvement Assessment. All amounts collected as Village Capital Improvement Assessments may be used only for capital improvements (including any related fixtures and personal property) and shall be deposited by the Village Association in a separate bank account to be held in trust for such purposes, except to the extent that the Village Association's regularly employed accountant deems it desirable to do otherwise on the basis of standard accounting principles in similar contexts or the laws, tax or otherwise, of the State of Arizona or the United States relating to nonprofit corporations or homeowners associations. Any such amounts shall not be commingled with other funds of the Village Association and shall be deemed a contribution to the capital account of the Village Association by the Members.

6.7 Neighborhood Assessments

If the Village Association determines in the exercise of its reasonable judgment that a Neighborhood benefits in a substantial way from a particular feature, characteristic or service, and other Lots outside the Neighborhood do not benefit at all or to substantially the same degree from the feature, characteristic or service, the Village Association may levy a Neighborhood Assessment against each Lot within the Neighborhood, as part of the Village Regular Assessments, to compensate the Village Association for the actual or reasonably estimated incremental cost incurred in connection with the feature or characteristic, including maintenance, repair or replacement costs.

6.8 Transfer Fee

When title to a Lot is conveyed by any Owner (including Developer) to any other Person (except to or by Developer or a Related Party), the new Owner shall pay the Village Association a transfer fee in whatever amount may be required by the Board from time to time. The transfer fee shall be used to defray costs of the Village Association arising from or related to any such change of ownership.

6.9 Uniform Assessment

Subject to Section 6.7 and Section 6.21, the Village Regular Assessment and Village Capital Improvement Assessment for each Lot shall be uniform. The Neighborhood Assessment for each Lot in the affected Neighborhood shall also be uniform.



6 10 Exempt Property

All properties dedicated to and accepted by, or otherwise owned or acquired by, a public authority shall be exempt from the Village Assessments created herein

6 11 Date of Commencement of Village Regular Assessments

Village Regular Assessments for Lots which are subject to Assessment shall commence on the first day of the month following the date of conveyance of the first Lot to be conveyed by Developer to anyone other than a Related Party Village Regular Assessments for Lots within any Annexation Property which are subject to Village Assessments shall commence upon the effective date of the annexation

6 12 Time and Manner of Payment, Late Charges and Interest

Payment of Village Assessments shall be as designated by the Board The Board may, at its discretion, establish late fees and charge interest on any Village Assessment not paid by its due date The Board may, at its discretion and without waiving the imposition of a late charge or interest in any other instance, waive the late charge and/or interest in any particular instance A Member who is delinquent in payment of Village Assessments shall also be liable for attorneys' fees and other related costs incurred by the Village Association as a result of the delinquency If any suit, action or other proceeding is brought to collect any delinquent Village Assessment or charge, the costs of suit and reasonable attorneys' fees (to be fixed by the court) shall be added to the amount due and included in any judgment or award rendered thereon

6 13 No Offsets

All Village Assessments shall be payable in the amount specified in the Village Assessment or notice of Village Assessment and no offsets against the specified amount shall be permitted for any reason including, but not limited to, a claim that (a) the Village Association, the Board, the President or Developer is not properly exercising its duties or powers as provided in this Village Declaration, (b) Village Assessments for any period exceed Common Expenses, or (c) a Member has made, and elects to make, no use of the Common Areas

6 14 Homestead Waiver

Each Owner, to the extent permitted by law, hereby waives the benefit of any homestead or exemption laws of the State of Arizona now in effect, or in effect from time to time hereafter, to the extent of any liens created pursuant to this Village Declaration, whether the liens are now in existence or are created at any time in the future

6 15 Reserves

When title to a Lot is conveyed by Developer to anyone other than a Related Party, Developer may require the new Owner of the Lot to make a contribution to the capital of the Village Association, in an amount to be determined from time to time by Developer, to establish reserves of the Village Association Notwithstanding the foregoing, Developer shall have no



obligation to collect or contribute to the reserves of the Village Association. In addition, the Board may, but shall not be required to, annually prepare a reserve budget which shall take into account the number and nature of replaceable assets, the useful life of each asset and the anticipated repair and replacement cost thereof. If the Board establishes a reserve budget, the Board shall establish a required contribution to the Reserve for Capital Improvements, in an amount sufficient to permit the Village Association to meet its projected needs, as shown on the reserve budget, with respect both to amount and timing of annual Village Assessments over the period of the budget. Any required contributions to the Reserve for Capital Improvements shall be assessed as a portion of the Village Regular Assessment on each Lot. Any reserves collected upon the initial sale of a Lot as described above, and any additional reserves included in the Common Expenses which are collected as part of the Village Regular Assessments, shall be deposited by the Village Association in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Village Association, except to the extent that the Village Association's regularly employed accountant deems it desirable to do otherwise on the basis of standard accounting principles in similar contexts or the laws, tax or otherwise, of the State of Arizona or the United States relating to nonprofit corporations or homeowners associations. All reserves shall be deemed a contribution to the capital account of the Village Association by the Members. The responsibility of the Board (whether while controlled by Developer or the Members) shall be only to provide for an amount of reserves as the Board in good faith deems reasonable, and neither Developer, nor the Board, nor any member thereof, shall have any liability to any Owner, to the Village Association, or to any other Person if the reserves prove to be inadequate.

6.16 Subordination of Lien

Any lien which arises against a Lot because an Owner fails to make timely payment of any Village Assessment shall be subordinate to the lien of a prior recorded Mortgage on the Lot, acquired in good faith and for value, except for the amount of the unpaid Village Assessment which accrues from and after the date on which the Mortgagee comes into possession of or acquires title to the Lot, whichever occurs first (together with any interest, costs, reasonable attorneys' fees and any late charges related thereto). If any lien for unpaid Village Assessments prior to the date the Mortgagee comes into possession of or acquires title to the Lot has not been extinguished through the process by which the Mortgagee came into possession of or acquired title to the Lot, the Mortgagee shall not be liable for unpaid Village Assessments arising prior to the foregoing date. Upon written request to the Village Association by the Mortgagee, the lien shall be released in writing by the Village Association with respect to any such previous amounts. Any unpaid Village Assessments which are extinguished pursuant to the foregoing sentence shall continue to be the personal obligation of the delinquent prior Owner and may also be reallocated by the Village Association among all Members as part of the Common Expenses.

6.17 Certificate of Payment

Any Person acquiring an interest in a Lot shall be entitled to a certificate from the Village Association setting forth the amount of due but unpaid Village Assessments relating to the Lot, if any. Such a Person shall not be liable for, nor shall any lien attach to the Lot for, any amount in excess of the amount set forth in the certificate, except for Village Assessments which occur or



become due after the date thereof and any interest, costs, attorneys' fees and any late charges related to those Village Assessments

6 18 Enforcement of Lien

The lien provided for in this Section 6 may be foreclosed by the Board in any manner provided or permitted for the foreclosure of realty mortgages or deeds of trust in the State of Arizona. All of the provisions of this Section 6 relating to the enforcement of the lien provided for herein (including, but not limited to, the subordination provisions in Section 6 16 or the provisions of this Section 6 18 shall apply with equal force in each other instance provided for in this Village Declaration, the Village Association Rules or Design Guidelines wherein it is stated that payment of a particular Village Assessment, charge or other sum shall be secured by the lien provided for in this Section 6. Nothing in this Section shall be construed as requiring that the Village Association take any action in any particular instance, and the failure of the Village Association to take action at any time shall not constitute a waiver of the right to take action at a later time or in a different instance.

6 19 Pledge of Assessment Rights as Security

The Board shall have the power to pledge the Village Association's assessment powers and rights provided for in this Village Declaration as security for any obligation of the Village Association, provided, however, that any pledge of the Village Association's assessment powers and rights shall require the prior affirmative vote or written assent of a Majority of Members and, so long as Developer or any Related Party owns any portion of the Property, shall also require the consent of Developer. The Board's power to pledge the Village Association's assessment powers shall include, but not be limited to, the ability to make an assignment of Village Assessments which are then payable to, or which will become payable to, the Village Association, provided the assignment, although presently effective, allows Village Assessments to continue to be paid to the Village Association and used by the Village Association as set forth in this Village Declaration, unless and until the Village Association defaults on its obligations secured by the assignment.

6 20 Exemption of Unsold Lots

Notwithstanding anything in this Section 6 to the contrary, prior to the Transition Date, no Village Assessments shall be levied upon, or payable with respect to, any Lot owned by Developer, any Related Party or any member in Developer (or the member's successors, heirs or devisees) to whom the Lot has been distributed by Developer (as distinguished from having been purchased by the member), until the Lot has been conveyed by Developer (or such other Person) to an unaffiliated purchaser.

6 21 Lots on Public Roads

In the event that any Lots are accessed by public roads rather than by Private Roads (for example, are outside any access control point), the portion of the Village Regular Assessments



related to Private Roads and access control points shall not be allocated to such Lots but shall, instead, be allocated entirely to Lots whose access is over Private Roads

7 Insurance

7.1 Authority to Purchase

The Village Association shall purchase and maintain certain insurance including, but not limited to, the insurance described in Section 7.3. All policies maintained by the Village Association, and endorsements thereon, or copies thereof, shall be deposited with the Village Association. The Village Association shall advise the Owners of the coverage of any policies purchased by the Village Association in order to permit the Owners to determine which particular items are included within the coverage so that the Owners may insure themselves as they see fit if certain items are not insured by the Village Association.

7.2 Owner's Responsibility

Each Owner shall be responsible for providing insurance on his own Lot, and his additions and improvements thereto, his furnishings, equipment and personal property therein, his personal property stored elsewhere within the Property, his personal liability to the extent not covered by the public liability insurance obtained by the Village Association, and any other insurance the Owner desires. No Owner shall maintain any insurance, whether on his Lot or otherwise, which would limit or reduce the insurance proceeds payable under the casualty insurance maintained by the Village Association in the event of damage to the improvements or fixtures on the Common Areas or to the Village Association's interest in any Areas of Common Responsibility.

7.3 Coverage

The Village Association shall maintain and pay for policies of insurance as follows from time to time:

7.3.1 A blanket property insurance policy covering "risks of direct physical loss" on a "special form" basis (or comparable coverage) covering all of the Common Areas and the Village Association's interest in any Areas of Common Responsibility providing, as a minimum, fire and extended coverage, and all other coverage in kinds and amounts customarily acquired or required for projects similar in construction, location and use including, but not limited to, perils normally covered by an "all-risk" policy, in an amount determined by the Board, but in all events an amount sufficient to cover the full replacement cost of any insured improvements. If "special form" coverage is not generally available at a reasonable cost, then "broad form" coverage may be substituted therefor.

7.3.2 A policy of commercial general liability insurance covering all of the Common Areas and acts for which the Village Association might be responsible in an amount determined by the Board, but not less than \$1,000,000 per occurrence for personal injury or death and/or property damage. The scope of coverage shall include all other coverage in the



kinds and amounts customarily acquired or required for projects similar in construction, location and use including, but not limited to, liability for non-owned and hired automobiles liability for property of others, liability arising in connection with the operation, maintenance or use of the Common Areas or Areas of Common Responsibility, liability assumed by contract or contractual liability, and liability arising out of any employment contracts of the Village Association

7 3 3 Fidelity insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, agents, employees or other individuals responsible for handling funds belonging to or administered by the Village Association If funds of the Village Association are handled by a management agent, fidelity insurance coverage shall also be obtained for the officers, employees or agents thereof handling or responsible for Village Association funds Any fidelity insurance must name the Village Association as the named insured and be written to provide protection in an amount not less than the least of (a) one-half times the Village Association's estimated annual operating expenses and reserves, (b) a sum equal to three months' aggregate Village Regular Assessments plus reserves, or (c) the estimated maximum amount of funds, including reserves, in the custody of the Village Association (and its management agent) at any one time In connection with the coverage, an appropriate endorsement to the policy to cover any individual who serves without compensation shall be added if the policy would not otherwise cover volunteers Any such coverage must also name the Village Association as an obligee

7 3 4 A worker's compensation policy, if necessary to meet the requirements of applicable law

7 3 5 A policy of "directors and officers" liability insurance, including errors and omissions coverage

7 3 6 Other insurance, in such amounts, as the Board may determine from time to time to be desirable or in the best interest of the Village Association

If at any time any of these types of coverage are not reasonably available, the Village Association shall maintain the most nearly equivalent coverages that are reasonably available The Village Association may maintain and pay for policies of such other insurance, in such amounts, as the Board may determine from time to time to be desirable or in the best interest of the Village Association

7 4 Required Provisions

The insurance policies purchased by the Village Association shall, to the extent reasonable and available, contain the following provisions

7 4 1 The coverage afforded by the policies purchased by the Village Association shall not be brought into contribution or proration with any insurance which may be purchased by any Owner or Mortgagee



7 4 2 The conduct of any one or more Owners shall not constitute grounds for avoiding liability on any of the policies

7 4 3 There shall be no subrogation with respect to the Village Association, its agents or employees, Owners or members of their households or families or employees, and each Mortgagee of all or any part of the Property, or the policies should name those Persons as additional insureds Each policy must also contain a waiver of any defenses based on co-insurance or on invalidity arising from the acts of the insured

7 4 4 A "severability of interest" endorsement shall be obtained which shall preclude the insurer from denying the claim of an Owner because of the conduct or negligent acts of the Village Association or its agents or other Owners

7 4 5 Any "other insurance" clause shall exclude insurance purchased by Owners or Mortgagees

7 4 6 Coverage must not be prejudiced by (a) any act or neglect of Owners when the act or neglect is not within the control of the Village Association or (b) any failure of the Village Association to comply with any warranty or condition regarding any portion of the Property over which the Village Association has no control

7 4 7 Coverage may not be canceled or substantially modified without at least 30 days' (or a lesser period as the Board may reasonably deem appropriate) prior written notice to the Village Association

7 4 8 Any policy of property insurance which gives the carrier the right to elect to restore damage in lieu of a cash settlement must provide that the election is not exercisable without the prior written approval of the Board, or when in conflict with the insurance trust provisions contained herein, or any requirement of law

7 4 9 Any policy must recognize any insurance trust agreement entered into by the Village Association

7 4 10 Each hazard insurance policy shall be written by a hazard insurance carrier which has a Best's Key Rating Guide rating of A or better and is assigned a financial size category of IX or larger as established by A M Best Company Inc, or if that rating service is discontinued, an equivalent rating by a successor thereto or a similar rating service

7 4 11 Each insurance carrier must be specifically licensed or authorized by law to transact business within the State of Arizona

7 4 12 Policies shall not be utilized where, under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be required from the Owners or the Village Association or loss payments are contingent upon action by the carrier's board of directors, policyholders, or members



7 5 Non-Liability of Village Association/Board/President

Notwithstanding the duty of the Village Association to obtain insurance coverage as stated herein, neither the Village Association nor any Board member, nor the President or any other officer of the Village Association, nor Developer shall be liable to any Owner, Mortgagee or other Person if any risks or hazards are not covered by insurance or if the amount of insurance is not adequate, and it shall be the responsibility of each Owner to ascertain the coverage and protection afforded by the Village Association's insurance and to procure and pay for additional insurance coverage and protection as the Owner may desire

7 6 Premiums

Premiums for insurance policies purchased by the Village Association shall be paid by the Village Association as a Common Expense, except that the amount of increase over any annual or other premium arising from the use, misuse, occupancy or abandonment of a Lot or its appurtenances, or of the Common Areas or Areas of Common Responsibility, by an Owner (or the Occupant of an Owner's Lot, or the family member, guest, invitee, licensee or other Person on the Lot or Common Areas with the consent of the Owner) shall be assessed against that particular Owner

7 7 Insurance Claims

The Board, acting for the Village Association, is hereby irrevocably appointed and authorized, subject to the provisions contained herein, to adjust all claims arising under insurance policies purchased by the Village Association and to execute and deliver releases upon the payment of claims, and to do all other acts reasonably necessary to accomplish any of the foregoing. The Board has full and complete power to act for the Village Association in this regard and may, at its discretion, appoint an authorized representative, or enter into an insurance trust agreement wherein the trustee shall have authority, to negotiate losses under any policy purchased by the Village Association

7 8 Benefit

Except as otherwise provided herein, all insurance policies purchased by the Village Association shall be for the benefit of, and any proceeds of insurance received by the Village Association or any insurance trustee shall be held or disposed of in trust for, the Village Association or the Owners, as their interests may appear

8 Damage and Destruction

8 1 Duty of Village Association

In the event of partial or total destruction of the Common Areas, or any improvements thereon, or property of the Village Association in any Areas of Common Responsibility, it shall be the duty of the Village Association to restore and repair or clear and landscape the destroyed area as promptly as practical pursuant to this Section 8. The proceeds of any casualty insurance



maintained pursuant to this Village Declaration shall be used for that purpose, subject to the prior rights of Mortgagees whose interest may be protected by the policies

8 2 Automatic Reconstruction

If the amount available from the proceeds of any insurance policies for restoration and repair, together with any uncommitted or unreserved capital of the Village Association, is at least 75% of the estimated cost of restoration and repair, a Reconstruction Assessment against each Owner in his Proportionate Share for each Lot he owns, shall be levied by the Village Association to provide any necessary funds for reconstruction in excess of the amount of the funds available for that purpose. The Village Association shall thereupon cause the damaged or destroyed Common Areas, or Village Association improvements in the Areas of Common Responsibility, to be restored to substantially the condition they were in prior to the destruction or damage

8 3 Vote of Members

If the amount available from the proceeds of any insurance policies for restoration and repair, together with any uncommitted or unreserved capital of the Village Association, is less than 75% of the estimated cost of restoration and repair, the damaged areas shall be replaced or restored by the Village Association unless two-thirds of the Members, at a special meeting held for that purpose, disapprove the replacement or restoration. If the Members do not disapprove the proposed replacement or restoration, the Village Association shall levy a Reconstruction Assessment against each Owner in his Proportionate Share, and cause the damaged or destroyed areas to be restored as closely as practical to their condition prior to the destruction or damage. If the Owners disapprove the repair or restoration of the damaged or destroyed areas as provided above, the areas so damaged or destroyed shall be cleared and landscaped for community park use or other community use determined by the Board and the costs thereof shall be paid with the insurance proceeds

8 4 Excess Insurance Proceeds

In the event any excess insurance proceeds remain after any reconstruction or repair by the Village Association pursuant to this Section, the Board, at its sole discretion, may retain those sums in the general funds of the Village Association or may distribute all or a portion of the excess to the Owners in their Proportionate Shares, subject to the prior rights of Mortgagees whose interests may be protected by the insurance policies earned by the Village Association. The rights of an Owner or the Mortgagee of a Lot to such a distribution shall be governed by the provisions of the Mortgage encumbering the Lot

8 5 Use of Reconstruction Assessments

All amounts collected as Reconstruction Assessments shall be used only for the purposes set forth in this Section 8 and shall be deposited by the Village Association in a separate bank account to be held in trust for those purposes. Those amounts shall not be commingled with any other funds of the Village Association and shall be deemed a contribution to the capital account



of the Village Association by the Owners. Any Reconstruction Assessment shall be secured by the lien provided for in Section 6.

8.6 Contract for Reconstruction

In the event the Village Association undertakes the repair and restoration of Common Areas or Areas of Common Responsibility, the Village Association shall contract with a licensed contractor or contractors who may be required by the Board to post a suitable performance or completion bond. The contract with the contractor or contractors shall provide for the payment of a specified sum for completion of the work described therein and shall provide for periodic disbursements of funds, subject to the prior presentation of an architect's, or similar, certificate containing such provisions as may be appropriate in the circumstances and deemed suitable by the Board.

8.7 Insurance Proceeds Trust

Upon receipt by the Village Association of any insurance proceeds, the Village Association may cause the insurance proceeds to be paid directly to a bank, savings and loan association, or trust company located in Coconino County, Arizona, designated by the Village Association to be a trustee (the "Insurance Trustee"). The insurance proceeds shall be received, held and administered by the Insurance Trustee subject to a trust agreement consistent with the provisions of this Village Declaration and which shall be entered into between the Insurance Trustee and the Village Association. Disbursements to contractors performing any repair or reconstruction upon the Property shall be made periodically as the work progresses in a manner consistent with procedures then followed by prudent lending institutions in Coconino County, Arizona.

9 Eminent Domain

9.1 Definition of Taking

The term "taking" as used in this Section 9 shall mean condemnation by eminent domain or sale or conveyance under threat of condemnation of all or any portion of the Common Areas or the Village Association's interest in any Areas of Common Responsibility.

9.2 Representation in Condemnation Proceedings

In the event of a threatened taking, the Owners hereby appoint the Village Association (through individuals designated by the Board) to represent itself and all of the Owners in connection therewith. The Board shall act at its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action.

9.3 Award for Taking

Any awards received by the Village Association on account any taking shall be paid to the Village Association. The Board may, at its sole discretion, retain any award in the general



funds of the Village Association or distribute all or any portion thereof to the Owners as their interests may appear. The rights of an Owner and the Mortgagee of his Lot to any distribution shall be governed by the provisions of the Mortgage encumbering the Lot.

10 Maintenance, Repairs and Replacements

10.1 Owner's Responsibility

Unless provided otherwise in a Condominium Declaration, each Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Lot, including, without limitation, any pumps or other equipment serving the same. In the event of damage to or destruction or failure of structures or equipment on, serving or comprising any Lot, the Owner of the Lot (or Condominium Association if the Lot is also a Condominium Unit), at such Owner's cost and expense, shall proceed promptly to repair, replace or to reconstruct the structures or equipment in a manner or capacity consistent with the original construction or other plans and specifications approved in accordance with Section 11.5.

10.2 Maintenance by Village Association

Except as otherwise provided herein to the contrary, maintenance, repairs and replacements of the Common Areas and Areas of Common Responsibility shall be furnished by the Village Association as part of the Common Expenses, subject to the Bylaws and Village Association Rules. The Village Association shall also be responsible for (a) the inspection and maintenance of the onsite retention/detention basins located in the Common Areas and Areas of Common Responsibility, and (b) the inspection, repair and maintenance of all sewer lift stations and all equipment related thereto, and the private pressure sewer system, which serve the Property or the Golf Club Facilities, or both. With respect to the waste water collection system servicing the Property, the maintenance and repair of the lift stations and all pressure sewer lines relating thereto or which are a part thereof and which are located within the Property or any Areas of Common Responsibility shall be the sole responsibility of the Village Association. The Village Association shall also be responsible for compliance with the terms of the ADEQ Permit #20020502 for the private sewer system, including, but not limited to, continued operation and maintenance, spill prevention and spill response. If, due to the act or neglect of an Owner, or the invitee, licensee, guest or other authorized visitor of an Owner, or an Occupant of the Owner's Lot, damage is caused to the Common Areas, or Areas of Common Responsibility, or to a Lot or Lots owned by others, or if maintenance, repairs or replacement is required which would otherwise be a Common Expense, then the Owner shall pay for the damage and for maintenance, repairs and replacements determined necessary or appropriate by the Village Association, to the extent not covered by the Village Association's insurance. The foregoing obligation shall be a Village Special Assessment secured by the lien provided for in Section 6.

10.3 Right of Access

An authorized representative of the Village Association, and all contractors, repairmen or other agents employed or engaged by the Village Association, and all licensees and invitees thereof, shall be entitled to reasonable access to each of the Lots and Condominium Property as may be required in connection with maintenance, repairs or replacements of or to the Common Areas or Areas of Common Responsibility, or any equipment, facilities or fixtures affecting or



serving other Lots and the Common Areas or Areas of Common Responsibility or to perform any of the Village Association's duties or responsibilities hereunder

11 Architectural and Landscape Control

11.1 Village Aesthetic Controls

This Village Declaration establishes a system of controls and approvals with respect to landscaping, structures, and other improvements within the Property

11.2 Appointment of Design Review Committee

Subject to Section 11.8, the Village Association shall have a Design Review Committee consisting of not less than three nor more than five individuals, as specified from time to time by resolution of the Board. After the Transition Date or such earlier date as Developer elects to delegate the design review powers to the Design Review Committee, members of the Design Review Committee shall be appointed by the Board. Individuals appointed to the Design Review Committee must be Owners or Related Parties or satisfy any other requirements designated by the Board.

11.3 Design Guidelines

The Design Review Committee shall establish reasonable procedural rules, regulations, restrictions, architectural standards and design guidelines (the "Design Guidelines"). The Design Review Committee may, from time to time at its sole discretion, amend, repeal or augment the Design Guidelines. The Design Guidelines are hereby incorporated herein and shall be deemed to be a part of this Village Declaration and shall be binding on all Owners, Condominium Associations (as well as developers of any Condominium Property) and other Persons having any interest in the Property as if expressly set forth herein. A copy of the current Design Guidelines shall at all times be a part of the Village Association's records. The Design Guidelines may include, among other things, the following restrictions and limitations:

11.3.1 Time limitations for the completion, within specified periods after approval, of the improvements for which approval is required pursuant to the Design Guidelines.

11.3.2 Designation of a "building envelope" within a Lot, Tract or Condominium Property, thereby establishing the maximum developable area of the Lot, Tract or Condominium Property.

11.3.3 Conformity of completed improvements to plans and specifications approved by the Design Review Committee. For purchasers and encumbrancers in good faith and for value, however, unless (a) a notice of noncompletion or nonconformance identifying the violating Lot, Tract or Condominium Property and specifying the reason for the notice, executed by the Design Review Committee, is recorded with the County Recorder of Coconino County, Arizona, and (b) the notice is given to the Owner of the Lot, Tract or Condominium Property within one year following the expiration of the time limitation described in Section 11.3.1, or, if



later, within one year following completion of the improvement, or (c) legal proceedings are instituted to enforce compliance or completion within the foregoing one-year period, the completed improvements shall be deemed to be in compliance with plans and specifications approved by the Design Review Committee and in compliance with the architectural standards of the Village Association and this Village Declaration

11 3 4 Additional limitations and restrictions the Design Review Committee, in its reasonable discretion, may adopt including, but not limited to, the regulation of all landscaping (including, but not limited to, absolute prohibition of certain types of landscaping, trees and plants), construction, reconstruction, exterior addition, change or alteration to or maintenance of any building, structure, wall or fence (including, but not limited to, limitation on the nature, kind, shape, height, materials, exterior color, surface texture, and location of any improvements)

11 4 General Provisions

11 4 1 The Design Review Committee may assess reasonable fees in connection with its review of plans and specifications

11 4 2 The Design Review Committee may delegate its plan review responsibilities, except final review and approval required by the Design Guidelines, to one or more of its members or to architectural consultants retained by the Design Review Committee. Upon any delegation of responsibilities, the approval or disapproval of plans and specifications by the member or consultants shall be equivalent to preliminary approval or disapproval by the entire Design Review Committee

11 4 3 The address of the Design Review Committee shall be the address established for giving notice to the Village Association, unless otherwise specified in the Design Guidelines or by notice to Owners or Condominium Associations. That address shall be the place for the submittal of plans and specifications and the place where the current Design Guidelines shall be kept

11 4 4 The establishment of the Design Review Committee and the procedures herein for architectural approval shall not be construed as changing any rights or restrictions upon Owners Condominium Associations to maintain or repair their Lots or Condominium Property as otherwise specified in this Village Declaration, the Bylaws or Village Association Rules

11 4 5 The Design Review Committee shall approve or disapprove any plans and specifications submitted to it in accordance with the Design Guidelines within any period as may be specified in the Design Guidelines

11 5 Approval and Conformity of Plans

No building, fence, wall or other structure or improvement of whatever type shall be commenced, erected or maintained upon the Property, nor shall there be any addition to or change to the exterior of any residence or other structure or improvement upon a Lot, Tract or



Condominium Property or the landscaping, grading or drainage thereof, including, but not limited to, the painting (other than painting with the same color of paint as previously existed) of exterior walls, patio covers and fences, except in compliance with plans and specifications therefor which have been submitted to and approved by the Design Review Committee in accordance with the Design Guidelines as to harmony of external design and location in relation to surrounding structures and topography

11.6 Non-Liability for Approval of Plans

Plans and specifications shall be approved by the Design Review Committee as to style, exterior design, appearance and location, and are not approved for engineering design or for compliance with zoning or building ordinances (or other governmental requirements). By approving plans and specifications, the Design Review Committee, the members thereof, the Village Association, the President and the Board assume no liability or responsibility therefor, or for any defect in any structure constructed from the plans and specifications. Neither the Design Review Committee, nor any member thereof, nor the Village Association, the President, or the Board shall be liable to any Owner, Condominium Association or other Person for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings or specifications, whether or not defective, (b) the construction or performance of any work whether or not pursuant to approved plans, drawings or specifications, (c) the development, or manner of development, of any property within the Property, or (d) the execution and filing of an estoppel certificate pursuant to the Design Guidelines, whether or not the facts therein are correct, provided, however, that the action or inaction, with the actual knowledge possessed by the Person taking or not taking it, was taken or not taken in good faith. Approval of plans and specifications by the Design Review Committee is not, and shall not be deemed to be, a representation or warranty that the plans or specifications comply with applicable governmental ordinances or regulations including, but not limited to, applicable zoning ordinances and building codes.

11.7 Inspection and Recording of Approval

Without being deemed guilty of trespass, any member or authorized consultant of the Design Review Committee, and any authorized officer, director, employee or agent of the Village Association, may enter upon any Lot, Tract or Condominium Property at any reasonable time after reasonable notice to the Owner or Condominium Association as provided herein in order to inspect improvements constructed or being constructed on the Lot, Tract or Condominium Property to ascertain that the improvements have been or are being built in compliance with the Design Guidelines and this Village Declaration. The Design Review Committee shall cause an inspection to be undertaken within 30 days following a request from any Owner or Condominium Association concerning his own Lot or Tract or Condominium Property. If such an inspection reveals that the improvements located on the Lot, Tract or Condominium Property have been completed in compliance with this Section 11.7 and the Design Guidelines, the Design Review Committee shall provide the Owner or Condominium Association a notice of approval in recordable form which, when recorded, shall be conclusive evidence of compliance with the provisions of this Section 11.7 and the Design Guidelines as to the improvements described in the recorded notice, but only as to the described improvements.



11 8 Developer Review

Each Owner acknowledges that Developer, as the developer of the Property and as the owner of significant portions of the Property, has a substantial interest in ensuring that the improvements within the Property enhance Developer's reputation as a community developer and do not impair Developer's ability to market, sell or lease its properties. Notwithstanding anything contained herein to the contrary, until the Transition Date, Developer shall exercise all of the powers granted hereunder to the Design Review Committee through individuals appointed by Developer for such purposes including, but not limited to, establishment of the Design Guidelines. Until the Transition Date, or such earlier time as Developer delegates all or a portion of its design review powers to the Design Review Committee, the Village Association shall have no jurisdiction over architectural or design review matters. If Developer delegates all or a portion of its design review powers to the Design Review Committee prior to the Transition Date, Developer shall give the Village Association at least 30 days' prior written notice of the delegation. Upon the expiration or relinquishment of Developer's rights under this Section, the Village Association, acting through the Design Review Committee, shall assume jurisdiction over architectural and design review matters. In exercising its powers under this Section 11 8, Developer shall be acting in its own interest as developer of the Property.

11 9 Reconstruction of Common Areas

The reconstruction of any Common Areas or Village Association improvements to Areas of Common Responsibility after destruction by casualty or otherwise, which is accomplished in substantial compliance with "as built" plans, shall not require compliance with the provisions of this Section 11 or the Design Guidelines.

11 10 Additional Powers of the Design Review Committee

The Design Review Committee may promulgate (as a part of the Design Guidelines) such additional architectural and landscape standards, rules and regulations as it deems appropriate, provided the standards, rules and regulations are not in conflict with this Village Declaration or the architectural and landscape standards, rules and regulations promulgated by Developer in the exercise of its powers under Section 11 8. Without limiting the generality of the preceding sentence, the Design Review Committee may fix a fine of up to \$10,000 for failure to obtain required approval from the Design Review Committee or for failure to comply with any approval given by the Design Review Committee. The foregoing shall be in addition to the equitable enforcement of the provisions of this Village Declaration.

12 Use and Occupancy Restrictions

12 1 Residential Use

Each Lot, Tract and Condominium Property may be used only for residential purposes. No business or commercial building may be erected on any Lot, Tract or Condominium Property and no business or commercial enterprise or other non-residential use may be conducted on any part thereof. No temporary buildings, structures or trailers may be erected, placed or maintained



on any Lot, Tract or Condominium Property except as expressly permitted by and in compliance with, the Design Guidelines. The restriction on use of any Lot, Tract or Condominium Property for business or commercial enterprise shall not prohibit an activity if it meets all of the following requirements: (a) is not apparent or detectable by sight, sound or smell from outside the Lot, Tract or Condominium Property on which it occurs, (b) does not involve individuals coming onto the Lot, Tract or Condominium Property who do not reside on the Lot, Tract or Condominium Property or solicitation of residents of the Property by anyone, whether or not a resident, and (c) is consistent with the residential character of the Lot, Tract or Condominium Property and the Property and is not a nuisance, a hazardous or offensive use, as may be determined at the sole discretion of the Board. By way of illustration, but not limitation, activities conducted from within a residence solely by telephone, facsimile, or computer without the use of employees other than those who reside on the Lot, Tract or Condominium Property, to outside parties off of the Property (or wholly without communication to outside parties) are not considered prohibited, but the activity shall be prohibited if it involves or requires visits to the Lot, Tract or Condominium Property by actual or prospective customers, clients, or patients, or by others (excluding once-a-day document delivery services such as Federal Express) as a result of business activities by the Owner or Occupant of the Lot, Tract or Condominium Property. Similarly, the fact that family members or other occupants of a residence are employed in business affairs within the Lot, Tract or Condominium Property will not make employment a prohibited business use of the Lot, Tract or Condominium Property, but visits to the Lot, Tract or Condominium Property by employees who do not reside there shall be prohibited if the individuals are employed for the business purposes of the Owner or Occupant of the Lot, Tract or Condominium Property. The scope of the types of activities that are prohibited by this Section may be clarified, supplemented and interpreted by the Board (or by Developer prior to the Transition Date) from time to time, as it may choose at its sole discretion, so long as not materially inconsistent with the terms set forth above. Notwithstanding anything in the foregoing, nothing herein contained shall be deemed to limit Developer's rights and exemptions as set forth in Section 15.

12.2 Violation of Law or Insurance

No Owner or Occupant of any Lot, Tract or Condominium Property shall permit anything to be done or kept thereon or in or upon any Common Areas which will result in the cancellation of insurance thereon or which would be in violation of any applicable law.

12.3 Signs

No sign of any kind shall be visible from neighboring Property without the approval of the Village Association or the Design Review Committee, except (a) signs used by Developer or any Related Party in connection with the development or sale of Lots, Tracts or Condominium Property of the Property, (b) signs required by legal proceedings, or the prohibition of which is precluded by law, or, (c) signs required for traffic control and regulation of Common Areas. No "For Sale" or "For Rent" sign may be posted on any Lot, Tract or Condominium Property.



12.4 Animals

No animals, including horses or other domestic farm animals, fowl or poisonous reptiles of any kind may be kept, bred or maintained in any Lot, Tract or Condominium Property or in or upon any Common Area, except a reasonable number of commonly accepted household pets in accordance with the Village Association Rules. No animals shall be kept, bred or raised within the Property for commercial purposes. In no event shall any domestic pet be allowed to run free away from its owner's Lot without a leash or other appropriate restraint, or so as to create a nuisance. Owners, Occupants and other Persons shall immediately clean up their animals' waste from the Common Areas and other portions of the Property. The Village Association may require that all domestic pets be registered with the Village Association and have proof of proper immunization presented with their registration.

12.5 Nuisances

No Owner or Occupant shall permit or allow anything to be done or kept about or within his Lot, Tract or Condominium Property, or on or about the Property, which will obstruct or interfere with the rights of other Owners, Occupants or other individuals having the right to use and enjoy the Common Areas, or annoy them by unreasonable noises, unsightliness or otherwise, nor will any Owner or Occupant commit or permit any nuisance or commit or permit any illegal act therein. Each Owner and Occupant shall comply with the Village Association Rules, the requirements of all health authorities and other governmental authorities having jurisdiction over the Property. The Design Review Committee, in its sole discretion, shall have the right to determine the existence of any nuisance.

12.6 Boats and Motor Vehicles

Except as specifically permitted by the Village Association Rules, (a) no boats, trailers, buses, motor homes, campers or other vehicles shall be parked or stored in or upon the Common Areas or upon a Lot, Tract or Condominium Property except within an enclosed garage or as permitted by the Design Guidelines, (b) no vehicle shall be repaired or rebuilt in any Lot, Tract or Condominium Property or upon the Common Areas, and, (c) nothing shall be parked on the Private Roads except in parking areas (if any) designated by the Board or as otherwise permitted herein. The Board may remove, or cause to be removed, any unauthorized vehicle at the expense of the owner of the vehicle in any manner consistent with law.

12.7 Lights

No spotlights, floodlights or other high-intensity lighting shall be placed or utilized upon any Lot, Tract or Condominium Property which in any manner will allow light to be directed or reflected on the Common Areas, or any part thereof, or any other Lot, Tract or Condominium Property, except as may be expressly permitted by the Village Association Rules or the Design Guidelines. Notwithstanding the foregoing, all exterior lighting shall also be subject to the requirements and limitations established or required by the City Design Review Board prior to the date first set forth above which are applicable to the Property.



12 8 Antennas

Subject to the provisions of any applicable law from time to time no radio, television or other antennas of any kind or nature, or device for the reception or transmission of radio, microwave or other similar signals, shall be placed or maintained upon any Lot, Tract or Condominium Property except as may be permitted by the Village Association Rules or in accordance with the Design Guidelines

12 9 Garbage

No garbage or trash shall be kept, maintained or contained in any Lot, Tract or Condominium Property so as to be Visible from Neighboring Property No incinerators shall be kept or maintained in any Lot, Tract or Condominium Property No refuse pile garbage or unsightly objects shall be allowed to be placed, accumulated or suffered to remain anywhere on a Lot, Tract or Condominium Property As provided above, the Village Association shall have the authority and power to designate a single provider of garbage and/or trash collection services for the Property from time to time, if the Board deems such a designation to be necessary or desirable In the event the Board makes such a designation, an Owner requiring service shall use the designated provider

12 10 Mining

No portion of the Property shall be used in any manner to explore for or remove any water, oil or other hydrocarbons or minerals of any kind or earth substance of any kind

12 11 Safe Condition

Without limiting any other provision in this Section, each Owner shall maintain and keep his Lot, Tract or Condominium Property at all times in a safe, sound and sanitary condition, and repair and shall correct any condition or refrain from any activity which might interfere with the reasonable enjoyment by other Owners of their respective Lots, Tracts or Condominium Properties or the Common Areas

12 12 Fires

Other than barbecues, in properly constructed barbecue pits or grills, and firepits in compliance with the Village Association Rules and the Design Guidelines, or as otherwise expressly permitted in the Village Association Rules, no open fires shall be permitted on the Lots Tracts or Condominium Properties nor shall any other similar activity or condition be permitted which would tend to increase the insurance rates for the Common Areas, or for other Owners

12 13 Clothes Drying Area

No portion of any Lot, Tract or Condominium Property shall be used as a drying or hanging area for laundry of any kind All laundry facilities shall be provided within the buildings to be constructed on each Lot, Tract or Condominium Property



12.14 No Further Subdivision, Compounds

Except to the limited extent provided below, no Lot shall be divided or subdivided. An Owner may own more than one Lot which, if contiguous, may be combined into a single homesite or Condominium Unit with the consent of the City and the Design Review Committee, provided, however, that any combination of Lots shall not reduce or alter the voting rights obtained by ownership of each Lot nor shall it reduce or otherwise alter the amount which would have been assessed against the Owner of the Lots pursuant to the terms hereof in the absence of combination. The Owner of any combined Lots will be entitled to the rights of membership of one Membership for each such Lot. The Village Assessments attributable to each Lot shall be a lien, as provided in Section 6, upon the entire combination of Lots held by the Owner. Notwithstanding anything herein to the contrary, the Owners of two or more contiguous Lots may, with the consent of the City and the Design Review Committee, replat the Owners' Lots as a Compound which may include and provide for the construction of common recreation facilities on the Lots, including, for example, a tennis court or swimming pool, in accordance with the Design Guidelines. The lien provided in Section 6 as to each replatted Lot shall also extend to the Owner's interest in any common facilities constructed on the Lots. If one Owner wishes to combine Lots, or if two or more Owners wish to replat Lots as a Compound, in such manner that it eliminates the need for a portion of the Common Areas owned by the Village Association (for example, where a cul-de-sac is no longer necessary), and if the combination or compound and abandonment of Common Areas is approved by the Design Review Committee and the City, then that portion of the Common Areas may be deeded by the Village Association to the Owner or Owners as the Village Association (and the City, if its consent is required) may specify. Notwithstanding the foregoing, Developer may amend any plat prior to the date when any Lot within the plat has been sold by Developer and may adjust the Lot boundaries on any plat (even after a Lot within the plat has been sold) for any Lots not yet sold, provided the adjustment does not materially change the total number of Lots on the affected plat, provided, however, that the foregoing limitations and restrictions shall not apply to any Condominium Property.

12.15 No Obstructions to Drainage

No Owner shall erect, construct, maintain, permit or allow any fence or other improvement or other obstruction which would interrupt the normal drainage of the land or within any area designated on a Plat, or other binding document, as a "drainage easement" or similar designation, except that, with the prior consent of the City and the Design Review Committee, non-permanent structures, including fences, may be erected in those areas which contain only underground closed-conduit storm drainage facilities.

12.16 Entrance

Subject to the easement rights granted to the Golf Club Facilities in this Village Declaration and the rights of Developer, the Village Association shall from time to time determine who may have access through the entrance to the Property onto the Private Roads. Developer or the Village Association may implement and install monitoring and control procedures and equipment with respect to access to the Property and activities therein on the Private Roads thereof. Developer reserves the unrestricted right of entry and use of such roads.



for its successors in interest as to any portions of the Property owned by Developer or a Related Party and for their employees, agents, invitees, licensees, and guests. The Village Association may make reasonable rules relating to the right of entry through the entrance, but none restricting entry to Owners or Occupants or their tenants and guests or to prospective purchasers of homes or Lots invited by an Owner. Any entrance may be abandoned, or its hours of manned operation reduced to less than 24 hours per day, at the discretion of the Village Association.

12.17 Use of Lots, Tracts and Condominium Property

An Owner shall be responsible for assuring compliance by any Occupants of his Lot, Tract or Condominium Property including, but not limited to, any lessee or other Person who the Owner allows to use his Lot, Tract or Condominium Property with all of the provisions of this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines, all as amended and supplemented from time to time, and shall be jointly and severally responsible for any violations of this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines by the lessee or other Person.

12.18 Enforcement

The Village Association and its authorized agents may enter any Lot, Tract or Condominium Property in which a violation of these restrictions exists and may correct the violation at the expense of the Owner of the Lot, Tract or Condominium Property. Any expenses, and any fines imposed pursuant to the Bylaws, Village Association Rules or Design Guidelines, shall be a Village Special Assessment secured by a lien upon the Lot, Tract or Condominium Property enforceable in accordance with the provisions of Section 6. All remedies described in Section 16 and all other rights and remedies available at law or equity shall be available in the event of any breach by any Owner, Occupant or other Person of any provision of this Section 12, except as otherwise expressly limited herein.

12.19 Driveway Access Restriction

No driveway on any Lot or serving any Lot may connect directly to Clubhouse Circle if any portion of said Lot connects to any other roadway within the Property which connects to Clubhouse Circle.

12.20 Modification

The Board may modify or waive the foregoing restrictions or otherwise restrict and regulate the use and occupancy of the Property and the Lots, Tracts and Condominium Property by reasonable rules and regulations of general application adopted by the Board from time to time which shall be incorporated into the Village Association Rules.



13 Rights of Mortgagees

13.1 General Provisions

Notwithstanding and prevailing over any other provisions of this Village Declaration, the Articles, Bylaws, Village Association Rules and Design Guidelines, the following provisions shall apply to and benefit each holder of a Mortgage upon a Lot, Tract or Condominium Property

13.2 Liability for Assessments

A Mortgagee who comes into possession or becomes record Owner of a mortgaged Lot by virtue of foreclosure of the Mortgage, or through any equivalent proceedings including, but not limited to, the taking of a deed or assignment in lieu of foreclosure or acquiring title at a trustee's sale under a first deed of trust, and any third-party purchaser at a foreclosure sale or trustee's sale (a "Successor Owner"), shall not be liable for the Lot's unpaid dues, charges or Village Assessments which accrued prior to the time the Successor Owner came into possession of the Lot or became record Owner of the Lot, whichever occurs first. In addition, a Successor Owner shall acquire title free and clear of any lien authorized by or arising out of the provisions of this Village Declaration which secures the payment of any dues, charges or Village Assessments accrued prior to the time the Successor Owner either came into possession of the Lot or became record Owner of the Lot, whichever occurs first. Any unpaid dues, charges or Village Assessments against the foreclosed/sold Lot shall be deemed to be a Common Expense charged proratably against all of the other Owners. Nevertheless, in the event the prior Owner against whom the original Village Assessment was made is the purchaser or redemptionor, the lien shall continue in effect and may be enforced by the Board, for the Lot's Village Assessments that were due prior to the final conclusion of the foreclosure or equivalent proceedings. In addition to the foregoing, any unpaid Village Assessment shall continue to exist as the personal obligation of the defaulting prior Owner of the Lot, and the Board may collect unpaid Village Assessments from the prior Owner even after he is no longer the Owner of the Lot.

13.3 No Personal Liability

A Mortgagee shall not be personally liable for the payment of any Village Assessment or charge, nor the observance or performance of any covenant, restriction, or rule and regulation of the Village Association, or any provision of the Articles or Bylaws, or any management agreement, except for those matters which are enforceable by injunctive or other equitable actions not requiring the payment of money, except as specifically provided in this Section 13.

13.4 Enforcement After Foreclosure Sale or Other Equitable Proceeding

An action to abate the breach of any of these covenants, conditions, restrictions, and reservations may be brought against any purchaser who has acquired title through foreclosure of a Mortgage or a trustee's sale (or through any equivalent proceedings), and the successors in interest to such a purchaser, even though the breach existed prior to the time the purchaser acquired an interest in the Lot.



13 5 Exercise of Owner's Rights

During the pendency of any foreclosure or other equivalent proceedings (including any period of redemption) or from the time a trustee under a deed of trust has given notice of sale pursuant to power of sale conferred under the deed of trust or pursuant to law, the Mortgagee, or a receiver appointed in any such action, may (but need not) exercise any or all of the rights and privileges of the Owner in default including, but not limited to, the right to vote as a Member of the Village Association in the place and stead of the defaulting Owner

13 6 Subject to Village Declaration

At such time as a Mortgagee comes into possession of or becomes record Owner of a Lot, the Mortgagee shall be subject to all of the terms and conditions of this Village Declaration including, but not limited to, the obligation to pay all Village Assessments and charges accruing thereafter, in the same manner as any other Owner

14 Annexation of Additional Property

Additional real property may be annexed to and become subject to this Village Declaration as hereinafter set forth in this Section 14

14 1 Development of the Project

Developer intends to develop sequentially on a phased basis Developer may, however, elect not to develop all or any part of the additional real property anticipated to be included within the project as shown on the Plat, to annex the real property to this Village Declaration in increments of any size whatsoever, or to develop more than one such increment at any given time and in any given order In addition to the foregoing, Developer reserves the right to subject all or any portion of the property as shown on the Plat (other than the Parcel) to the plan of this Village Declaration or to one or more separate declarations of covenants, conditions and restrictions which subjects any such property to the jurisdiction and powers of a homeowners association or other entity with powers and obligations similar to the Village Association and which is not subject to the provisions of this Village Declaration Although Developer shall have the ability to annex additional property as provided in this Section 14 1, Developer shall not be obligated to annex all or any portion of any property shown on the Plat, and such property shall not become subject to this Village Declaration except as provided in this Section 14

14 2 Supplemental Village Declarations

A Supplemental Village Declaration shall be a writing in recordable form which annexes additional real property (the "Annexation Property") to the plan of this Village Declaration and which incorporates by reference all of the covenants, conditions, restrictions, easements and other provisions of this Village Declaration Supplemental Village Declarations may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Village Declaration as may be necessary to reflect the different character, if any, of the Annexation Property and as are not materially inconsistent with the plan of this



Village Declaration In no event, however, shall any Supplemental Village Declaration revoke, modify or add to the covenants established by this Village Declaration with respect to any portions of the Property already subject to this Village Declaration The recordation of a Supplemental Village Declaration shall constitute and effectuate the annexation of the Annexation Property described therein, making the Annexation Property subject to this Village Declaration and subject to the functions, powers and jurisdiction of the Village Association After annexation, the Annexation Property shall be part of the Property for all intents and purposes of this Village Declaration, and all of the Owners of Lots in the Annexation Property shall automatically be Owners and Members

14.3 Annexation Without Approval of Village Association

Developer shall have the sole right (with the consent of the other owner(s) of the additional property if Developer does not own the additional property) to annex additional property to this Village Declaration as provided in this Section 14.3 whether or not the additional property is part of the property anticipated to be part of the project Developer may annex additional real property to this Village Declaration without the approval, assent or vote of the Village Association or its Members by recordation of a Supplemental Village Declaration covering the property then being annexed

14.4 Developer Annexation Approval

Any annexation pursuant to this Village Declaration to occur prior to 20 years from the date hereof or such earlier date as neither Developer nor any Related Party owns fee title or beneficial title to any portion of the Property, shall require the express written consent of the Developer Such a consent may be reflected on the Supplemental Village Declaration or by a separate instrument recorded concurrently with a Supplemental Village Declaration

15 Exemption of Developer from Restrictions

Notwithstanding anything contained in this Village Declaration to the contrary, none of the restrictions contained in this Village Declaration shall be construed or deemed to limit or prohibit any act of Developer, any Related Party, the Golf Club Owner or their employees, agents and subcontractors, or parties designated by them in connection with the construction, completion, sale or leasing of the Lots, Tracts, Condominium Property, Common Areas, or any other portion of the Property or in connection with construction of the Golf Club Facilities or promotion or sales of memberships to, or other rights to use, the Golf Club Facilities

16 Remedies

16.1 General Remedies

In the event of a default by any Owner, Occupant or other Person under the provisions of this Village Declaration, the Articles, Bylaws Village Association Rules or Design Guidelines, the Village Association, and its successors or assigns, and its agents, and Developer, shall have each and all of the rights and remedies which may be provided for in this Village Declaration.



the Articles, Bylaws, Village Association Rules or Design Guidelines, unless expressly limited as provided herein, or which may be available at law or equity, and may prosecute any action or other proceedings against the defaulting Owner, Occupant or other Person for an injunction, whether affirmative or negative, or for enforcement or foreclosure of any lien herein provided and the appointment of a receiver for the Lot, or for damages, or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Lot and to rent the Lot and apply the rents received to payment of unpaid Village Assessments and interest accrued thereon, and to sell the Lot as provided in this Section 16 1, or for any combination of remedies or for any other relief, all without notice and without regard to the value of the Lot or the solvency of the Owner. The proceeds of any such rental or sale shall first be paid to discharge court costs and other litigation costs including, but not limited to, reasonable attorneys' fees, and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Owner in any final judgment. Any balance of proceeds after satisfaction of unpaid charges and Assessments and any liens shall be paid to the Owner. Upon the confirmation of the sale, the purchasers thereupon shall be entitled to a deed to the Lot and to immediate possession of the Lot, and it shall be a condition of any such sale and the judgment shall so provide, that the purchaser shall take the interest in the property sold subject to this Village Declaration.

16 2 Rights of Golf Club Owner

Developer and each Owner and Occupant acknowledge that this Village Declaration is intended to be relied upon by the Golf Club Owner, and that the Golf Club Owner is an express beneficiary of this Village Declaration. In the event of any default by any Owner, Occupant or other Person of provisions which materially affect the Golf Club Owner, the Golf Club Owner shall have each and all of the rights and remedies which may be available to the Golf Club Owner hereunder or at law or equity (except as expressly provided or limited herein), including, but not limited to, an action or other proceedings for an injunction, whether affirmative or negative, or for damages, or specific performance. If the Golf Club Owner prevails in any action or proceeding to enforce this Village Declaration described or permitted by this Section 16 2, all expenses of the Golf Club Owner in connection with the action or proceeding, including court costs and reasonable attorneys' fees and other fees and expenses, together with interest thereon until paid at the Default Rate of Interest, shall be charged to the defaulting Owner.

16 3 Expenses of Enforcement

All expenses, if any, of the Village Association and Developer in connection with any action or proceeding described or permitted by this Section 16, including court costs and reasonable attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon until paid at the Default Rate of Interest, shall be charged to and assessed against the defaulting Owner and shall be a Village Special Assessment against the Owner, and the Village Association shall have a lien therefor as provided in Section 6. In the event of any such default by an Owner, the Village Association and Developer, and the manager or managing agent of the Village Association, if so authorized by the Board, shall have the authority to correct the default and to do whatever may be necessary to correct the default, and all expenses in connection therewith shall be charged to and assessed against the defaulting



Owner as a Village Special Assessment Any such expenses shall constitute a lien against the defaulting Owner's Lot as provided in Section 6 Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Village Association and Developer

16.4 Legal Action

In addition to any other remedies available under this Section 16, if any Owner (either by his conduct or by the conduct of any Occupant of his Lot or family member, guest, invitee, licensee or agent) violates any of the provisions of this Village Declaration, or the Articles, Bylaws, Village Association Rules or Design Guidelines, as then in effect, the Village Association and Developer shall have the power to file an action against the defaulting Owner for a judgment or injunction against the Owner requiring the defaulting Owner to comply with the provisions of this Village Declaration, the Articles, Bylaws, Village Association Rules and Design Guidelines, and granting other appropriate relief, including money damages, except as otherwise limited herein.

16.5 Effect on Mortgage

Anything to the contrary herein notwithstanding, a breach of any of the covenants, restrictions, reservations, conditions and servitudes provided for in this Village Declaration, or any right of re-entry by reason thereof, shall not defeat or adversely affect the lien of any Mortgage on any Lot provided, however, except as herein specifically provided, each and all of the covenants, restrictions, reservations, conditions and servitudes shall be binding upon and effective against any lessee or Owner of a Lot whose title is acquired by foreclosure, trustee's sale, sale, deed in lieu of foreclosure or otherwise

16.6 Limitation on Developer's Liability

Notwithstanding anything to the contrary herein, it is expressly agreed that neither Developer (including, but not limited to, any assignee of the interest of Developer hereunder) nor any member in Developer (or in any such assignee), nor any Related Party, shall have any personal liability to the Village Association, or any Owner or other Person, arising under, in connection with, or resulting from (including, but not limited to, resulting from action or failure to act with respect to) this Village Declaration except, in the case of Developer (or its assignee) and any Related Party to the extent of its interest in the Property, and, in the case of a member in Developer (or in any such assignee), his interest in Developer (or such assignee) In the event of a judgment against Developer (or any member or assignee thereof) or a Related Party no execution or other action shall be sought or brought thereon against any other assets, nor be a lien upon the other assets, of the judgment debtor



17 Amendment

17.1 Amendment to Village Declaration

Amendments to this Village Declaration shall be made by an instrument in writing entitled "Amendment to Village Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Village Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Members. Amendments may be adopted at a meeting of the Members upon the approval thereof of two-thirds of all of the Members or without any meeting if all Members have been duly notified and if two-thirds of all of the Members consent in writing to the amendment. In all events, the amendment when adopted shall bear the signature of the President and shall be attested to by the secretary, and shall be acknowledged by them as officers of the Village Association. Amendments once properly adopted shall be effective upon the recording thereof in the Coconino County Recorder's Office.

17.2 Effect of Amendment

It is specifically covenanted and agreed that any amendment to this Village Declaration, properly adopted, will be completely effective to amend any and all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Village Declaration, unless otherwise specifically provided in the Section being amended or the amendment itself.

17.3 Additional Required Approvals

Notwithstanding the provisions of the foregoing Sections of this Section 17

(a) If this Village Declaration or any applicable provision of law requires the consent or agreement of all Members and/or all Owners and/or all lienholders and all trustees and/or beneficiaries under trust deeds, or a specified percentage thereof, for any action specified in this Village Declaration, then any instrument changing, modifying or rescinding any provision of this Village Declaration with respect to the action shall be signed by all of the Members and/or all Owners and/or all lienholders and trustees and/or beneficiaries under trust deeds, or the specified percentage thereof, as required by this Village Declaration or by law.

(b) Until the Transition Date, this Village Declaration may not be amended by the Members pursuant to Section 17.1 without the written consent of Developer, which may be withheld in its sole and absolute discretion.

(c) The following provisions of this Village Declaration may not be amended at any time without the consent of Developer which may be withheld in its sole and absolute discretion: Sections 5, 5, 14, 15, this Section (7) (c), and Section 17.4.

(d) The following provisions of this Village Declaration may not be amended at any time in any manner which materially changes or reduces any rights of the Golf Club Owner:



without the approval of the Golf Club Owner Section 4, to restrict the easement rights created thereunder to the extent the rights benefit the Golf Club Facilities or in any manner which restricts or materially alters any rights granted thereunder appurtenant to the Golf Club Facilities, or to subject the Golf Club Facilities or the Golf Club Owner to any restrictions contained in this Village Declaration, this Section, and any other Sections which grant rights or benefits to the Golf Club Facilities or Golf Club Owner

17 4 Developer's Right to Amend

Notwithstanding any other provision of this Section 17, until the Transition Date, Developer reserves the right to amend this Village Declaration without the approval of the Board or the Members or Golf Club Owner, provided that, after the conveyance of the first Lot to an Owner, Developer may not amend the following provisions of this Village Declaration without the approval of the Members as provided in Section 17 1 Section 3 2 (to change the number of Memberships attributable to each Lot or to change the number of votes for each Lot or Membership), Section 6 4 (to increase the cap on increases in Village Regular Assessments), the second sentence of Section 6 6, and this Section 17 4 (to delete any references to Sections which require the approval of the Members to amend)

17 5 Developer Approvals

Any amendment of this Village Declaration to occur prior to 20 years from the date hereof or such earlier date as neither Developer nor any Related Party owns fee title or beneficial title to any portion of the Property, shall require the express written consent of the Developer, which may be withheld in its sole and absolute discretion Such a consent may be reflected on the amendment or by a separate instrument recorded concurrently with an amendment

18 General Provisions

18 1 Notices

Notices provided for in this Village Declaration, or the Bylaws or Village Association Rules, shall be in writing and shall be addressed to the Village Association at the address specified in the Bylaws or Articles The Village Association may designate a different address or addresses for notice by giving written notice of change of address to all Owners All notices to Owners shall be to their respective Lots, Tracts or Condominium Property or to the last address shown on the records of the Village Association Notices addressed as above shall be deemed delivered when mailed by United States mail, or when delivered in person with written acknowledgment of the receipt thereof

18 2 Captions and Exhibits, Construction, Recitals

Captions given to various Sections herein, or any Table of Contents for this Village Declaration, are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof The various exhibits referred to herein are incorporated as though fully set forth where the reference is made thereto The provisions of this Village



Declaration shall be liberally construed to effectuate its purpose and intent of creating a uniform plan for the development and operation of the Property as hereinabove set forth. The Recitals set forth are incorporated herein and are expressly made a part hereof.

18.3 Severability

If any provision of this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines, or any Section, clause, sentence, phrase or word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines, and of the application of any such provision, Section, clause, phrase or word in any other circumstances, shall not be affected thereby, and the remainder of this Village Declaration, the Articles, Bylaws, Village Association Rules or Design Guidelines shall be construed as if the invalid part was never included therein or herein.

18.4 Rule Against Perpetuities

If any of the options, privileges, covenants or rights created by this Village Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then the provision shall continue until 21 years after the death of the survivor of the now living descendants of President George W. Bush, United States Senator John McCain and United States Senator Jon Kyl.

18.5 Mortgage of Lots

Each Owner shall have the right, subject to the provisions hereof, to make separate Mortgages for his respective Lot.

18.6 Power of Attorney

Whenever the Village Association is granted rights, privileges or duties in this Village Declaration, the Board shall have the authority to act for the Village Association. In addition to the foregoing, unless otherwise specifically restricted by the provisions of this Village Declaration, wherever the Village Association is empowered to take any action or do any act including, but not limited to, actions in connection with the Common Areas or sale thereof, which may at any time be deemed to require the act of an Owner, the Owners and each of them hereby constitute and appoint the Village Association as their attorney-in-fact, as may be appropriate, for the purposes of taking such action or doing such acts including, but not limited to, executing, acknowledging and delivering any instruments or documents necessary, appropriate or helpful for such purposes. It is acknowledged that this power of attorney is irrevocable and coupled with an interest, and by the acceptance of a deed for a Lot, Tract or Condominium Property, or by signing a contract for purchase of a Lot, Tract or Condominium Property or by succeeding in any other manner to the ownership of a Lot, Tract or Condominium Property or any interest therein, each Owner and Member shall be deemed and construed to have ratified and expressly granted the above power of attorney.



18.7 Conflict

In the event of any conflict between the terms or provisions of this Village Declaration and any terms or provisions of the Articles, Bylaws, Village Association Rules or Design Guidelines, the terms and provisions of this Village Declaration shall govern and control. The terms and provisions of any Condominium Declaration or other declaration affecting any portion of the Property shall be in addition to the terms and conditions of this Village Declaration, provided, however, that in the event of any conflict, the terms and provisions of this Village Declaration shall govern and control.

18.8 Condominium Declarations and Other Declarations

The covenants, conditions, restrictions, liens, assessments, easements, privileges and rights contained herein shall be in addition to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights contained in any Condominium Declaration or other declaration affecting any portion of the Property.

19 Rights and Obligations

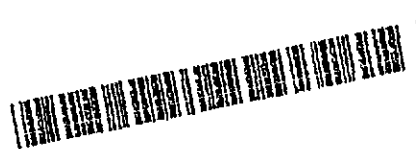
Each grantee of Developer, by the acceptance of a deed of conveyance, and each purchaser under any contract for a deed of conveyance, and each purchaser under any agreement of sale, and the heirs, successors and assigns of the foregoing Persons, accepts the grant, conveyance or agreement subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Village Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared. Further, all impositions and obligations imposed by this Village Declaration shall be deemed and taken to be covenants running with the land and equitable servitudes and shall bind any Person having any interest or estate in the Property at any time, and shall inure to the benefit of any such Person in like manner as though the provisions of this Village Declaration were recited and stipulated at length in each and every deed of conveyance, purchase contract or instrument evidencing or creating such an interest.

20 Limitations on Actions

Any action or arbitration brought by any Owner against the Developer any Related Party, or any agent, beneficiary, employee, officer, director, member or contractor thereof, or any combination thereof, may be brought by the Owner individually only, and not as part of a group or class. The Developer and Related Parties, and all of such agents, beneficiaries, employees, officers, directors, members and contractors, are expressly made a third party beneficiary of this provision.

21 Arbitration Disclosures and Agreements

The following terms and conditions shall govern and control in the event of a conflict with any other terms, conditions or provisions of this Village Declaration.



ARBITRATION IS FINAL AND BINDING ON THE PARTIES AND SUBJECT TO ONLY VERY LIMITED REVIEW BY A COURT

IN ARBITRATION, THE PARTIES ARE WAIVING THEIR RIGHT TO LITIGATE IN COURT, INCLUDING THEIR RIGHT TO A JURY TRIAL

DISCOVERY IN ARBITRATION IS MORE LIMITED THAN DISCOVERY IN COURT

ARBITRATORS ARE NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING IN THEIR AWARDS THE RIGHT TO APPEAL OR SEEK MODIFICATION OF ARBITRATORS' RULINGS IS VERY LIMITED

A PANEL OF ARBITRATORS MIGHT INCLUDE AN ARBITRATOR WHO IS OR WAS AFFILIATED WITH THE HOUSING OR CONSTRUCTION INDUSTRY

ARBITRATION WILL APPLY TO ALL DISPUTES BETWEEN ANY OWNER OR THE VILLAGE ASSOCIATION, OR BOTH, AND THE DEVELOPER OR ANY RELATED PARTY, OR ANY AGENT, BENEFICIARY, EMPLOYEE, OFFICER, DIRECTOR, MEMBER OR CONTRACTOR THEREOF, OR ANY COMBINATION THEREOF, AND NOT JUST THOSE CONCERNING THIS VILLAGE DECLARATION

IF YOU HAVE QUESTIONS ABOUT ARBITRATION, CONSULT YOUR ATTORNEY OR THE AMERICAN ARBITRATION ASSOCIATION

(a) Any claim or action ("Dispute") by any Owner or the Village Association against the Developer or a Related Party, or any agent, beneficiary, employee, officer, director, member or contractor thereof, or any combination thereof (all of whom are made a third party beneficiary of this provision), including, but not limited to, Disputes arising out of or relating to this Village Declaration, any Lot, Tract, Condominium Property, any Common Area, this arbitration provision ("arbitration clause"), or any related agreements or instruments relating hereto ("Related Agreements"), and including, but not limited to, a Dispute based on or arising from an alleged tort, shall at the request of any party be resolved by binding arbitration in accordance with the applicable arbitration rules of the American Arbitration Association (the "Administrator")

(b) The arbitration proceedings shall be conducted in a city mutually agreed by the parties. Absent such an agreement, arbitration will be conducted in Phoenix, Arizona or such other place as may be determined by the Administrator. The Administrator and the arbitrator(s) shall have the authority to the extent practicable to take any action to require the arbitration proceeding to be completed and the arbitrator(s)' award issued within 150 days after the filing of the Dispute with the Administrator. The arbitrator(s) shall have the authority to impose sanctions on any party that fails to comply with time periods imposed by the Administrator or the



arbitrator(s), including the sanction of summarily dismissing any Dispute or defense with prejudice. The arbitrator(s) shall have the authority to resolve any Dispute regarding the terms of this Village Declaration, any Lot, Tract, Condominium Property, any Common Area, this arbitration clause, or Related Agreements, including any claim or controversy regarding the arbitrability of any Dispute. All limitations periods applicable to any Dispute or defense, whether by statute or agreement, shall apply to any arbitration proceeding hereunder and the arbitrator(s) shall have the authority to decide whether any Dispute or defense is barred by a limitations period and, if so, to summarily enter an award dismissing any Dispute or defense on that basis. The doctrines of compulsory counterclaim, res judicata, and collateral estoppel shall apply to any arbitration proceeding hereunder so that a party must state as a counterclaim in the arbitration proceeding any claim or controversy which arises out of the transaction or occurrence that is the subject matter of the Dispute. The arbitrator(s) may not consolidate or administer multiple arbitration claims or controversies as a class action.

(c) The arbitrator(s) shall be selected in accordance with the rules of the Administrator from panels maintained by the Administrator. A single arbitrator shall have expertise in the subject matter of the Dispute. Where three arbitrators conduct an arbitration proceeding, the Dispute shall be decided by a majority vote of the three arbitrators, at least one of whom must have expertise in the subject matter of the Dispute and at least one of whom must be a practicing attorney. The arbitrator(s) shall award to the prevailing party recovery of all costs and fees (including attorneys' fees and costs, expert witness fees and costs, arbitration administration fees and costs, and arbitrator(s)' fees).

(d) Judgment upon an arbitration award may be entered in any court having jurisdiction.

(e) Any party may initiate arbitration with the Administrator. If any party desires to arbitrate a Dispute asserted against such party in a complaint, counterclaim, cross-claim, or third-party complaint thereto, or in an answer or other reply to any such pleading, such party must make an appropriate motion to the trial court seeking to compel arbitration, which motion must be filed with the court within 45 days of service of the pleading, or amendment thereto, setting forth such Dispute. If arbitration is compelled after commencement of litigation of a Dispute, the party obtaining an order compelling arbitration shall commence arbitration and pay the Administrator's filing fees and costs within 45 days of entry of such order. Failure to do so shall constitute an agreement to proceed with litigation and waiver of the right to arbitrate.

(f) Notwithstanding the applicability of any other law to this Village Declaration, this arbitration clause, or Related Agreements between or among the parties, the Federal Arbitration Act, 9 U.S.C. Section 1 et seq., shall apply to the construction and interpretation of this arbitration clause if this Village Declaration falls within the scope of the coverage of said Act. If any provision of this arbitration clause should be determined to be unenforceable, all other provisions of this arbitration clause shall remain in full force and effect.





When recorded, please return to

Lone Tree Investments LLC
Attention: John Beelling
1121 W. Warner Rd #109
Tempe, AZ 85284

AMENDMENT TO VILLAGE DECLARATION

FIRST AMENDMENT
TO

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS AMENDMENT is made effective as of April 26, 2004, by LONE TREE INVESTMENTS, LLC, an Arizona limited liability company, hereinafter referred to as "Developer", in recognition of the following facts and intentions

A The Developer executed that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Village Declaration") dated as of November 14, 2002, and recorded on November 22, 2002 as Instrument No 3171314 in the records of the Coconino County, Arizona Recorder's Office The Village Declaration affects the real property described in Exhibit A attached hereto and made a part hereof

B The undersigned Developer desires to amend the Village Declaration according to the terms and provisions of this Amendment

NOW, THEREFORE, the undersigned Developer hereby amends the Village Declaration and confirms as follows

1 Section 5.8. Specific Public Utility Easement Section 5.8 is hereby deleted in its entirety and replaced with the following

There is hereby created a non-exclusive easement for the sole and limited purpose of installing, constructing, replacing, repairing, maintaining and operating all utilities including, but not limited to, water, sewer, gas, telephone, electricity, television cable, security systems, and communication lines and systems, upon, over and across that portion of (a) each Lot which is within eight (8) feet of all public and private roadways shown on the Plat, (b) all other portions of the Property which are within eight (8) feet of all public and private roadways shown on the Plat, and (c) all portions of the Golf Course which are within eight (8) feet of all public and private roadways shown on the Plat Notwithstanding anything to the contrary contained in this Section, no easements shall be created nor shall any

sewers, electrical lines, water lines or other facilities for utilities be installed or relocated except as initially created and approved by Developer or thereafter created or approved by the Developer or the Village Association. This provision shall in no way affect any other recorded easements on the Property.

2 Section 12 19, Driveway Access Restriction Section 12 19 is hereby deleted in its entirety and replaced with the following:

Except as provided below in this Section, no driveway on any Lot or serving any Lot may connect directly to Clubhouse Circle if any portion of said Lot connects to any other roadway within the Property which connects to Clubhouse Circle. In the event the Design Review Committee determines in writing that it is impracticable for an Owner to construct a driveway on his Lot to connect to a roadway other than Clubhouse Circle, then the foregoing prohibition shall not apply to such Lot.

3 Section 6 15, Reserves Section 6 15 is hereby deleted in its entirety and is retitled as "Reserves and Working Capital" and replaced with the following:

When title to a Lot is conveyed by Developer to anyone other than a Related Party, Developer may require the new Owner of the Lot to make a contribution to the capital of the Village Association, in an amount to be determined from time to time by Developer, to establish reserves or increase the working capital of the Village Association. Notwithstanding the foregoing, Developer shall have no obligation to collect or contribute to the reserves or working capital of the Village Association. In addition, the Board may, but shall not be required to, annually prepare a reserve budget which shall take into account the number and nature of replaceable assets, the useful life of each asset and the anticipated repair and replacement cost thereof. If the Board establishes a reserve budget, the Board shall establish a required contribution to the Reserve for Capital Improvements, in an amount sufficient to permit the Village Association to meet its projected needs, as shown on the reserve budget, with respect both to amount and timing of annual Village Assessments over the period of the budget. Any required contributions to the Reserve for Capital Improvements shall be assessed as a portion of the Village Regular Assessment on each Lot. Any reserves collected upon the initial sale of a Lot as described above, and any additional reserves included in the Common Expenses which are collected as part of the Village Regular Assessments, shall be deposited by the Village Association in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Village Association, except to the extent that the Village Association's regularly employed accountant deems it desirable to do otherwise on the basis of standard accounting principles in similar contexts or the laws, tax or otherwise, of the State of Arizona or the United States relating to nonprofit corporations or homeowners associations. All reserves shall be deemed a contribution to the capital account of the Village Association by the

Members The responsibility of the Board (whether while controlled by Developer or the Members) shall be only to provide for an amount of reserves as the Board in good faith deems reasonable, and neither Developer, nor the Board, nor any member thereof, shall have any liability to any Owner, to the Village Association, or to any other Person if the reserves prove to be inadequate

4 Section 6 11. Date of Commencement of Village Regular Assessments Section 6 11 is hereby deleted in its entirety and replaced with the following

Village Regular Assessments for Lots which are subject to Assessment shall commence on the first day of the month following the date of conveyance of the first Lot to be conveyed by Developer to anyone other than a Related Party Village Regular Assessments for Lots within any Annexation Property which are subject to Village Assessments shall commence upon the effective date of the annexation Notwithstanding the foregoing provisions of this Section 6 11, no Village Regular Assessments shall commence as to any Lot which is not accessible by substantially completed roadways The Board's determination from time to time of the date of the substantial completion of roadways within the Property (including portions thereof) shall be binding upon all Owners

5 Section 6 20. Exemption of Unsold Lots Section 6 20 is hereby deleted in its entirety and replaced with the following:

Notwithstanding anything in this Section 6 to the contrary, prior to the Transition Date, no Village Assessments shall be levied upon, or payable with respect to, any Lot owned by Developer, any Related Party or any member of Developer (or the member's successors, heirs or devisees) to whom the Lot has been distributed by Developer (as distinguished from having been purchased by the member), until the Lot has been conveyed by Developer (or such other Person) to an unaffiliated purchaser, provided, however, that in the event Developer, any Related Party or such member of Developer is contractually obligated after such conveyance to construct a residence thereon, then no Village Assessments shall be levied upon, or payable with respect thereto, until the date of the substantial completion of such residence as determined by the Board

6 Section 1. Definitions. Subsection 1 41. "Village Assessments" or "Assessments" Section 1 41 is hereby amended by adding the following subsection thereto

1 41 5 "Village Enhancement Assessment" means the amounts which are to be paid by each Owner as provided in Section 6 8

7 Section 6 8. Transfer Fee Section 6 8 is hereby deleted in its entirety and is retitled as " Village Enhancement Assessment and Transfer Fees" and replaced with the following

6 8 Village Enhancement Assessments and Transfer Fees

6 8 1 The Board shall collect a Village Enhancement Assessment upon each conveyance or transfer of equitable title to, or interests in, a Lot after December 31, 2006, except when the conveyance or transfer is to or from Developer, any Related Party or any member of Developer (or the member's successors, heirs or devisees) to whom the Lot has been distributed by Developer (as distinguished from having been purchased by the member) The Village Enhancement Assessment shall be charged to the grantor or transferor Owner of the Lot, and shall be payable to the Village Association at, and as a condition precedent to, the closing of the conveyance or transfer of equitable title thereto or interests therein Each Owner shall notify the Village Association Secretary, or other designee by the Board, at least seven days prior to the scheduled closing of the conveyance or transfer and provide the name of the grantee or transferee, the scheduled date of transfer, and any other information the Board may reasonably require from time to time Transactions involving the transfer of beneficial interests of trusts, or all or substantially all of the economic interests or rights in or to any other entity which holds, directly or indirectly, equitable or legal title to a Lot, shall qualify as a conveyance or transfer for the purposes of this Section 6 8

6 8 2 The Village Enhancement Assessment shall be based on the "gross selling price" of the Lot The gross selling price shall be the fair market value of the total gross consideration paid or given for the Lot or trust or other entity holding legal title thereto or interests therein without deduction for any proration, commission, selling expense, lien, encumbrance or other debt or obligation affecting the Lot or the legal title holder thereof assumed by the grantee or transferee thereof or to which title is taken subject to Subject to Section 6 8 3 below, the Village Enhancement Assessment shall equal one-half of one percent (0 50%) of the gross selling price of the Lot if at the time of the closing the Lot has not been improved with a residence thereon, not to exceed \$5,000 00, and one-quarter of one percent (0 25%) of the gross selling price of the Lot if at the time of the closing the Lot has been improved, or substantially improved as determined by the Board in its reasonable discretion, with a residence thereon, not to exceed \$10,000 00

6 8 3 The Board may increase the percentages and maximum amounts set forth in Section 6 8 2 from time to time provided, however, in no event may any increase thereto be more than the greater of (a) 5 00% of the Village Enhancement Assessments percentage or maximum, as applicable, for the preceding year or (b) the increase during the preceding year of the Consumer Price Index for All Urban Consumers - U S Cities Average - All Items (the "CPI") published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100), from one fiscal year to the next without the consent of the Developer prior to the Transition Date or, a vote or written consent by a Majority of Members after the Transition Date In the event the Bureau of Labor Statistics

ceases to publish the CPI and such information is not available from any other source, public or private, then a new formula for determining the maximum annual increase shall be adopted by the Board

6 8 4 Village Enhancement Assessments shall be in addition to all other Assessments, and shall not be credited against any other past, present or future Assessments

6 8 5 When title to a Lot is conveyed by any Owner (including Developer) to any other Person (except to or by Developer or a Related Party), in addition to the Village Enhancement Assessment, the new Owner shall pay the Village Association, a transfer fee in whatever amount may be required by the Board from time to time The transfer fee shall be used to defray costs of the Village Association arising from or related to any such change of ownership

8 All words with initial capital letters herein shall have the meaning ascribed to them as set forth in the Village Declaration, unless otherwise defined herein Except as amended by this Amendment, the Village Declaration shall remain in full force and effect In the event of a conflict between the terms and conditions of this Amendment and either the Village Declaration, the Articles or the Bylaws, the terms and conditions of this Amendment shall govern and control

IN WITNESS WHEREOF, the undersigned has executed this Amendment to be effective as of the day and year first above written

LONE TREE INVESTMENTS, LLC, an Arizona limited liability company

By LONE TREE DEVELOPERS, LLC, an Arizona limited liability company, manager

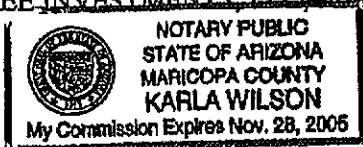
By JB Holdings, Inc, an Arizona corporation, its authorized member

By


John Beerling, President

State of Arizona)
) ss
County of Maricopa)

Acknowledged before me this 29th day of April, 2004 by
John Beerling, as President of JB Holdings, Inc, an Arizona corporation, as authorized member
of LONE TREE DEVELOPERS, LLC, an Arizona limited liability company, as the manager of
LONE TREE INVESTMENTS, LLC, an Arizona limited liability company



Karla Wilson
Notary Public

My Commission Expires

PARCEL NO. 2

A portion of that parcel of land described in Docket 1551, Page 396, Records of Coconino County, Arizona, located in the Southeast quarter of Section 27, Township 21 North, Range 7 East, Gila and Salt River Base and Meridian, within the limits of the CITY OF FLAGSTAFF, Coconino County (R C C), Arizona, more particularly described as follows

Commencing at the Southeast Corner of said Section 27, from whence the South quarter Corner (South 1/4 Cor) of said Section 27 bears South 89 degrees 58 minutes 16 seconds West a distance of 2656 62 feet (Basis of Bearings),

thence South 89 degrees 58 minutes 16 seconds West along the South line of the said Southeast quarter, a distance of 1920 91 feet to the TRUE POINT OF BEGINNING,

thence continue South 89 degrees 58 minutes 16 seconds West, along the South line of the said Southeast quarter, a distance of 74 88 feet to a non-tangent point of curvature of a curve concave to the Northwest, from whence the radius point bears North 11 degrees 06 minutes 10 seconds West a distance of 4,360 80 feet,

thence Northeasterly along the arc of said curve a distance of 491 27 feet, through a central angle of 06 degrees 27 minutes 17 seconds to a point of tangency,

thence North 72 degrees 26 minutes 33 seconds East a distance of 57 43 feet,

thence North 03 degrees 54 minutes 07 seconds East a distance of 116 74 feet

thence North 22 degrees 42 minutes 39 seconds West a distance of 643 28 feet,

thence North 52 degrees 03 minutes 09 seconds East a distance of 1,157 83 feet,

thence North 77 degrees 43 minutes 18 seconds East a distance of 172 16 feet,

thence South 27 degrees 25 minutes 34 seconds East a distance of 707 70 feet to a non-tangent point of curvature of a curve concave to the Southeast, from whence the radius point bears South 47 degrees 22 minutes 42 seconds East a distance of 1776 75 feet,

thence Southwesterly along the arc of said curve a distance of 125 48 feet through a central angle of 04 degrees 02 minutes 47 seconds to a point of tangency,

thence South 38 degrees 34 minutes 31 seconds West a distance of 350 00 feet to a point of curvature of a curve to the right, having a radius of 1140 00 feet,

thence 673 85 feet along the arc of said curve, through a central angle of 33 degrees 52 minutes 02 seconds to a point of tangency,

thence South 72 degrees 26 minutes 33 seconds West a distance of 387 89 feet to a point of curvature of a curve to the right, having a radius of 4375 80 feet,

thence 419 47 feet along the arc of said curve, through a central angle of 05 degrees 29 minutes 33 seconds to the Point of Beginning being a point on the South line of the said Southeast 1/4 of Section 27, also being a point on the South boundary of that parcel of land described in said Docket 1551, Page 396, RCC,

PARCEL NO. 3

A portion of that parcel of land described in Docket 1551, Page 396, Records of Coconino County, Arizona, located in the Southeast quarter of Section 27, Township 21 North, Range 7 East, Gila and Salt River Base and Meridian, within the limits of the CITY OF FLAGSTAFF, Coconino County (R C C), Arizona, more particularly described as follows

BEGINNING at the Southeast Corner of said Section 27, from whence the South quarter corner (South 1/4 Cor) of said Section 27 bears South 89 degrees 58 minutes 16 seconds West a distance of 2656 62 feet (Basis of Bearings).

thence South 89 degrees 58 minutes 16 seconds West, along the South line of the said Southeast quarter, a distance of 1,455 78 feet,

thence North 72 degrees 26 minutes 33 seconds East a distance of 363 19 feet to a point of curvature of a curve to the left having a radius of 1,260 00 feet,

thence 744 78 feet along the arc of said curve through a central angle of 33 degrees 52 minutes 02 seconds to a point of tangency,

thence North 38 degrees 34 minutes 31 seconds East a distance of 350 00 feet to a point of curvature of a curve to the right, having a radius of 1,656 75 feet,

thence along the arc of said curve a distance of 369 84 feet more or less, through a central angle of 12 degrees 47 minutes 24 seconds more or less, to a point on the East line of the said Southeast 1/4 of Section 27, being also a point on the East boundary of that parcel of land described in said Docket 1551, Page 396, R R C .

EXCEPT THE FOLLOWING DESCRIBED PROPERTY, AS FOLLOWS:

Parcels of land in Sections 27 and 34 of Township 21 North, Range 7 East, Gila and Salt River Meridian, being located in the City of Flagstaff, Coconino County, Arizona, more particularly described as follows

Portions of THE ESTATES AT PINE CANYON - UNIT ONE, as shown on the Final Plat thereof, recorded in Case 8, Maps 92, 92A, 92B, 92C, 92D, 92E, 92F, 92G, and 92H, Records of Coconino County, shown and described thereon as Tracts "C", "D", "E", "F", "G", "H", "I", "K", "L", "P", "Q", "R", "S", "T", and Tracts "2" and "22"

1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8
9
10 **SUPERIOR COURT OF THE STATE OF ARIZONA**
COUNTY OF COCONINO

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,

12 Plaintiffs,

13 v.

14 PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,

15 Defendant.
16

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

17 STATE OF Utah)
18 County of Utah) ss.
19

20 J. RANDALL BAILEY, being first duly sworn, upon his/her oath
21 deposes and says:

22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;

24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");

26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;
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4. Because the Pine Canyon Covenants Codes and Restrictions recorded with Coconino County prohibited the display of "for sale" signs, I anticipated that I would not have to view such signs;

5. I anticipated that an absence of "for sale" signs would enhance my use and enjoyment of the property I was about to purchase;

6. In my opinion, "for sale" signs, such as the sign involved in the above-captioned matter, amounts to an eyesore;

7. Their existence would negatively impact my own quality of life within Pine Canyon;

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT.

J. Randall Bailey
(Signature)

J. RANDALL BAILEY
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 27th day of December 20th, by Jordan Bayles.

Jordan Bayles
Notary Public

My Commission Expires:
11-10-2014



1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8
9 **SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,

12 Plaintiffs,

13 v.

14 PC VILLAGE ASSOCIATION, INC., an
15 Arizona corporation,

16 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

17 STATE OF
18 County of Coconino } ss.
19

20 SHERRI SLAYTON, being first duly sworn, upon his/her oath

21 deposes and says:

22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;

24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");

26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;
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4. Because the Pine Canyon Covenants Codes and Restrictions recorded with Coconino County prohibited the display of "for sale" signs, I anticipated that I would not have to view such signs;

5. I anticipated that an absence of "for sale" signs would enhance my use and enjoyment of the property I was about to purchase;

6. In my opinion, "for sale" signs, such as the sign involved in the above-captioned matter, amounts to an eyesore;

7. Their existence would negatively impact my own quality of life within Pine Canyon;

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT.

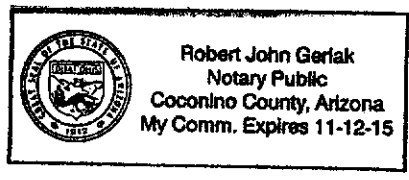
Sherri Slayton
(Signature)

SHERRI SLAYTON
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 27th day of December, 2011, by Sherri Slayton.

[Signature]
Notary Public

My Commission Expires:
11/12/15



1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8
9 **SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,
12
13 Plaintiffs,
14
15 v.
16 PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,
Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

17 STATE OF *Arizona* }
18 County of *Coconino* } ss.
19

20 *Thomas R. Belgrad*, being first duly sworn, upon his/her oath
21 deposes and says:

22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;

24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");

26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;

1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8
9 **SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,

12 Plaintiffs,

13 v.

14 PC VILLAGE ASSOCIATION, INC., an
15 Arizona corporation,

16 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

17 STATE OF ARIZONA
18 County of PIMA } ss.

19
20 BRUCE CARUTH being first duly sworn, upon his/her oath
21 deposes and says: PRESIDENT, ICE INVESTMENT CORP.

22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;

24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");

26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;

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4. Because the Pine Canyon Covenants Codes and Restrictions recorded with Coconino County prohibited the display of "for sale" signs, I anticipated that I would not have to view such signs;

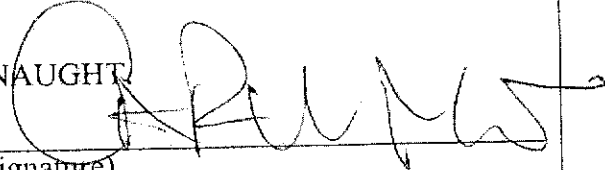
5. I anticipated that an absence of "for sale" signs would enhance my use and enjoyment of the property I was about to purchase;

6. In my opinion, "for sale" signs, such as the sign involved in the above-captioned matter, amounts to an eyesore;

7. Their existence would negatively impact my own quality of life within Pine Canyon;

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT



(Signature)

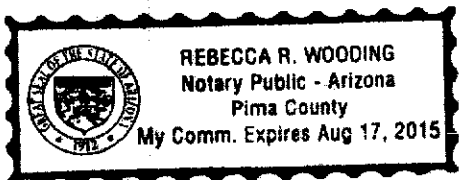
BRUCE GARUTH
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 27 day of December, ²⁰¹¹ by Rebecca R Wooding.



Notary Public

My Commission Expires:
8/17/2015



1 Edward G. Hochuli, Bar #004566
2 J. Gary Linder, Bar #020522
3 Jonathan Confer, Bar #028918
4 JONES, SKELTON & HOCHULI, P.L.C.
5 2901 North Central Avenue, Suite 800
6 Phoenix, Arizona 85012
7 Telephone: (602) 263-1719
8 Fax: (602) 200-7812
9 ehochuli@jshfirm.com
10 minuteentries@jshfirm.com

11 Attorneys for Defendant PC Village
12 Association, Inc.

13 **SUPERIOR COURT OF THE STATE OF ARIZONA**
14 **COUNTY OF COCONINO**

15 ROBERT R. HAWK and CECELIA J.
16 HAWK, husband and wife,
17
18 Plaintiffs,
19
20 v.
21
22 PC VILLAGE ASSOCIATION, INC., an
23 Arizona corporation,
24
25 Defendant.

26 NO. CV2011-00775
27 **AFFIDAVIT OF PC VILLAGE**
28 **RESIDENT**
(Assigned to the Honorable Mark R. Moran)

29 STATE OF ARIZONA }
30 County of COCONINO } ss.

31 Robert CAUSEL, being first duly sworn, upon his/her oath

32 deposes and says:

- 33 1. I am over the age of 18 years and competent to testify to the matters
34 set forth in this Affidavit;
35 2. I own property within Pine Canyon, a community overseen by the
36 Pine Canyon Village Association ("PC Village");
37 3. When purchasing property in Pine Canyon, I expected to enjoy an
38 environment without eyesores, including "for sale" signs;

1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8
9 **SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,

12 Plaintiffs,

13 v.

14 PC VILLAGE ASSOCIATION, INC., an
15 Arizona corporation,

16 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

17 STATE OF ~~ARIZONA~~ }
18 County of ~~MAZICONA~~ } ss.

19
20 BENTON DANIS, being first duly sworn, upon his/her oath
21 deposes and says:

22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;

24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");

26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;

1 4. Because the Pine Canyon Covenants Codes and Restrictions recorded
2 with Coconino County prohibited the display of "for sale" signs, I anticipated that I would
3 not have to view such signs;

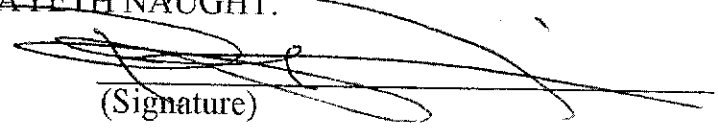
4 5. I anticipated that an absence of "for sale" signs would enhance my
5 use and enjoyment of the property I was about to purchase;

6 6. In my opinion, "for sale" signs, such as the sign involved in the
7 above-captioned matter, amounts to an eyesore;

8 7. Their existence would negatively impact my own quality of life
9 within Pine Canyon;

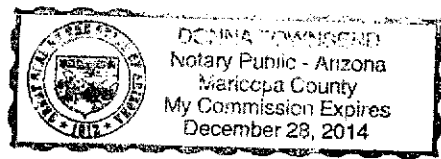
10 8. They would also negatively impact the value of my property in Pine
11 Canyon, as well as the value of other properties.

12
13 FURTHER AFFIANT SAYETH NAUGHT.

14 
15 (Signature)

16 Benjamin Davis
17 (Print Name)

18
19 SUBSCRIBED AND SWORN to before me, the undersigned Notary Public,
20 on this 27th day of December, by Donna Clay.



23 Donna Townsend Clay
24 Notary Public

25 My Commission Expires:
26 12/28/2014

1 Edward G. Hochuli, Bar #004566
2 J. Gary Linder, Bar #020522
3 Jonathan Confer, Bar #028918
4 JONES, SKELTON & HOCHULI, P.L.C.
5 2901 North Central Avenue, Suite 800
6 Phoenix, Arizona 85012
7 Telephone: (602) 263-1719
8 Fax: (602) 200-7812
9 ehochuli@jshfirm.com
10 minuteentries@jshfirm.com

11 Attorneys for Defendant PC Village
12 Association, Inc.

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SUPERIOR COURT OF THE STATE OF ARIZONA
COUNTY OF COCONINO

10 ROBERT R. HAWK and CECELIA J.
11 HAWK, husband and wife,
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Plaintiffs,

v.

PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,

Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

STATE OF Arizona)
County of Coconino) ss.

Randall Lee Hutchison being first duly sworn, upon his/her oath
deposes and says:

1. I am over the age of 18 years and competent to testify to the matters
set forth in this Affidavit;

2. I own property within Pine Canyon, a community overseen by the
Pine Canyon Village Association ("PC Village");

3. When purchasing property in Pine Canyon, I expected to enjoy an
environment without eyesores, including "for sale" signs;

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4. Because the Pine Canyon Covenants Codes and Restrictions recorded with Coconino County prohibited the display of "for sale" signs, I anticipated that I would not have to view such signs;

5. I anticipated that an absence of "for sale" signs would enhance my use and enjoyment of the property I was about to purchase;

6. In my opinion, "for sale" signs, such as the sign involved in the above-captioned matter, amounts to an eyesore;

7. Their existence would negatively impact my own quality of life within Pine Canyon;

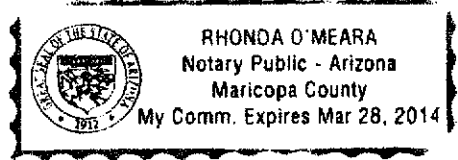
8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT.

Randall Lee Hutchison
(Signature)

Randall Lee Hutchison
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 28 day of December, by Randall Lee Hutchison 2011,



Rhonda O'meara
Notary Public

My Commission Expires:
3/28/2014

1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8
9 **SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,
12
13 Plaintiffs,
14
15 v.
16 PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,
17 Defendant.

NO. CV2011-00775
**AFFIDAVIT OF PC VILLAGE
RESIDENT**
(Assigned to the Honorable Mark R.
Moran)

18 STATE OF ARIZONA }
19 County of COCONINO } ss.

20 ARLEN MC DONALD being first duly sworn, upon his/her oath
21 deposes and says:

- 22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;
24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");
26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;
28

1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
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4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8
9 **SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,

12 Plaintiffs,

13 v.

14 PC VILLAGE ASSOCIATION, INC., an
15 Arizona corporation,

16 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

17 STATE OF ARIZONA }
18 County of MARICOPA } ss.
19

20 HOWARD SARKIN, being first duly sworn, upon his/her oath
21 deposes and says:

22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;

24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");

26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;
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5. I anticipated that an absence of "for sale" signs would enhance my use and enjoyment of the property I was about to purchase;

6. In my opinion, "for sale" signs, such as the sign involved in the above-captioned matter, amounts to an eyesore;

7. Their existence would negatively impact my own quality of life within Pine Canyon;

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT.

Howard Sackin

(Signature)

HOWARD SACKIN

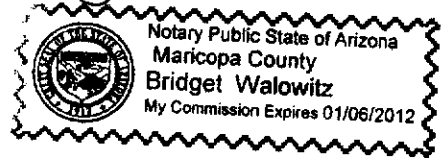
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 26th day of December, by Bridget Walowitz

Bridget Walowitz

Notary Public

My Commission Expires:
1-6-2012



1 Edward G. Hochuli, Bar #004566
2 J. Gary Linder, Bar #020522
3 Jonathan Confer, Bar #028918
4 JONES, SKELTON & HOCHULI, P.L.C.
5 2901 North Central Avenue, Suite 800
6 Phoenix, Arizona 85012
7 Telephone: (602) 263-1719
8 Fax: (602) 200-7812
9 ehochuli@jshfirm.com
10 minuteentries@jshfirm.com

11 Attorneys for Defendant PC Village
12 Association, Inc.

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SUPERIOR COURT OF THE STATE OF ARIZONA
COUNTY OF COCONINO

11 ROBERT R. HAWK and CECELIA J.
12 HAWK, husband and wife,
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Plaintiffs,

v.

PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,

Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

STATE OF Arizona }
County of Coconino } ss.

Deborah S. Schweikert, being first duly sworn, upon his/her oath
deposes and says:

1. I am over the age of 18 years and competent to testify to the matters
set forth in this Affidavit;

2. I own property within Pine Canyon, a community overseen by the
Pine Canyon Village Association ("PC Village");

3. When purchasing property in Pine Canyon, I expected to enjoy an
environment without eyesores, including "for sale" signs;

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4. Because the Pine Canyon Covenants Codes and Restrictions recorded with Coconino County prohibited the display of "for sale" signs, I anticipated that I would not have to view such signs;

5. I anticipated that an absence of "for sale" signs would enhance my use and enjoyment of the property I was about to purchase;

6. In my opinion, "for sale" signs, such as the sign involved in the above-captioned matter, amounts to an eyesore;

7. Their existence would negatively impact my own quality of life within Pine Canyon;

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT.

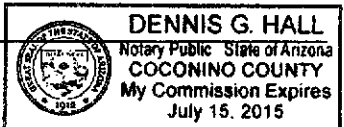
Deborah S. Schweikert
(Signature)

Deborah S. Schweikert
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 27 day of December - 2011, by Dennis G. Hall.

Dennis G. Hall
Notary Public

My Commission Expires:



1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8 **SUPERIOR COURT OF THE STATE OF ARIZONA**
9 **COUNTY OF COCONINO**

10 ROBERT R. HAWK and CECELIA J.
11 HAWK, husband and wife,
12 Plaintiffs,
13 v.
14 PC VILLAGE ASSOCIATION, INC., an
15 Arizona corporation,
16 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

17 STATE OF Arizona)
18 County of Coconino) ss.
19

20 James R. Schweikert, being first duly sworn, upon his/her oath
21 deposes and says:

22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;

24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");

26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;

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4. Because the Pine Canyon Covenants Codes and Restrictions recorded with Coconino County prohibited the display of "for sale" signs, I anticipated that I would not have to view such signs;

5. I anticipated that an absence of "for sale" signs would enhance my use and enjoyment of the property I was about to purchase;

6. In my opinion, "for sale" signs, such as the sign involved in the above-captioned matter, amounts to an eyesore;

7. Their existence would negatively impact my own quality of life within Pine Canyon;

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT.

[Handwritten Signature]

(Signature)

James R. Schweikert

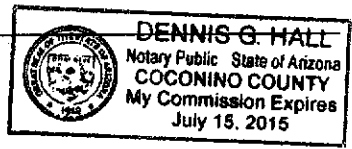
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 27 day of December 2011, by Dennis Gless Hall.

[Handwritten Signature]

Notary Public

My Commission Expires:



1 Edward G. Hochuli, Bar #004566
2 J. Gary Linder, Bar #020522
3 Jonathan Confer, Bar #028918
4 JONES, SKELTON & HOCHULI, P.L.C.
5 2901 North Central Avenue, Suite 800
6 Phoenix, Arizona 85012
7 Telephone: (602) 263-1719
8 Fax: (602) 200-7812
9 ehochuli@jshfirm.com
10 minuteentries@jshfirm.com

11 Attorneys for Defendant PC Village
12 Association, Inc.

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SUPERIOR COURT OF THE STATE OF ARIZONA
COUNTY OF COCONINO

ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,

Plaintiffs,

v.

PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,

Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

STATE OF ARIZONA }
County of Coconino } ss.

James C. Scott being first duly sworn, upon his/her oath
deposes and says:

1. I am over the age of 18 years and competent to testify to the matters
set forth in this Affidavit;

2. I own property within Pine Canyon, a community overseen by the
Pine Canyon Village Association ("PC Village");

3. When purchasing property in Pine Canyon, I expected to enjoy an
environment without eyesores, including "for sale" signs;

1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8
9 **SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,
12
13 Plaintiffs,
14
15 v.
16 PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,
17
18 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

17
18 STATE OF ARIZONA }
19 County of COCONINO } ss.

20 PAMELA SCULTHOPE, being first duly sworn, upon his/her oath
21 deposes and says:

22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;

24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");

26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;

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5. I anticipated that an absence of "for sale" signs would enhance my use and enjoyment of the property I was about to purchase;

6. In my opinion, "for sale" signs, such as the sign involved in the above-captioned matter, amounts to an eyesore;

7. Their existence would negatively impact my own quality of life within Pine Canyon;

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFLIANT SAYETH NAUGHT.

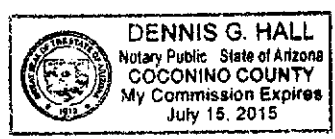
Patrick J. Heston
(Signature)

Patrick J. Heston
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 27 day of December, 2011, by _____.

Dennis G. Hall
Notary Public

My Commission Expires:
July 15, 2015



1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6
7 Attorneys for Defendant PC Village
Association, Inc.

8
9 SUPERIOR COURT OF THE STATE OF ARIZONA
10 COUNTY OF COCONINO

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,
12
13 Plaintiffs,
14
15 v.
16 PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,
17
18 Defendant.

NO. CV2011-00775
**AFFIDAVIT OF PC VILLAGE
RESIDENT**
(Assigned to the Honorable Mark R.
Moran)

18 STATE OF *Arizona*)
19 County of *Maricopa*) ss.

20 JAMES D. SIRAGUSA, being first duly sworn, upon his/her oath
21 deposes and says:

- 22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;
24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");
26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;
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7. Their existence would negatively impact my own quality of life within Pine Canyon;

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT.

[Handwritten Signature]

(Signature)

JAMES D. SIRAGUSA

(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 28th day of December by James Siragusa

[Handwritten Signature]

Notary Public

My Commission Expires:
5-22-2012



1 Edward G. Hochuli, Bar #004566
2 J. Gary Linder, Bar #020522
3 Jonathan Confer, Bar #028918
4 JONES, SKELTON & HOCHULI, P.L.C.
5 2901 North Central Avenue, Suite 800
6 Phoenix, Arizona 85012
7 Telephone: (602) 263-1719
8 Fax: (602) 200-7812
9 ehochuli@jshfirm.com
10 minuteentries@jshfirm.com

11 Attorneys for Defendant PC Village
12 Association, Inc.

13
14 **SUPERIOR COURT OF THE STATE OF ARIZONA**
15 **COUNTY OF COCONINO**

16 ROBERT R. HAWK and CECELIA J.
17 HAWK, husband and wife,

18 Plaintiffs,

19 v.

20 PC VILLAGE ASSOCIATION, INC., an
21 Arizona corporation,

22 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

23 STATE OF Arizona)
24 County of Coconino) ss.

25 Warren W. Smith, being first duly sworn, upon his/her oath
26 deposes and says:

27 1. I am over the age of 18 years and competent to testify to the matters
28 set forth in this Affidavit;

29 2. I own property within Pine Canyon, a community overseen by the
30 Pine Canyon Village Association ("PC Village");

31 3. When purchasing property in Pine Canyon, I expected to enjoy an
32 environment without eyesores, including "for sale" signs;

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8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT.

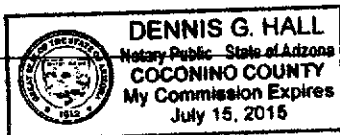
Warren W. Smith
(Signature)

WARREN W. SMITH
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 27 day of December 2011, by Dennis Glenn Hall.

Dennis G. Hall
Notary Public

My Commission Expires:



1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8
9 **SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,
12
13 Plaintiffs,
14
15 v.
16 PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,
17
18 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

17 STATE OF Arizona }
18 County of Coconino } ss.
19

20 PATRICK H. STEWART, being first duly sworn, upon his/her oath
21 deposes and says:

22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;

24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");

26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;

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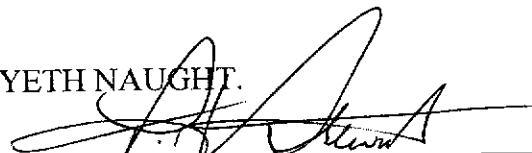
5. I anticipated that an absence of "for sale" signs would enhance my use and enjoyment of the property I was about to purchase;

6. In my opinion, "for sale" signs, such as the sign involved in the above-captioned matter, amounts to an eyesore;

7. Their existence would negatively impact my own quality of life within Pine Canyon;

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT.

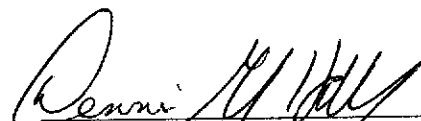


(Signature)

PATRICK H. STEWART

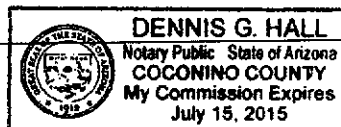
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 28 day of December 2011, by Dennis Glenn Hall.



Notary Public

My Commission Expires:



1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Jonathan Confer, Bar #028918
JONES, SKELTON & HOCHULI, P.L.C.
3 2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012
4 Telephone: (602) 263-1719
Fax: (602) 200-7812
5 ehochuli@jshfirm.com
minuteentries@jshfirm.com

6 Attorneys for Defendant PC Village
7 Association, Inc.

8
9 **SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
HAWK, husband and wife,
12
13 Plaintiffs,
14
15 v.
16 PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,
17 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

18 STATE OF
19 County of Maricopa } ss.

20 James Van Der Weef, being first duly sworn, upon his/her oath
21 deposes and says:

22 1. I am over the age of 18 years and competent to testify to the matters
23 set forth in this Affidavit;

24 2. I own property within Pine Canyon, a community overseen by the
25 Pine Canyon Village Association ("PC Village");

26 3. When purchasing property in Pine Canyon, I expected to enjoy an
27 environment without eyesores, including "for sale" signs;

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4. Because the Pine Canyon Covenants Codes and Restrictions recorded with Coconino County prohibited the display of "for sale" signs, I anticipated that I would not have to view such signs;

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6. In my opinion, "for sale" signs, such as the sign involved in the above-captioned matter, amounts to an eyesore;

7. Their existence would negatively impact my own quality of life within Pine Canyon:

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFIANT SAYETH NAUGHT.

James Van Der Werf

(Signature)

James Van Der Werf

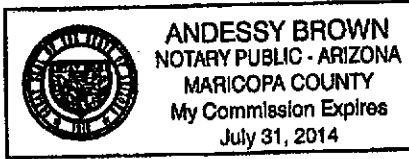
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 28th day of December by Andassy Brown

Andassy Brown

Notary Public

My Commission Expires:
July 31, 2014



1 Edward G. Hochuli, Bar #004566
2 J. Gary Linder, Bar #020522
3 Jonathan Confer, Bar #028918
4 JONES, SKELTON & HOCHULI, P.L.C.
5 2901 North Central Avenue, Suite 800
6 Phoenix, Arizona 85012
7 Telephone: (602) 263-1719
8 Fax: (602) 200-7812
9 ehochuli@jshfirm.com
10 minuteentries@jshfirm.com

11 Attorneys for Defendant PC Village
12 Association, Inc.

13 **SUPERIOR COURT OF THE STATE OF ARIZONA**
14 **COUNTY OF COCONINO**

15 ROBERT R. HAWK and CECELIA J.
16 HAWK, husband and wife,

17 Plaintiffs,

18 v.

19 PC VILLAGE ASSOCIATION, INC., an
20 Arizona corporation,

21 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

22 STATE OF)
23 County of ARIZONA) ss.

24 JOSEPH R. MASLICK JR., being first duly sworn, upon his/her oath

25 deposes and says:

26 1. I am over the age of 18 years and competent to testify to the matters
27 set forth in this Affidavit;

28 2. I own property within Pine Canyon, a community overseen by the
Pine Canyon Village Association ("PC Village");

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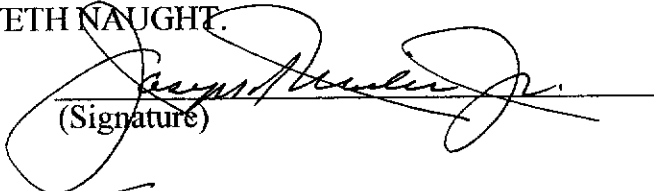
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7. Their existence would negatively impact my own quality of life within Pine Canyon;

8. They would also negatively impact the value of my property in Pine Canyon, as well as the value of other properties.

FURTHER AFFLIANT SAYETH NAUGHT.


(Signature)
JOSEPH R. MASLICK JR.
(Print Name)

SUBSCRIBED AND SWORN to before me, the undersigned Notary Public, on this 27th day of December, 2011 by _____.

Kathleen M. Antann
Notary Public

My Commission Expires:
12/18/2015



1 Edward G. Hochuli, Bar #004566
2 J. Gary Linder, Bar #020522
3 Jonathan Confer, Bar #028918
4 JONES, SKELTON & HOCHULI, P.L.C.
5 2901 North Central Avenue, Suite 800
6 Phoenix, Arizona 85012
7 Telephone: (602) 263-1719
8 Fax: (602) 200-7812
9 ehochuli@jshfirm.com
10 minuteentries@jshfirm.com

11 Attorneys for Defendant PC Village
12 Association, Inc.

13
14 **SUPERIOR COURT OF THE STATE OF ARIZONA**
15 **COUNTY OF COCONINO**

16 ROBERT R. HAWK and CECELIA J.
17 HAWK, husband and wife,

18 Plaintiffs,

19 v.

20 PC VILLAGE ASSOCIATION, INC., an
21 Arizona corporation,

22 Defendant.

NO. CV2011-00775

**AFFIDAVIT OF PC VILLAGE
RESIDENT**

(Assigned to the Honorable Mark R.
Moran)

23 STATE OF ARIZONA)
24 County of MARICOPA) ss.

25 Lois A. WEIL III, being first duly sworn, upon his/her oath
26 deposes and says:

27 1. I am over the age of 18 years and competent to testify to the matters
28 set forth in this Affidavit;

29 2. I own property within Pine Canyon, a community overseen by the
30 Pine Canyon Village Association ("PC Village");

31 3. When purchasing property in Pine Canyon, I expected to enjoy an
32 environment without eyesores, including "for sale" signs;

EDMS Barcode Cover Page

Category

CV



Case Number

S0300CV201100775



Filing Date

1/3/2012



Event Code

15229



Sequence

3



Party Type

D



Party Number

D-1



Document Id

789383



Sealed Flag

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Restricted Flag

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