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RE-RECORD COVENANTS, CONDITIONS AND RESTRICTIONS TO INCLUDE THE LEGAL DESCRIPTION. COURTESY RECORDING NO TITLE LIABILITY

DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR ROADHAVEN RESORTS, INC.
(KNOWN AND MARKETED AS "THE SPRINGS AT SANTA RITA")

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FOR
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**DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR ROADHAVEN RESORTS, INC.
(KNOWN AND MARKETED AS "THE SPRINGS AT SANTA RITA")**

THIS DECLARATION is made this 28th day of SEPTEMBER, 1995 by TITLE GUARANTY AGENCY OF ARIZONA, INC., an Arizona corporation, as Trustee under Trust No. T-1280, hereinafter referred to as "Declarant. "

WITNESETH:

WHEREAS, Declarant is the Owner of certain real property in the County of Pima, State of Arizona, which is more particularly described on the attached Exhibit "A", which real property shall hereinafter be referred to as the "Properties".

WHEREAS, Declarant and/or the Developer Owner (as hereinafter defined) propose to construct improvements upon certain Lots within the Properties, and to sell and convey all Lots within the Properties, subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens hereafter set forth, each of which is for the benefit of the Properties and the subsequent owners thereof.

NOW, THEREFORE, Declarant hereby declares that the Properties are and shall be held, conveyed, encumbered, leased and used subject to the following covenants, conditions, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter collectively referred to as the Declaration or the "Restrictions"), all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties. The Restrictions set forth herein shall run with the Properties, shall be binding upon all persons having or acquiring any interest therein, and shall inure to the benefit of, be binding upon and enforceable by all Owners, Declarant, the Association and their successors in interest.

No provision contained herein shall be construed to prevent or limit Declarant's or Developer Owner's right to complete development of the Properties and construction of improvements thereon, nor Declarant's or Developer Owner's right to maintain model homes, construction, sales or leasing offices, nearby parking areas or similar facilities on the Properties, nor Declarant's or Developer Owner's right to post signs incidental to construction, sales or leasing, nor Declarant's or Developer Owner's right to do anything that is reasonably necessary and proper for the full development of the Properties.

NOW, THEREFORE, Declarant hereby declares, covenants and agrees as follows:

ARTICLE 1

DEFINITIONS

The terms used in this Declaration and the Governing Documents shall be generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below:

1.1 "Adjustment Date" shall mean January 1 of each year during the period in which this Declaration remains in effect.

1.2 "Annual Assessments" shall mean the annual assessments levied by the Board pursuant to Section 8.2 of this Declaration.

1.3 "Architectural Review Committee" or "ARC" means the committee established pursuant to Article 5 of this Declaration.

1.4 "Architectural Design Guidelines" or "Guidelines" means the rules and regulations adopted by the Architectural Review Committee, as such rules may be amended and supplemented from time to time.

1.5 "Articles" means the Articles of Incorporation of the Association which have been filed in the Office of the Arizona Corporation Commission as such Articles may be amended from time to time.

1.6 "Assessments" shall mean all Annual Assessments, Special Assessments and Maintenance Assessments payable to the Association.

1.7 "Association" means The Springs at Santa Rita Homeowners Association, Inc., an Arizona non-profit corporation, its successors and assigns. Such Association is a subassociation of the Santa Rita Homeowners Association.

1.8 "Board" means the Board of Directors of the Association.

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

1.10 "Capital Improvement Assessment" shall mean the assessments levied by the Board pursuant to the provisions of Section 8.6 hereof.

1.11 "Common Area" or "Common Areas" shall mean all real property and the Improvements or amenities thereon, all personal property, all easements and licenses and facilities which shall from time to time be constructed, owned, controlled or operated by the Association for the common use and enjoyment of the Owners.

1.12 "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Property or all of Santa Rita Springs. Such standard shall be that which has been established by the Declarant, and the Architectural Review Committee, and may be more specifically determined by the Board.

1.13 "Declarant" means Title Guaranty Agency of Arizona, Inc., an Arizona corporation, as Trustee under Trust No. T-1280, its successors and any person or entity to whom it may expressly in writing assign its rights under this Declaration.

1.14 "Declaration" means the covenants, conditions, restrictions and easements herein set forth in this entire document, as such Declaration may be amended or restated from time to time.

1.15 "Developer Owner" shall mean a Person in the business of developing and/or selling real property and who has acquired ten (10) or more Lots in connection with and in the course of business, for the purpose of developing or selling such Lots and must be designated in writing by the Declarant to be a Developer Owner.

1.16 "Dwelling Unit" shall mean any building, or part thereof, situated upon a Lot.

1.17 "Event of Foreclosure" shall mean the foreclosure or the transfer of title by trustee's deed at a trustee's sale in regard to a mortgage, deed of trust, or other encumbrance superior in priority to an Assessment Lien under Section 8.1 hereof.

1.18 "Exempt Property" shall mean portions of the Property not subject to Assessments, which shall be the following areas now or hereafter located within The Springs at Santa Rita:

1.18.1 all Government Property, but only if and to the extent designated as exempt Property in the applicable Supplemental Declaration;

1.18.2 property owned by a public or private utility company (or leased by such company) which is utilized in the provision of utility services to all or portions of the Property and the Owners thereof, but only if and to the extent designated as Exempt Property in the applicable Supplemental Declaration;

1.18.3 all Common Areas and areas upon which the Association possesses easement rights, for so long as Declarant or the Association is the owner thereof; and

1.19 "Fair Housing Act" shall mean the Fair Housing Act and its Amendment of 1988, Public Law 100-430, 42 U.S.C. Section 3601, et seq., as further interpreted by Rules and Regulations of the Department of Housing and Urban Development promulgated January 23, 1989 at page 3290 and thereafter amended by Regulations.

1.20 "First Mortgage" shall mean the holder of any mortgage under which the interests of any Owner of a Lot is encumbered and which mortgage has first and paramount priority, subject only to the lien or general or ad valorem taxes and assessments and such other matters as are recognized in such First Mortgage as permitted title exceptions. "First Mortgagee" shall mean the holder of a First Mortgage.

1.21 "Governing Documents" shall mean this Declaration, the Bylaws, the Articles, the Architectural Design Guidelines, and the Association Rules that may be adopted by the Board, as they may be amended.

1.22 "Government Property" shall mean all land and Improvements owned or dedicated to a public or governmental agency, political subdivision, quasi-municipality, or district for so long as the public or governmental authority is the owner of beneficiary thereof, except for land or Improvements, or both, owned and/or operated by a public or governmental agency acting in a proprietary capacity.

1.23 "Improvements" shall include any and all construction or alterations made to any Lot, including but not limited to all buildings and structures, driveways, parking areas, fences, walls, landscaping, lakes, ponds, recreational facilities, signs, excavation or site work, including without limitation, grading, road construction, utilities, alterations or modifications thereto.

1.24 "Lot" shall mean (i) an area of real property designated as a "Lot" on the Plat.

1.25 "Maintenance Assessment" shall mean the assessments, if any, levied by the Board pursuant to the provisions of Section 8.8 of this Declaration.

1.26 "Master Development Plan" shall mean the conceptual or site development plan at any time in effect for Santa Rita Springs and approved by Pima County, Arizona or any other governmental jurisdiction having the authority to approve and regulate master plans for planned area developments located in Santa Rita Springs, as the same may be amended from time to time.

1.27 "Maximum Annual Assessment" shall mean the amount established in accordance with Section 8.5 of this Declaration.

1.28 "Member" shall mean any Owner, including the Declarant, for so long as Declarant is a Class A or Class B Member.

1.29 "Non-Developer Owner" shall mean any Owner who is not a Developer Owner.

1.30 "Occupant" shall mean any Person, other than an Owner, occupying a Lot, or any portion thereof, or building or structure thereon, as a Resident, tenant, licensee or otherwise, other than on a merely transient basis.

1.31 "Owner" shall mean the Record holder' of legal title to the fee simple interest in any Lot, or in the case of a Recorded "contract" (as that term is defined in A.R.S. Section 33714(2)), the holder of Record of the purchaser's or vendee's interest under said contract, but excluding others who hold such title merely as security. If fee simple title to a Lot is vested of Record in a trustee pursuant to A.R.S. Section 33-801 et seq. for purposes of this Declaration, legal title shall be deemed to be held by the trustor (or the trustor's successor of Record), and not by the trustee. An Owner shall include any Person who holds Record title to a Lot in joint ownership or as an undivided fee interest.

1.32 "Person" shall mean a natural person, a corporation, a partnership, a trustee or any other legal entity.

1.33 "Plat" shall mean the plat of the Property recorded in the office of the Recorder for Pima County, Arizona, at Book 37, Page 4 of Maps and Plats.

1.34 "Property", "Project" or "The Springs at Santa Rita" shall mean the real property described on the Plat.

1.35 "Record", "Recording", and "Recorded" shall mean placing or having placed a document of public record in the Official Records of Pima County, Arizona.

1.36 "Resident" shall mean:

1.36.1 Each Tenant or Lessee who resides on the Property and the members of the immediate family of each Tenant who resides on the Property,

1.36.2 Each Owner who resides on the Property and the members of the immediate family of each Owner who resides on the Property; and

1.36.3 Such persons as the Board, in its absolute discretion, may authorize, including, without limitation, guests of an Owner or a Tenant.

1.37 "Special Assessments" shall mean the assessments, if any, levied by the Board pursuant to Section 8.11 hereof.

1.38 "Tenant" shall mean any person who occupies property located within the Property under any type of leasing arrangement but is not included within the definition of a Lessee.

1.39 "Visible From Neighboring Property" shall mean, with respect to any given object, that such object would be visible to an individual whose eyes are six (6) feet above the ground and who is standing at natural grade level on the property within the Property.

ARTICLE 2

PROPERTY AND PERSONS BOUND BY THIS DECLARATION

2.1 Master Association. The Property is a part of a master planned community known as Santa Rita Springs. The Property shall be subject to the terms and conditions of the Declaration of Covenants, Conditions and Restrictions for Santa Rita Springs recorded in Docket 9955, pages 1005 through 1061, and then re-recorded February 28, 1995 in Docket 9989, Page 1320 and then Amended and Restated in Docket 10,110 at page 949 and re-recorded at Docket 10122 at page 439 with the First Amendment and Notice of Termination in Docket 10122 at page 433 records of Pima County, Arizona (the "Master Declaration") and the Articles of Incorporation, Bylaws, Architectural Committee Rules (collectively the "Master Association Documents") of the Santa Rita Springs Homeowners Association (the "Master Association"), including all amendments to the Master Declaration or the Master Association Documents. All restrictions, regulations, approvals and consents, submittals and all other provisions of the Master Declaration shall be in addition to any consents required under the terms of this Declaration.

2.2 General Declaration. This Declaration is declared and agreed to be in furtherance of a general plan for the development and sale of the Property and is established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property. This Declaration shall run with the Property for all purposes and shall be binding upon and inure to the benefit of Declarant and all Owners and Occupants of the Property and their successors in interest, whether or not stated in any document or deed transferring any interest in any Lot to or from such Owners or Occupants. Nothing in this Declaration shall be construed to prevent Declarant from modifying or consenting to the modification of any part of the Master Development Plan.

2.3 Association Board. This Declaration shall be binding upon and benefit the Association, its successors and assigns.

ARTICLE 3

AGE RESTRICTIONS, COVENANTS AND CONDITIONS

3.1 Age Restrictions. Declarant intends that all Dwelling Units located within the Property and described in this Declaration shall have an opportunity to comply with the provisions of the Fair Housing Act and the age restriction exemptions created therein (the "Exemption"). The Exemption is based, generally, upon a standard that at least one Person per Dwelling Unit must be fifty-five (55) years of age or older. Certain exceptions are made to the Fair Housing Act in cases in which at least eighty percent (80%) of the dwelling units in a community are so occupied. Accordingly, except as provided below, all Dwelling Units located in the Property shall be occupied by at least one person per household who is fifty-five (55) years of age or older.

3.2 Declarant's and Developer Owner Exemption. Notwithstanding the provisions of Section 3.1 hereof, the Declarant reserves unto the Declarant the exclusive right to sell and

convey fewer than twenty percent (20%) of the residential Lots for occupancy wherein at least one person will be at least forty-five (45) years of age or older (but not necessarily fifty-five (55) years of age or older), so long as the Property will continue to qualify for the Exemption as set forth in the Fair Housing Act and as explained in the rules and regulations promulgated thereunder and as set forth under Arizona Revised Statutes;

Prior to the time that with regard to the Declarant, twenty five percent (25 %) of the residential Lots in the Property as shown on the Plat have been sold and first occupied, the ratio of Dwelling Units occupied by persons younger than fifty-five (55) years of age or fifty-five (55) years of age or older shall not be considered relevant. However, at such time as with regard to the Declarant, at least twenty-five percent (25 %) of the residential Lots in the Property and as shown on the Plat have been sold and first occupied, at least eighty percent (80%) of the residential Lots then occupied shall be occupied by at least one person fifty-five (55) years of age or older, and as future sales by the Declarant occur, then at least eighty percent (80%) of all residential Lots shall continue to be occupied by at least one person per Dwelling Unit that is at least 55 years of age.

3.3 Subsequent Transfers. Subsequent to the initial sale of residential Lots by the Declarant to any Owner (other than to a Developer Owner) or a sale by a Developer Owner to an Owner, all resales of such Lots by Non-Developer Owners shall be subject to the fifty-five (55) years of age requirements, and it shall be a violation of the terms and conditions of this Declaration should any residential Lot subsequently be sold or resold and then not occupied by at least one person fifty-five (55) years of age or older per Dwelling Unit. Notwithstanding the foregoing, should an Occupant that is fifty-five (55) years of age or older die and leave the Dwelling Unit to a surviving spouse or other companion previously residing with the deceased Occupant, then provided that such surviving spouse or other co-habitant is at least forty-five (45) years of age, and provided that at least eighty percent (80%) of the Dwelling Units shall continue to be occupied by at least one person fifty-five (55) years of age or older, the Association may elect to allow the surviving spouse or co-habitant to remain in the occupancy of the Dwelling Unit without violation of this Declaration.

3.4 Declarant and Developer Owners Sales to Persons under Age of Fifty-Five. In the event that the Declarant or a Developer Owner should exercise its right, as set forth above, to sell and convey fewer than twenty percent (20%) of the residential Lots or Dwelling Units for occupancy by at least one person per household forty-five (45) years of age or older (but not necessarily 55 years of age or older) then the grantee of the deed for the property affirms, by acceptance of the deed, that the lifestyle of the Occupants of the intended or existing Dwelling Units is believed to be compatible with the mature lifestyle intended throughout The Springs at Santa Rita as a whole.

3.5 Owners' Obligations. It shall be the duty and obligation of each record Owner of a residential Lot, prior to reselling, reconveying or leasing the Lot, to ascertain that after the purchase or the lease, at least one Occupant will be fifty-five (55) years of age or older, and shall further confirm this fact to the Association; provided, however, that this Section 3.5 shall not apply to Declarant's or a Developer Owner's reserved rights set forth above with regard to the Lots.

3.6 Minors. Nothing in this Declaration shall be construed as to permit occupancy of any Lot by any person less than eighteen (18) years of age (a "Minor"). No Minor shall reside in any Dwelling Unit for more than three months during any twelve (12) month period.

3.7 Occupants. The occupancy restrictions of this Declaration dealing with both minimum age restrictions and the prohibition of Minors applies to all Occupants, whether Owners, Residents, Lessees or Tenants, and to all leases as well as sales.

3.8 Compliance. On an annual basis, Owner and Occupants, shall provide written verification to the Association that a Dwelling Unit is occupied by at least one person over the age of fifty-five (55), subject to the reserved rights of the Declarant. Each Owner acknowledges that the leasing of Dwelling Units and the pattern of resales of Dwelling Units can be difficult to control or predict, and that compliance with the Fair Housing Act and with the Exemption depends upon the cooperation of the Owners and Occupants.

3.9 Amending Age Restrictions. Notwithstanding anything contained in this Declaration to the contrary, the provisions of this Article 3 may only be amended with the written consent of the Declarant; provided, however, that after all of the property on the Plat has been sold by the Declarant, this Article 3 may be amended by an affirmative vote of the Owners of ninety percent (90%) of the Lots.

ARTICLE 4

EASEMENTS AND RIGHTS OF ENJOYMENT IN COMMON AREA

4.1 Easements and Rights of Enjoyment. Each Owner shall have a non-exclusive easement for the use and enjoyment in and to the Common Areas, which non-exclusive easement shall be appurtenant to and shall pass with the title to each Owner's Lot. All Occupants shall have a nonexclusive, nontransferable temporary license to use and enjoy the Common Areas so long as they remain Occupants. The foregoing grants and rights are subject, among other things, to the following limitations:

4.1.1 The Governing Documents.

4.1.2 The right of the Association to suspend the voting rights and the rights to recreational use and enjoyment of the Common Areas of any Owner or Occupant, as the case may be:

(a) for any period during which an Assessment remains delinquent;

(b) for a period not to exceed sixty (60) days for any infraction of the Governing Documents or any rules and regulations adopted by the Association thereunder; or

(c) for successive 'sixty (60) day periods if any such delinquency or infraction is not corrected during any preceding suspension period.

4.1.3 Any Owner or Occupant, in accordance with the rules and regulations of the Association, may delegate his or her rights of use and enjoyment in the Common Areas to the members of his or her family or his or her Occupants or guests, subject to the limitations set forth in this Declaration and the rules and regulations of the Association.

4.1.4 The right of the Association to limit the number of guests of an Owner or Occupant who may use the Common Areas.

4.1.5 The right of the Association to charge reasonable admission, member, use and other fees for the use of facilities located upon the Common Areas.

4.1.6 The right of the Association to regulate the use and operation of the Common Areas.

4.2 Recorded Easements. The Property, and all portions thereof, shall be subject to all easements shown on the Plat, and to any other easements of record or of use as of the date of Recordation of the Declaration.

4.3 Easements for Encroachments. The Property, and all portions thereof, shall be subject to an easement of up to ten (10) feet from the Lot lines or Common Area boundaries for the actual extent of incidental encroachments created by construction as designed or constructed by the Declarant or any Owner and for settling, shifting, and movement of any portion of the Property. Such encroachments shall not be considered to be encumbrances upon any part of the Property. Encroachments referred to include, but are not limited to, encroachments caused by error in the original construction of Improvements on any Lot by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any Improvements on the Property.

4.4 Easements for Sidewalks and Roads. Declarant reserves to itself and hereby grants to the Association, an easement on the Property (and all portions thereof), and over and across each Lot or Common Area for a distance of nine (9) feet parallel and adjacent to all private roads shown on the Plat for the construction, maintenance and repair of roads and sidewalks and for the installation, maintenance and use of fire hydrants.

4.5 Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to itself and hereby grants to the Association the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area, for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions, and exclusions for the best interest of all the Owners and the Association, in order to serve all the Owners within The Springs at Santa Rita as initially built and expanded. Declarant further reserves the right to establish from time to time, by dedication or otherwise, utility and other easements, and to create other reservations, exceptions, and

exclusions convenient or necessary for the use and' operation of any other property of the Declarant, as long as such action does not hamper the enjoyment of The Springs at Santa Rita, as built or expanded, by the Owners.

4.6 Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all sheets and upon the Property in the proper performance of their duties.

4.7 Maintenance Easement. An easement is hereby reserved to the Declarant, and granted to the Association, and any member of the Board of Directors, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Lots and a right to make such use of the Lots as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Governing Documents. Included within the foregoing grant of easement is the right to enter upon any Lot for the purpose of performing maintenance to the landscaping or the exterior of Improvements to such Lot as required by the Governing Documents and by such entry shall not be guilty of trespass.

4.8 Drainage Easement. An easement is hereby reserved to Declarant and granted to the Association, its officers, agents, employees, successors, and assigns to enter upon, across, over, in, and under any portion of the Property for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners, the Association and the Declarant, as applicable, to the extent possible, to prosecute such drainage work promptly and expeditiously, and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work. Declarant, or its officers, agents, employees, successors and assigns must inform and obtain the approval of the Board prior to undertaking such drainage work, which approval shall not be unreasonably withheld.

4.9 Easements for Utilities.

4.9.1 The Declarant reserves for itself, for so long as the Declarant owns any Property described on the Plat of this Declaration, and grants to the Association and all utility providers, perpetual non-exclusive easements throughout all of the Property (but not through a structure) to the extent reasonably necessary for the purpose of:

- (a) installing above ground and subsurface utilities and infrastructure (including transformers) to serve the Property or property which the Declarant owns or within public rights-of-way or easements reserved for such purpose on recorded Plats;
- (b) inspecting, maintaining, repairing and replacing utilities and infrastructure to serve the Property; cable and other systems for sending and receiving data and/or other electronic signals; security and similar systems; walkways, pathways and trails; drainage systems; street lights and signage; and

(c) access to read utility meters.

4.9.2 Declarant also reserves for itself for so long as the Declarant owns Property or holds the right to own any Property described on Exhibit "A" the non-exclusive right and power to grant and Record such specific easements as may be necessary, in the sole discretion of the Declarant, in connection with the orderly development of the Property and the Annexable, Property. The Owner of any property to be burdened by any easement granted pursuant to this Section shall be given written notice in advance of the grant. This location of the easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not unreasonably be withheld, delayed or conditioned.

4.9.3 All work associated with the exercise of the easements described in Sections 4.9.1 and 4.9.2 shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the Dwelling Units, nor shall it unreasonably interfere with the use of any Dwelling Units and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or Occupant.

4.10 Easements for Golf Balls and Certain Golf Activities.

4.10.1 All of the Lots and the Common Area are burdened with an easement permitting golf balls unintentionally to come upon such areas, and for golfers at reasonable times and in a reasonable manner to come upon the Lots or Common Areas to retrieve errant golf balls; provided, however, if any Lot is fenced or walled, the golfer must seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following Persons or entities be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: the Declarant, the Association and its Members (in their capacity as such), Santa Rita Springs, L.L.C... its successors or any officer, director, partner or agent of the foregoing.

4.10.2 The owner of any golf course adjacent to any portion of the Property, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of ingress and egress over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair and replacement of the golf course.

4.10.3 Any portion of the Property immediately adjacent to any golf course is hereby burdened with a non-exclusive easement in favor of the adjacent golf course for over spray of water from the irrigation system serving such golf course. Under no circumstances shall the Association, the Declarant or the owner of such golf course be held liable for any damage or injury resulting from such over spray or the exercise of this easement

4.11 Dedication of Common Areas. Declarant may hereafter deed to the Association certain parts of the Property as Common Areas intended for common use by the Owners in The Springs at Santa Rita. The designated areas are dedicated hereby to the common use and enjoyment of Owners, and their family, tenants, employees, guests and invites, and not to the use of the general public.

ARTICLE 5

ARCHITECTURAL REVIEW AND LANDSCAPING RESTRICTIONS AND CONTROL

5.1 General and Obligation to Obtain Approval. Except as otherwise provided in this Declaration or the Architectural Design Guidelines without the prior written approval of the Architectural Review Committee (hereinafter the "ARC") of plans and specifications prepared and submitted to the ARC in accordance with the provisions of this Declaration and the Architectural Design Guidelines:

5.1.1 No Improvement, structure or thing shall be placed, erected, installed or posted on the Property and no improvement or other work (including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements or planting or removal of landscaping) shall take place within the Property;

5.1.2 No building, fence, exterior wall, pool, roadway, driveway or other structure, Improvement or thing shall be commenced, erected, maintained, altered, changed or made on any Lot at any time;

5.1.3 No exterior trees, bushes, shrubs, plants or other landscaping shall be planted or placed upon the Property; and

5.1.4 No material changes or deviations in or from the plans and specifications for any work to be done on the Property, once approved by the ARC, shall be permitted without the prior written consent of the ARC to such change or deviation.

No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. Any Owner may remodel, paint or redecorate the interior of the Improvements constructed on their Lot without the approval of the ARC. However, modifications to the interior of screened porches, patios, and similar portions of Improvements Visible From Neighboring Property shall be subject to the prior approval of the ARC.

This Article shall not apply to the activities of the Declarant nor to the activities of the Association so long as the Declarant is the Class B Member.

5.2 Architectural Review. Responsibility for the administration of the Architectural Design Guidelines and review of all applications for construction and modifications under this Article shall be handled by the ARC. The members of the ARC need not be Members of the Association or representatives of Members. The ARC may establish and charge reasonable fees for review of applications hereunder and may establish fees that are to be paid in fun prior to review of any applications and plans and specifications.

5.3 Architectural Review Committee. The ARC shall consist of at least three, but not more than five, persons and shall have exclusive jurisdiction over all original construction on the Property and all modifications, additions, or alterations made on or to existing structures located on the Property. Until one hundred percent of the Property and Annexable Property have been developed and conveyed to Owners other than Developer Owners, the Declarant retains the right to appoint all members of the ARC who shall serve at the Declarant's discretion... There shall be no surrender of the right of the Declarant to appoint all members of the ARC prior to the foregoing time except in a written instrument in recordable form executed by Declarant. Upon termination of such right, the Board shall appoint the members of the ARC who shall thereafter serve and may be removed in the Board's discretion. The ARC shall keep and maintain a written record of all actions taken by it. Consultants hired by the ARC may be entitled to compensation from any fees collected by the ARC.

5.4 Architectural Design Guidelines. The Declarant has prepared the Architectural Design Guidelines for the Property (the "Guidelines"). The Guidelines contain general provisions applicable to all of the Property, and specific provisions which vary according to land use and from one portion of the Property to another, depending upon the location, unique characteristic, and intended use of the Property. The Guidelines are intended to provide guidance to Owners and Developer Owners regarding matters of particular concern to the ARC in considering applications thereunder. The Guidelines are not the exclusive basis for decisions of the ARC and compliance with the Guidelines does not guarantee approval of any application.

The ARC shall adopt the Guidelines and thereafter shall have sole and full authority to amend them. Any amendments to the Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Guidelines; the ARC is expressly authorized to amend the Guidelines to remove requirements previously imposed or otherwise to make the Guidelines less restrictive.

The ARC shall make the Guidelines available to the Owner and Developer Owners who seek to engage in development or construction or modifications within the Property. In Declarant's discretion, such Guidelines may be Recorded, in which event the Recorded version of the Guidelines, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Guidelines was in effect at any particular time.

5.5 Procedures. In addition to the submission to the ARC of the fee established by the ARC for the review of plans and specifications, plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the ARC for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted to the ARC as applicable. In reviewing each submission, the ARC may consider the quality of workmanship and design, harmony of exterior design with existing structures, and location in relation to surrounding topography, and finish grade elevation, among other things. Decisions of the ARC may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as members of the ARC change over time.

In the event that the ARC fails to approve or disapprove any application within thirty (30) days after submission of an fees and information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Guidelines unless a variance has been granted in writing by the ARC pursuant to Section 5.7 hereof.

5.6, No Waiver of Future Approvals. Approval by the ARC of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings or other matters subsequently or additionally submitted to the ARC for approval.

5.7 Variance. The ARC may authorize variances from compliance with the Guidelines or any procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but such variances shall be made only in accordance with duly adopted rules and regulations of the ARC. Such variances may only be granted, however, when the ARC determines that unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance for the Guidelines.

5.8 Limitation of Liability. Review and approval of any application and plans and specifications pursuant to this Article is made on the basis of aesthetic considerations only and the ARC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, the ARC, or member, director, or officer of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the ARC and its members shall be defended and indemnified by the Association to the fullest extent permitted by law.

5.9 Enforcement. Any structure, Improvement or other thing placed on the Property or made in violation of this Article shall be deemed to be "nonconforming work". Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore the property to substantially the same condition as existed prior to the nonconforming work, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate the allowed by law, may be assessed against the benefited Lot and collected as provided in Article 8 hereof.

Unless otherwise specified in writing by the ARC, all approvals granted hereunder shall be deemed conditioned upon completion of an elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to

completion all approved work, the Association shall 'be authorized, but not obligated to, after notice to Owner of the Lot, enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and Owner thereof.

Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and conditions of this Article and the Guidelines may be excluded by the Board from the Property. In such event, neither the Association, the ARC, the Board or their officers, or directors shall be held liable to any Person for exercising the rights granted by paragraph.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

5.10 Exemption. Notwithstanding the foregoing, Declarant shall not be required to obtain Design Review Committee approval with respect to the building of homes, or any Improvements, alterations, repairs, excavations, grading, landscaping. additions or changes installed or made by Declarant with respect to the Property.

ARTICLE 6

ASSOCIATION AND ASSOCIATION OBLIGATIONS

6.1 Association Formed. The Association shall be a non-profit Arizona corporation charged with the duties and vested with the powers prescribed by law and set forth the Governing Documents. Neither the Articles nor the Bylaws shall be amended or interpreted so as to be inconsistent with this Declaration.

6.2 Board of Directors and Officers. The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and Bylaws. The Board may appoint or engage a manager to be responsible for the day-to-day operations of the Association and the Common Area. The Board shall determine the compensation to be paid to such manager.

The Declarant, as the Class B Member, shall have the sole right to appoint all members of the initial Board and each Board thereafter for so long as there is a Class B Member of the Association. The initial Board of Directors and each Board thereafter for so long as there is a Class B Member of the Association, shall consist of three (3) Members or other persons (who need not be Members of the Association) appointed by the Declarant. Commencing with the first annual meeting of the Members when there is no longer a Class B Member, the Board shall consist of, and the voting Member shall elect, three (3) directors, all of whom must be Members (or an individual designated by a corporate, partnership or other non-individual member). The foregoing reference to three (3) directors may be subject to increase or decrease in the number of directors as provided in the Bylaws or by a majority vote of the Members present at the annual meeting, except that at no time may the number of directors be fewer than three nor more than nine. The term of each of the directors shall be for a two year term.

6.3 Association Responsibility for Common Areas. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the management and control of the Common Areas dedicated under this Declaration and all Improvements of the Common Areas (including the furnishings and equipment related thereto).

6.4 Association Rules and Regulations. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt and amend and repeal the rules and regulations of the Association (the "Association Rules"). The Association Rules may restrict and govern the use of the Common Areas: provided, however, that the Association Rules shall not discriminate among Owners and Occupants except to reflect their different rights and obligations as provided herein, and shall not be inconsistent with the Governing Documents. Upon adoption, the Association Rules shall have the same force and effect as if they were set forth herein. A copy of the Association Rules, as adopted or amended, shall be available for inspection at the office of the Association.

6.5 Association's Responsibility for Compliance with Fair Housing Act. The Association, subject to Article 3 above, shall be responsible for monitoring the age of Occupants of Dwelling Units to ensure that Owners are in compliance with the age restriction covenants contained herein and/or the Fair Housing Act. This shall include, but not be limited to, annually conducting by a survey by providing a questionnaire to all Owners of Dwelling Units.

6.6 Personal Liability. Neither the Declarant, nor any Board member, officer, committee member, employee, agent and/or agent's personnel, representative of the Association or Association, shall be personally liable to any Owner, or to any other Person, including the Association, for any damage, loss, costs, fees (including attorneys' fees) or prejudice suffered or claimed on account of any of their acts, omissions, errors or negligence, provided, however, that the limitations set forth in this Section shall not apply to any Person who has failed to act in good faith or has engaged in willful or intentional misconduct.

6.7 Implied Rights: Board Authority. The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

6.8 Indemnification of Officers, Directors and Others. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which indemnity is allowed under the Articles and Arizona law. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, maintain adequate general liability and officers' and director's liability insurance to fund this obligation, if such insurance is reasonably available.

6.9 Enforcement of Declaration. In the event of a violation of any of the provisions of this Declaration or any other Governing Documents, in addition to any other rights and remedies contained herein, the Board may:

6.9.1 With regard to an Owner, if a member of the Owner's household, or any licensee, tenant or lessee, Occupant or invitee violates the provisions of this Declaration or any other Governing Document, the Board may suspend the right of such Owner to use the Common Areas, Recreational Facility, under such conditions as the Board may specify, for a period not to exceed forty five (45) business days for each violation. Each day an infraction continues under either this Declaration or the Governing Documents is a separate violation. Before the exercise of the remedy under this Section 6.9.1, the Board shall give such person notice and a hearing before the Board (the procedures of such hearing shall be established by the Board);

6.9.2 With regard to any violations of this Declaration or any other Governing Documents, the Board shall have the authority to bring an action at law or in equity to enforce such provisions. Expenses of such enforcement, in the event that the Association is a prevailing party, shall be paid to the Association by the Owner against whom enforcement was commenced; or

6.9.3 The Board and Association shall have the right to enter, without being guilty of a trespass, upon the Lot of an Owner for the purpose of repairing, modifying or demolishing Improvements which are not in conformance with the provisions of the Declaration or the Guidelines and all expenses thereof shall be paid by the Owner in violation to the Association.

6.10 Mergers and Consolidations. The Association shall have the right, power and authority to participate in mergers or consolidations with any other non-profit corporation whose objectives, methods and taxable status and format of operation are similar to those of the Association ("Merger Candidate"). A merger or consolidation of the Association with a Merger Candidate must be approved in advance by Members holding fifty percent (50%) of the votes in each class of Members of the Association, whether in person or by proxy, at a meeting duly called for such purpose. The Association's properties, rights and obligations shall be transferred to and assumed by the surviving or consolidated corporation by operation of law, or alternatively, the properties, rights and obligations of the Merger Candidate shall be transferred by operation of law to the Association as the surviving corporation. The surviving or consolidated corporation, at a minimum, shall have the same administrative responsibilities and enforcement rights established by this Declaration in regard to the Property.

6.11 Records and Accounting. The Association shall keep, or cause to be kept, true and correct records of account at the sole cost and expense of the Association. Such books and records, together with current copies of the Governing Documents, shall be available for inspection by all Owners and First Mortgagees of record at reasonable times, by appointment only, during regular business hours.

ARTICLE 7

MEMBERSHIPS AND VOTING

7.1 Votes of Owners of Lots. Other than the Declarant, every Owner of a Lot which is subject to assessment shall automatically be a Class A Member of the Association and shall remain a Member for so long as such ownership continues. Each Owner (other than Declarant) shall have one (1) Membership vote for each Lot owned by the Member.

Each Membership shall be appurtenant to and may not be separated from ownership of the Lot to which the Membership is attributable. There shall be only one Membership for each Lot, which Memberships shall be shared by joint Owners of, or Owners of undivided interests.

7.2 Declarant. Declarant shall be a Member of the Association so long as it holds a Class A or a Class B Membership.

7.3 Votive Classes. The Association shall have two classes of voting Memberships:

7.3.1 Class A. Class A Membership shall be all Memberships except Declarant (until conversion of the Declarant's Class B Membership to a Class A Membership under this Declaration). Subject to the authority of the Board to suspend a Member's voting rights in accordance with the provisions hereof a Class A Membership shall have the number of votes provided for in Section 7.1 hereof.

7.3.2 Class B. The Class B Membership shall be held by the Declarant. The Class B Member shall be deemed, with respect to Lots owned by the Declarant, to be entitled to the number of votes equal to six (6) times the number of votes which would be attributable to the Lots if issued to a Class A Member, as determined pursuant to Section 7.1 hereof. The Class B Membership shall automatically cease and be converted to a Class A Membership upon the happening of the first of the following:

- (a) five (5) years following_ the conveyance of the first Lot to an Owner, other than the Declarant;
- (b) the date on which the Declarant Records a written notice electing to convert the Class B Membership to a Class A Membership; or
- (c) ninety (90) days after the date upon which the Class A votes equal the Class B votes.

7.4 Right to Vote. No change in the Ownership of a Membership shall be effective for voting purposes until the Board receives written notice of such change together with satisfactory notice thereof. The vote for each Membership must be cast as a single vote. Fractional votes shall not be allowed. In the event that a Membership is owned by more than one Person and such Owners are unable to agree as to how their vote or votes shall be cast, they

shall not be entitled to vote on the matter in question. If any Member casts a vote or votes representing a certain Lot, the Member thereafter will be conclusively presumed to be acting with the authority and consent of all other owners of the same Membership unless objection thereto is made to the Board, in writing, at or prior to the time the vote or votes are cast. In the event that more than one Person casts or attempts to cast a vote for a particular Membership, all such votes shall be deemed void.

7.5 Members' Rights. Each Member shall have the rights, duties, and obligations set forth in the Governing Documents and the Architectural Design Guidelines as the same may be amended from time to time.

7.6 Cumulative Voting For Members. In any election of the members of the Board, every owner of a Membership entitled to vote at such election shall have the number of votes for each Membership equal to the number of directors to be elected, except that the Class B Member shall be the number of votes designated in Section 7.3.2 above times the number of directors to be elected. Each Member shall have the right to cumulate his or her votes for one candidate or to divide such votes among any number of the candidates. The candidates receiving the highest number of votes, up to the number of Board members to be elected, shall be deemed elected.

7.7 Transfer of Membership. The rights, duties and obligations of a Class A Membership in the Association cannot and shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon transfer or ownership of such Class A Member's Lot. Such transfer may be effected by deed, intestate succession, testamentary disposition, foreclosure or other legal process authorized under Arizona law. Any attempt to make a non-approved form or transfer shall be void. Any transfer or ownership in a Lot shall operate to transfer the Membership(s) appurtenant thereto to the new Owner.

ARTICLE 8

ASSESSMENTS AND ESTABLISHMENT OF LIEN

8.1 Creation of Assessment Lien: Personal Obligation of Lot Owner.
The Class A Owner of any Lot within The Springs at Santa Rita, by acceptance of a Deed therefor, whether or not it shall be so expressed in any such deed, is deemed to covenant and agree, and hereby covenants and agrees, to pay to the Association the Annual Assessment or charges, Special Assessments, Capital Improvement Assessment and Maintenance Assessments (collectively the "Assessments") to be established and collected, if applicable, as hereafter provided in this Article 8.

The amount and time for payment of the Assessments shall be determined by the Board, pursuant to the Governing Documents. The Assessments, together with interest thereon, and the costs and reasonable attorneys' fees, if any, incurred by the Association in connection with the enforcement and collection thereof or in otherwise enforcing this Declaration, shall be a charge and continuing servitude and lien upon the Lot against which such Assessments are made and, in addition, shall be the personal obligation of the Owner of Such Lot at the time when such Assessments become due and payable. The personal obligation for delinquent

assessments shall not pass to the Owners' successors in title unless expressly assumed by them. The Assessment Lien is imposed and created by this Declaration and the Recording of a notice specifying the amount of a delinquent Assessment Lien shall not be necessary to create or enforce the Assessment Lien; however, the Association has the right to Record the lien.

Notwithstanding any other provision of this Declaration to the contrary, no Assessments shall be levied upon or payable with respect to any Lot owned by Declarant, until the Lot has been conveyed to an Owner. In the event Declarant records a Declaration as a Developer Owner and/or completes construction on a Lot, Declarant shall be obligated to pay the Assessments set forth for a Developer Owner in Section 8.3; provided, however, that during any period when Declarant as a Developer Owner is paying reduced Assessments pursuant to this sentence, Declarant shall still be entitled to vote as a Class B Member.

8.2 Annual Assessments. The Association by and through the Board shall levy the Annual Assessments for the purposes set forth herein below. The Annual Assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the Owners and Occupants, to enhance the quality of life within the Property, to preserve the value of the Property, to pay the costs of administration of the Association, to improve and maintain the Common Areas, private areas, and areas surrounding the Property boundaries, and to otherwise further the interests of the Association as the Board deems appropriate. Subject to the provisions of Section 8.5, the Board may, during an Assessment Period, revise the amount of the Annual Assessment in order to meet expenses which exceed the amounts previously budgeted by the Association and collect such increased Annual Assessment.

8.2.1 If the estimated total Annual Assessments for the current year proves to be excessive in light of the actual expenses, the Association may, at the discretion of the Board, retain such excess as additional working capital, or reserves, reduce the amount of the Annual Assessments for the succeeding year, or abate collection of Annual Assessments for such period as it deems appropriate. No reduction or abatement of Annual Assessments because of any such anticipated surplus may diminish the quantity or quality, of services.

8.2.2 The reserves included in the expenses which are collected as part of the Annual Assessments shall be deposited by the Association in a separate bank account to be held for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Association, except to the extent that the 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 non-profit corporations, or homeowners' associations. Such reserves shall be deemed a contribution to the capital account of the Association by the Members. The responsibility of the Board (whether while controlled by the Declarant or the Members) shall be only to provide for such reserves as the Board in good faith deems reasonable, and neither the Declarant, the Board, or any member thereof shall have any liability to any Owner or Member, or to the Association, if such reserves provide to be inadequate.

8.3 Uniform Rate of Assessment. The amount of any Annual Assessment or Capital Improvement Assessment against each Lot shall be fixed at a uniform rate per Lot except as follows:

8.3.1 Anything in this Declaration to the contrary notwithstanding, the Declarant shall not be liable for and shall not be required to pay Assessments for Lots owned by Declarant. Nor shall Declarant be liable for the payment of any assessments for any Lot that, having been previously sold to a purchaser, has been deeded back to the Declarant by foreclosure or deed in lieu of foreclosure. In consideration for Declarant's exemption from assessment, Declarant agrees that it shall pay, for any given assessment year in which Declarant has paid or contributed to the Association less than the full Regular Assessment for each Lot owned, the actual shortfall or deficiency, if any, in necessary ordinary operating revenue to pay current ordinary expenses for the operation and maintenance of the Association and Common Areas, but only if such deficiency exists and only up to the full Regular Assessment for each such Lot owned. A shortfall or deficiency shall exist if current ordinary expenses of the Association are greater than the revenues of the Association from all sources for the assessment year in question. Declarant may at any time at its sole discretion elect to cease paying the shortfall or deficiency, if any, and to pay up to the full Regular Assessment for each Lot owned by Declarant instead.

8.3.2 The assessments shall commence as to all Lots on the first day following the conveyance of the first Lot to an Owner. The first Annual Assessments shall be prorated according to the number of months remaining in the calendar year. Assessments shall be collected on a periodic basis as the Board of Directors may determine from time to time, but until the Board directs otherwise, Assessments shall be payable quarterly in advance on the first day of each calendar quarter.

8.4 Rate of Assessment. Subject to Sections 8.5 and 8.6 hereof, the amount of the Annual Assessments and Capital Improvement Assessments shall be fixed by the Board, in its sole discretion, but, subject to this Section, always in the ratios, as among Owners of Lots as set forth above in Section 8.3. A Non-Developer Owner shall not be entitled to the reduced assessment rates provided in Section 8.3 and a Developer Owner shall be entitled to such reduced rates only if he or she is a Developer Owner with respect to the specific Parcel in question. If a Developer Owner ceases to qualify for the reduced payments provided for herein above during an Assessment Period, the Developer Owner shall immediately notify the Board, in writing, of the change in status. The failure of a Developer Owner to notify the Board of the change in status shall not prevent or preclude the reinstatement or the full payment obligation pursuant hereto from taking effect as of the applicable date as provided herein. The Association may from time to time request that any Developer Owner of property being assessed at a reduced rate furnish to the Association evidence that such Developer Owner continues to be entitled to a reduced assessment rate under Section 8.4, and if such Developer Owner fails to produce such evidence within thirty (30) days following the date of the Association's request, or if such evidence as is furnished is unsatisfactory, in the Board's reasonable discretion, to demonstrate such Developer Owner's continued entitlement to the reduced assessment rate, the Board may terminate such reduced assessment rate as of the date reasonably deemed appropriate by the Board.

8.5 Maximum Annual Assessment. Subject to the provisions of this Section 8.5, the Board, in its sole and absolute discretion, shall each year estimate the total expenses anticipated for the coming year and shall determine the necessary level of reserve balances for ordinary and unexpected expenses. and shall determine the Annual Assessment necessary to

generate the required revenues for expenses and reserves. The Annual Assessment determined to be necessary in any given year may be set at any amount less than or up to the maximum Annual Assessment permitted for such year. The initial Maximum Annual Assessment shall be \$420 per Dwelling Unit paid at \$35.00 each month. The Maximum Annual Assessment for each Membership for all subsequent fiscal years of the Association may be equal to the Maximum Annual Assessment for the immediately preceding fiscal year, increased by the greater of:

A. Twenty percent (20%) of the Maximum Annual Assessment for the Lot in effect during the immediately preceding fiscal year; or

B. The percentage increase in the cost of living index for "All Items, All Cities" as reflected by the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor of the United States Department of Labor all Urban Consumers (hereinafter called the "Cost of Living Index Number"), whichever is greater. In the event that the Bureau of Labor Statistics should fail to publish a comparable Cost of Living Index Number during any such years, but a comparable Cost of Living Index Number shall be published by any governmental agency of the United States in place thereof, then such comparable index number shall be used for the purpose of adjusting the Maximum Annual Assessment under the provisions of this Section with the same force and effect as the Cost of Living Index of the Bureau of Labor Statistics.

8.5.4 The Maximum Annual Assessment for an Assessment Period may be increased above the Maximum Annual Assessment for such Assessment Period otherwise determined under Section 8.5.3 above by an affirmative vote of Members holding at least 67% of the votes in each class of Members represented in person or by proxy at a meeting of the Members of the Association duly called for such purpose.

8.6 Capital Improvement Assessments. In addition to the Annual Assessment, the Association may levy a Capital Improvement Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement owned by the Association, or for defraying other extraordinary expenses, provided however, that such Capital Improvement Assessment shall have the prior assent of 67% of the votes of each class of Members voting in person or by proxy at a meeting of the Association duly called for such purpose. Capital Improvement Assessments shall be assessed uniformly among the Members, as authorized in Section 8.3 hereof.

All amounts collected as Capital Improvement Assessments may only be used for capital improvements or other extraordinary expenses and shall be deposited by the Association in a separate bank account to be held for such purposes. Said funds shall not be commingled with any other funds of the association and shall be deemed a contribution to the capital account of the Association by the Members.

8.7 Notice and Quorum for Any Action Authorized Under Sections 8.5 and 8.6.

Written notice of any meeting of the Members of the Association called for the purpose of conducting a vote required under Sections 8.5 or 8.6 shall be sent to all Members not less than 30 days nor more than 60 days in advance of such meeting. At such meeting, the presence of Members or of proxies entitled to cast 60% of all the votes (exclusive of suspended voting rights) of each class of Members shall constitute a quorum. If the required quorum is not present, another meeting shall be called for such purpose, subject to the foregoing notice requirements, and the required quorum at the subsequent meeting shall be 51 % of the quorum required at the initially scheduled meeting. The subsequent meeting shall be held within 60 days following the date of the initially scheduled meeting.

8.8 Maintenance Assessments. In addition to any Annual Assessment, the Board shall have the authority to levy and collect Maintenance Assessments for costs and expenses attributable to the special characteristics or needs of a particular Lot if the Owner of a Lot contracts with the Association for the Association to provide particular maintenance services in regard to such.

8.9 Assessment of Certain Maintenance Costs. In the event the need for maintenance or repair of areas maintained by the Association is caused through the willful or negligent act or omission of any Owner, Occupant or Lessee (or of any other Person for whom such Owner or Lessee is legally responsible under applicable state law), the cost of such maintenance or repair shall be added to and become a part of the Assessments to which such Owner and such Owner's Lot is subject and shall be secured by the Assessment Lien, and by a Recorded Assessment lien if deemed appropriate by the Board.

8.10 Improper Maintenance and Use of Lots. In the event any portion of any Lot is maintained so as to present a nuisance, or substantially detracts from or affects the appearance or quality of any neighboring Lot or other area, or is used in a manner which violates this Declaration, or in the event the Owner, Occupant or Lessee of any Lot fails to perform such Owner's obligations under this Declaration, any applicable Supplemental Declaration, the Association Rules, or the Architectural Design Guidelines, the Association, by Board resolution, may make a finding to such effect, specifying the particular conditions) that exist, and thereafter give notice to the Owner of such Lot that unless specified corrective action is taken within a specified time period, the Association, at such Owner's cost, may take whatever action is appropriate to compel compliance, including, without limitations, appropriate legal action. If, at the expiration of the specified time period the requisite corrective action has not been taken by the Owner, the Association is hereby authorized and empowered, at its sole discretion to impose a daily fine, to cause corrective action to be taken (including but not limited to the right to enter upon the Lot without being guilty or trespass and maintain landscaping, remove any weeds, rubbish or debris) and/or to commence appropriate legal action, and the cost thereof, including court costs and attorneys' fees, shall be added to and become a part of the Assessments to which the offending Owner and the Owner's Lot is subject and shall be secured by the Assessment Lien, and by a Recorded Assessment Lien if deemed appropriate by the Board.

8.11 Special Assessments. Special Assessments shall be levied by the Association against a member and/or an Owner and his or her Lot to reimburse the Association for:

8.11.1 Costs incurred in bringing an Owner and his or her Lot into compliance with the provisions of this Governing Documents;

8.11.2 Fines levied or fixed by the Board as provided herein or as provided by law;

8.11.3 Document fees, purchase fees and transfer fees, as established by the Board, in the Board's sole discretion, which shall include, but not be limited to:

A. Costs incurred for the reproduction and distribution of The Springs at Santa Rita documents; and

B. A transfer fee charged upon every Lot for the transfer, sale or conveyance from an Owner to a new Owner.

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

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

8.12 Annual Assessment Period. Except as otherwise provided hereinbelow, the Assessment Period shall be the fiscal year commencing on January 1 of each year and terminating on December 31 next following. The Board may, in its sole discretion, from time to time, change the Assessment Period. The initial Assessment Period shall commence on the date of Recording of this Declaration and terminate on December 31 following the date of Recording. The Assessments provided for hereinabove shall be prorated for the initial Assessment Period.

8.13 Billing and Collection Procedures. The Board shall have the right to adopt procedures for the purpose of making, billing, and collecting the Assessments, which procedures may include delegating to a subassociation or one or more subsidiary associations the authority and obligation of billing and collecting some or all of the Assessments. The failure of the Association to send a bill to an Owner shall not relieve such Owner of the Owner's liability for Assessments. No Recorded Assessment Lien shall be foreclosed or otherwise enforced until the Owner has been given not less than thirty (30) days written notice thereof prior to the commencement of such foreclosure or enforcement. The notice shall be addressed to the Owner at the address of the Owner on the records of the Association. It shall be the responsibility of the Owner to inform the Association in writing of a change of address. The Association shall be under no duty to refund any payments received by the Association even if the ownership of a Lot changes during an Assessment Period. Any successor Owner shall be given credit for any unrefunded prepayments made by a prior Owner. In case the Owner of a Lot having a right to pay a reduced payment amount as provided herein fails to notify the Board at such time as the payment amount should be increased, such Owner shall nonetheless be liable for the full amount of the Assessment and such Owner's failure to notify the Board shall not relieve such Owner of

the liability for such full Assessment. No Owner shall be entitled to claim any offsets against Assessments for any reason, including, without limitation, a claim that the Association is not properly exercising its duties or responsibilities under this Declaration.

8.14 Collection Costs and Interest on Delinquent Amounts. Any Delinquent Amount shall have added thereto a flat late fee as determined by the board if such Delinquent Amount is not paid within ten (10) days after its due date. In addition, the Delinquent Amount shall bear interest from its due date until paid at a rate equal to the greater of: (a) 18% per annum; or (b) the then prevailing interest rate on loans provided by Bank One, Arizona, NA. The Owner shall be liable for all late fees, interest, costs, including, but not limited to, attorneys' fees and costs and collection agency fees which may be incurred by the Association in collecting any Delinquent Amount the Board may also Record an Assessment Lien against the applicable Lot and may establish a fixed fee to be reimbursed to the Association for the Association's cost in Recording such Assessment Lien, processing the delinquency, and Recording a release of lien. The foregoing fee shall be treated as a collection cost of the Association secured by the Recorded Assessment Lien.

8.15 Statement of Payment. Upon receipt of a written request therefor from any Owner of Resident, the Board, within a reasonable time thereafter, shall issue to the requesting party a written statement stating that as of the date of such statement:

8.15.1 All Assessments (including collection fees, if any, in regard thereto) have been paid with respect to such Owner's Lot: or

8.15.2 If such Assessments have not been paid, the amount(s) then due and payable.

The Association may make a reasonable charge for the issuance of such statement. Any such statement shall be conclusive and binding with respect to any matter set forth therein.

8.16 Exempt Property. Exempt Property shall be exempt from Assessments (except as may be provided in Sections 8.8 and 8.10) and the Assessment Lien, and shall have no voting rights in the Association; provided, however, that should any Exempt Property cease to be Exempt Property for any reason, it shall thereupon be subject to Assessments (prorated as of the date it ceased to be Exempt Property) and the Assessment Lien, and shall have voting rights in the Association as otherwise determined in this Declaration. Notwithstanding any provision to the contrary in this Declaration, a Supplemental Declaration applicable to Government Property may provide for such Government Property to be totally exempt from all of the provisions of this Declaration for so long as such property remains Government Property.

8.17 Waiver of Use. No Owner may exempt himself or herself from personal liability for Assessments, or release the Lot owned by him or her from the liens or charges arising under this Declaration or any Supplemental Declaration or by any other Recorded instrument by waiver of his or her Occupants' or guests' rights of use and enjoyment of the Common Areas. 1

8.18 Declarant's Option to Fund Budget Deficits. Declarant shall be exempt from assessments by paying an amount which it would otherwise owe as an assessment in the same manner as any other Owner or by paying the difference between the amount of assessments levied on other Lots plus all other revenue subject to assessments and the amount of actual, ordinary operating expenses of the Association during the fiscal year. Unless the Declarant otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Regardless of the Declarant's election, the Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions or services or materials, or by a combination of these.

ARTICLE 9

ASSESSMENTS AND ENFORCEMENT

9.1 Enforcement. In the event of a default in payment of any Assessment when due, in which case the Assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in the manner provided by law or in equity, or without any limitation to the foregoing, by either or both of the following procedures.

9.1.1 Enforcement of Personal Obligation. The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner to enforce each Assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency, together with late fees and interest thereon from the date of delinquency until paid, court costs, and reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Owner.

9.1.2 Enforcement Lien. As provided in 8.1 above, all Assessments, plus interest, late fees and costs connected therewith, shall be a continuing lien upon the Lot assessed. Such lien shall be deemed to have attached as of the date of Recordation hereof and shall be senior to all matters other than tax liens for real property taxes on the Lot, Assessments on the Lot in favor of any municipal or other governmental assessing unit, reservations in patents, and the lien of any First Mortgage.

9.1.3 Notice and Claim of Lien. At any time after occurrence of any default in the payment of any such Assessment, the Association, or any authorized representative may, but shall not be required to, make a written demand for payment by the defaulting Owner (or Member). Said demand shall state the date and amount of delinquency. Each default shall constitute a separate bases for demand but any number of defaults may be included within a single demand. The Association may, whether or not such a written demand is first made, file and record a claim of lien on behalf of the Association against the Lot of the defaulting Owner. Such a claim of lien shall be executed and acknowledged by any officer of the Association, Recorded in the office of the County Recorder of Pima County, and shall contain substantially the following information:

- A. The name of the delinquent Owner (or Member);

- made;
- B. The legal description of the Lot against which claim of lien is made;
 - C. The total amount claimed to be due and owing for the amount of the delinquency, late fees, interest thereon, collection costs, and reasonable attorneys' fees (with any proper offset allowed);
 - D. A statement that the claim of lien is made by the Association pursuant to this Declaration;
 - E. A statement that the lien is claimed against said Lot in an amount equal to the amount stated; and
 - F. A statement that the claim of lien will also extend to all Assessments which became due but are not paid from the date of the recording of the claim of lien to the date of payment of an amounts set forth herein (including interest thereon, late fees, reasonable attorneys' fees, costs and collection), an that the claim if lien will only be deemed satisfied and released when the Owner (or Member) is current in the payment of all such amounts.

Upon Recordation of a duly-executed original or copy of such claim of lien, and the mailing of a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot. Such a lien shall be junior to tax liens for real property taxes on the Lot, Assessments on any Lot in favor of any municipal or other governmental assessing unit, and the lien of any First Mortgage.

9.2 Foreclosure of Lien. Any Assessment Lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure Of a realty mortgage or trust deed as set forth by the laws of the state of Arizona, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Owners. The Association shall have the power to bid in at am foreclosure sale and to purchase, acquire, hold, lease, mortgage, an convey any Lot. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, late fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner hereby expressly waives any objection to the enforcement and foreclosure of this lien.

9.3 No Exemption of Owner. No Owner (or Member) is exempt from liability for payment of Assessments by waiver of the use of enjoyment of the Common Area, by claim of set-off or by abandonment of a Lot.

9.4 Subordination of the Lien to First Mortgages: Sale or Transfer of Lots. The lien of the Assessments provided for herein, including without limitation any fees, costs, late fees, or interest which may be levied by the Association in connection with unpaid Assessments, shall be subordinate to the lien of any First Mortgage. Sale or transfer of any Lot pursuant to foreclosure of any such First Mortgage or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of such executory land sales contract, shall extinguish the lien of Assessments or charges which became due prior to any such sale or

transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract, provided, however, that any such delinquent Assessments or charges, including interest, late fees, costs and reasonable attorneys' fees, which are extinguished as provided herein, may be reallocated and assessed to all Lots as a common expense. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture of such executory land sales contract, shall relieve any Owner of any Lot from liability for any Assessments or charges thereafter becoming due, nor from any lien thereof. In the event of foreclosure of a First Mortgage or the taking of a deed in lieu thereof, such First Mortgages shall not be liable for unpaid Assessments or other charges which accrued prior to the acquisition of title to the Lot in question by such First Mortgage.

9.5 Mortgage Protection. Notwithstanding and prevailing over any other provisions of this Declaration, or the Association's Articles or Bylaws, or the Association Rules, the following provisions shall apply to and benefit each First Mortgagee of a Lot:

9.5.1 Liability for Assessments and Other Charges.

(a) First Mortgagees shall not in any case or manner prior to acquiring title to a Lot be personally liable for the payment of any Assessment or charge, nor for the observance or performance of any covenant, restriction, contained in the Governing Documents except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, nor shall a First Mortgagee be liable for any violation of the Restrictions that occurred prior to such First Mortgagee acquiring title.

(b) At such time as the First Mortgagee shall become record Owner of a Lot, said First Mortgagee shall be subject to all of the terms, conditions, and restrictions of this Declaration, including but not limited to the obligation to pay for all Assessments and charges accruing thereafter, in the same manner as any Owner.

9.6 Right to Exercise Rights of Owner. During the pendency of any proceeding to foreclose the First Mortgage, including any period of redemption, the First Mortgagee (or receiver appointed in such action) may, but need not, exercise any or all of the rights and privileges of the Owner of the mortgaged Lot, including but not limited to, the right to vote as a Member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

9.7 Right to Pay Charges on Common Area. First Mortgagees are hereby granted the right to jointly, or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area owned by the Association, and such First Mortgagees may, jointly or singly, pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Area and any First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

9.8 Priority. Nothing in this Declaration shall in any manner be deemed to give a Lot Owner, or any other party, priority over any rights of a First Mortgagee of a Lot pursuant to the terms of such First Mortgagee's mortgage in the case of a distribution to an Owner of insurance proceeds or condemnation awards for losses to or a taking of any Lot of any part of the Common Area owned by the Association.

9.9 Other Rights. Each First Mortgagee shall, upon written notice to the Association identifying the name and address of the holder, and the Lot number or address of the Lot encumbered by its mortgage, be entitled to:

9.9.1 Receive written notification from the Association of any default in the performance by the Owner of a Lot encumbered by the Mortgage in favor of such First Mortgagee of any obligation under this Declaration or under the Governing Documents of the Association which is not cured with 60 days.

9.9.2 Inspect the books and records of the Association, by, appointment, during normal business hours.

9.9.3 Receive an annual financial statement of the Association within 90 days following the end of any fiscal year of the Association.

9.9.4 Receive written notice of all notice of Members of the Association.

9.9.5 Receive written notice of any condemnation loss or casualty loss affecting a material portion of the Property.

9.9.6 Receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond.

ARTICLE 10

USE OF ASSOCIATION FUNDS

10.1 Use of Association Funds. The Association shall apply all funds and property collected and received by it (including the Annual Assessments, Capital Improvement Assessments, Special Assessments, Maintenance Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of the Association and its Members by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any and all land, properties, Improvements, facilities, monuments, monument walls, water features, lighting features, trail systems, services, projects, programs, studies and systems, within or without The Springs at Santa Rita, which may be necessary, desirable or beneficial to the general interests of The Springs at Santa Rita and the Members.

The Association may also expend its funds for any purposed which any municipality may expend its funds under the laws of the State of Arizona or such municipality's charter.

10.2 Borrowing Power. The Association may borrow money in such amounts, at such rates, upon such terms and security, and for such periods of time as the Board deems necessary or appropriate.

10.3 Association's Right in Spending Funds from Year to Year. The Association shall not be obligated to spend in any year all Funds received by it in such year, and the Board may carry forward as surplus and balances remaining. The Association shall not be obligated to reduce the amount of the Annual Assessment in the succeeding year if a surplus exists from a prior year.

ARTICLE 11

RIGHTS AND POWERS OF ASSOCIATION

11.1 Rights, Powers and Duties of the Association. In addition to the rights and powers of the association set forth in this Declaration, the Association shall have such rights, powers and duties as are set forth in the Articles and Bylaws, together with such rights and powers as may be reasonably necessary in order to effect all the objectives and purposes of the Association as set forth herein. A copy of the Articles and Bylaws shall be available for inspection at the office of the Association during reasonable business hours. Some, but not all, duties of the Association shall include:

11.1.1 the maintenance of the walkways, drainage casements, pedestrian easements, slope easements, monuments, water features and walkways (if applicable) located within the Common Areas and properties, and entry way features and landscaping leading into the Property, including decorative structures, walls, etc.;

11.1.2 the maintenance of the landscaped portions of the Common Areas and other areas to be maintained by the Association, including all areas between Common Areas and the private walls of each Dwelling Unit and, all abutting property as within reason, the surroundings outside of the Property;

11.1.3 the operation, maintenance (including insurance) and, if necessary, the replacement, restoration or reconstruction of Association or Common Area related signage, walls, fences, and other improvements originally constructed by Declarant on the Common Areas; and,

11.1.4 the payment of ad valorem real estate taxes, assessments and other charges on those portions of the Common Areas owned by the Association.

11.2 Rules and Regulations. In addition to the right to adopt, amend and repeal rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Association, acting through the Board, shall have the right to adopt, amend and repeal rules and

regulations with respect to all other aspects of the Members' rights and the association's rights, activities and duties, provided such rules and regulations are not inconsistent with the provisions of this Declaration, the Articles and Bylaws. Upon adoption, the additional Association Rules shall be enforceable in the same manner as this Declaration and shall have the same force and effect as if they were set forth in and were a part of this Declaration.

11.3 Association's Rights of Enforcement. The Association, as the agent and representative of the Owners, shall have the right, but not the obligation, to enforce the provisions of this Declaration and the Governing Documents. Further, any Owner (including Declarant, so long as Declarant is an Owner) shall have the right and authority, but not the obligation, to enforce the provisions of this Declaration. In addition, the Board may promulgate and establish a fine schedule as part of the Guidelines, Association rules and the Declaration and without limiting the generality of the preceding sentence, the Board may fix a fine of up to \$10,000 for failure to comply with the Governing Documents.

11.4 Contracts with Others. Subject to the restrictions and limitations contained herein, the Articles, the Bylaws and the laws of the State of Arizona, the Association may enter into contracts with others, including Declarant and Declarant's affiliated companies for services which may include, but are not limited to, operation and maintenance of the Recreational Facility, water, refuse, utilities and maintenance for the benefit of the Members of the Association and for Common Areas and such contracts shall not be invalidated by the fact that one or more directors or officers of the Association are employed by or otherwise affiliated with Declarant or Declarant's affiliates; provided, however, that the fact of such interest shall be previously disclosed or made known to the other members of the Board acting upon such contract or transaction and, provided further, that the transaction or contract is fair and reasonable. Notwithstanding the foregoing, any management contract entered into by the Association must be terminable, without penalty, by the Association for cause at any time and without cause upon reasonable notice. Any contract between the Association and Declarant or Declarant's affiliates must be terminable by the Association without penalty upon no more than thirty (30) days' notice.

11.5 Procedure for Change of Use of Common Areas. Upon adoption of a resolution by the Board stating that the then current use of a specified part of the Common Areas is no longer in the best interests of the Owners and Occupants, and the approval of such resolution by either Declarant or not less than 67% of the votes of the Class A Members voting in person or by proxy at a meeting duly called for such purposed, the Board shall have the power and right to change the use thereof (and in connection therewith to take whatever actions are required to accommodate the new use), provided such new use also shall be for the common benefit of the Owners and Occupants.

11.6 Procedure for Transfers of Common Areas. The Association shall have the right to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility provided that:

11.6.1 Such a transfer or dedication doe; not have substantial, adverse effect on the enjoyment of the Common Areas by the Owners and Occupants or on the

easements and licenses with respect to the Common Areas granted by this Declaration to the Owners and Occupants;

11.6.2 It is required by a Recorded subdivision plat, a zoning stipulation or an agreement with the County; and

Except as authorized above, the Association shall not make any such dedication or transfer or change the size, shape or location of the Common Areas, exchange the Common Areas for other property or interests which become Common Areas, or abandon or otherwise transfer Common Areas (to a non-public authority) except upon: (a) the adoption of a resolution by the Board stating that the ownership and/or use of the relevant Common Area is no longer in the best interests of the Owners and Occupants, and that the change desired shall be for their benefit and shall not substantially, adversely affect them; (b) the approval of such resolution by not less than 67% of the votes of each class of Members voting in person or by proxy at a meeting called for such purpose in the manner set forth in Section 8.7 and (c) approval of the proposed action by any agency, as applicable, to the extent this Declaration has been approved by any Agency.

11.7 Common Area Use Fees. The Association shall have the right to grant non Members the temporary right to use and enjoy, on a specific and limited basis, one or more of the Common Areas in exchange for such consideration as the Board may deem appropriate.

11.8 Agreements with Adjoining Landowners for Common Areas. The Association shall have the right to enter into agreements with persons owning land adjacent to the Property: pursuant to which the adjoining landowner pays for all costs associated with the installation and maintenance of enhanced landscaping on Common Areas located within the Property.

11.9 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it might otherwise be. Neither the Association nor the Declarant, shall in any way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar system or other security system or measures, including any mechanism or system for limiting access to the Property, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended.

ARTICLE 12

MAINTENANCE OBLIGATIONS OF OWNERS/ COMMUNITY WIDE STANDARD/ PARTY WALLS AND OTHER SHARED STRUCTURE

12.1 Owners' Maintenance Responsibility. Each Owner shall maintain his or her Lot and all structures, parking areas, and other improvements comprising the Lot in a manner consistent with the Community-Wide Standard and applicable covenants unless maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to a Supplemental

Declaration. In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibilities, the Association may, but shall not be obligated to, perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner in accordance with Section 8.8 hereof. The Association shall afford the Owner notice of ten (10) days to cure the problem prior to entry, except when entry is required due to an emergency situation.

12.2 Standard of Performance. Unless otherwise specifically provided herein, maintenance responsibility shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and the Governing Documents.

12.3 Shared Structures. A "Shared Structure" means each wall, fence, driveway or similar structure built as a part of the original construction of improvements to contiguous Lots which serves and/or separates any two Lots. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omission shall apply to a Shared Structure. The cost of reasonable repair and maintenance of a Shared Structure shall be shared equally by the Owners who make use of the Shared Structure. If a Shared Structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the Shared Structure may restore it. If other Owners thereafter use the Shared Structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omission. The right of any Owner to contribution from the Owner any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title. All disputes regarding a Shared Structure shall be submitted to the ARC, whose decision on the matter shall be final and binding.

ARTICLE 13

ADDITIONAL RIGHTS RESERVED TO DECLARANT

13.1 Withdrawal of Property. The Declarant reserves the right to amend this Declaration for the purpose of removing any portion of the Property from the coverage of this Declaration, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Property. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall consent to such withdrawal.

13.2 Marketing and Sales Activities. The Declarant and Developer Owners authorized by Declarant may maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of Dwelling Units, including, but not limited to, business offices, signs, model units, and sales offices. The Declarant and authorized Developer Owners shall have easements for access to and use of such facilities.

13.3 Right to Develop. The Declarant and its employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

Each Person acquiring an interest in the Property acknowledges that The Springs at Santa Rita is a master planned community, the development of which is likely to extend over many years, and agrees not to protest or otherwise object to (a) changes in zoning, uses of, density of the Property (other than within such Owner's subdivision) or (b) changes in the Master Development Plan (other than within such Owner's subdivision); provided, such revision is not unequivocally contrary to the overall, uniform scheme of development for the Property.

13.4 Right to Approve Additional Covenants. No Person, including but not limited to a Developer Owner, shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant's review and prior written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and Recorded in the Official Records of Pima County Arizona.

13.5 Right to Approve Changes in Community Standards. No amendment to or modification of any Governing Documents and Association Rules or Guidelines made after termination of the Class "B" Voting Rights held by the Declarant shall be effective without prior notice to and the written approval of Declarant.

13.6 Right to Transfer or Assign Declarant Rights. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred in whole or in part to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration of the Bylaws. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and Recorded in the Official Records of Pima County, Arizona.

13.7 Exclusive Rights to Use Name of Development. No Person shall use the name "The Springs at Santa Rita" or any derivative of such name in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the name "The Springs at Santa Rita" in printed or promotional matter where such term is used solely to specify that particular, property is located within The Springs at Santa Rita and the Association shall be entitled to use the words "The Springs at Santa Rita" in its name.

The rights contained in this Article shall terminate upon the earlier of (a) 25 years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity in The Springs at Santa Rita has ceased.

ARTICLE 14

TERM: AMENDMENTS AND TERMINATION

14.1 Term, Method of Termination. This Declaration shall be effective upon its Recordation and, as amended or restated from time to time, shall continue in full force and effect for a term of 25 years from the date of its Recordation. Thereafter, this Declaration (as amended or restated from time to time) shall be automatically extended for successive periods of ten (10) years each unless there is an affirmative vote to terminate this Declaration by Members representing 90% of the Class "A" Members and the consent of the Class "B" Member, if such exists, within 6 months prior to the expiration of the initial term hereof or any 10 year extension. In addition, this Declaration may be terminated at any time if Members representing 90% of the Class "A" Members and the Class "B" Member, if one exists, vote in favor of termination at an election held for such purpose. If the necessary votes and consents are obtained, the Board shall Record a certificate of termination, duly executed by the President or Vice President of the Association and attested to by the secretary of the Association. Upon the Recording of the termination certificate, this Declaration shall be of no further force and effect and the Association thereupon shall be dissolved in accordance with its Articles and Bylaws and the laws of the State of Arizona.

4.2 Amendments. Until the first sale of a Lot within the Property to a Non-Developer Owner for use and occupancy as a Dwelling Unit, the Declaration may be amended by a Recorded document duly executed by Declarant without the necessity of calling a meeting of Owner or obtaining consent of Owners. Thereafter, this Declaration may be amended by recording a certificate of amendment, duly executed by the Association and attested to by the secretary of the Association, which certificate shall set forth that at least 67% of the votes then entitled to be cast voted affirmatively for the adoption of the amendment. Such amendment shall become effective upon its Recordation.

14.3 Right of Amendment if Requested by Governmental Agency or Federally-Chartered Lending Institution. Anything in this Article to the contrary notwithstanding, Declarant reserves the right to amend this Declaration or a Supplemental Declaration as may be requested or required by the FHA, VA or any other Agency with whom Declarant elects to do business as a condition precedent to such Agency's approval of this Declaration or applicable Supplemental Declaration, or by any federally-chartered lending institution as a condition precedent to lending funds upon the security of any Lot or purchasing loans secured thereby. Any such amendment shall be effected by Declarant Recording a certificate of amendment duly executed and acknowledged by Declarant specifying the Agency or the lending institution requesting the amendment and setting forth the requested amendments. Recordation of such a certificate shall be deemed conclusive proof of the Agency's or institution's request or requirement and such certificate and when Recorded, shall be binding upon all of the Property and all persons having an interest therein. It is the desire of the Declarant to retain control of the Association and the Association's activities during the period of planning and development of the Property. If any amendment requested or required pursuant to the provisions of this Section deletes, diminishes or alters such control, Declarant shall have the right to prepare, provide for and adopt as an amendment hereto, other and different control provisions which shall be binding upon the Property and the Owners without a vote of the Owners. Except as provided in this Section,

Declarant shall not have any right to amend this Declaration or Supplemental Declaration otherwise than in accordance with and pursuant to the provisions of Section 14.2.

ARTICLE 15

USE AND OCCUPANCY RESTRICTIONS

15.1 Residential Use. No business or commercial building may be erected on any Lot and no business or commercial enterprise, or other nonresidential use may be conducted on any part thereof. The leasing of a Dwelling Unit shall not be considered a business.

15.2 Restricted Activities. The following activities are prohibited within the Property unless expressly authorized by, and then subject to such conditions as may be imposed by the Board:

15.2.1 Parking of any vehicles on public or private streets or parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats or other water craft, trailers, motorcycles, ATV's stored vehicles or inoperable vehicles in places other than enclosed garages; provided, however, that construction, service and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to make a delivery to a Lot or to the Common Area;

15.2.2 Raising, breeding or keeping of animals, livestock or birds or poultry of any kind is prohibited. However, a reasonable number of does, cats or other usual and common household pets may be permitted on a Lot; provided, however, that those pet which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety or, or constitute a nuisance or inconvenience to the Owner or Occupants or adjoining Lots or Dwelling Units shall be removed upon the request of the Board. If the pet owner fails to honor such request, the Board may remove the pet Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside of the Dwelling Unit. Pets shall be licensed, registered and inoculated as required by law;

15.2.3 Any activity which emits foul or obnoxious odors outside the Dwelling Unit or creates noise or other conditions which tend to disturb the peace or threaten the safety of other Owners in The Springs at Santa Rita;

15.2.4 Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on Lots;

15.2.5 Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance or nuisance to persons using the Common Areas, Recreational Facility or to the Owners in The Springs at Santa Rita;

15.2.6 Outside burning of trash, leaves, debris or other materials; provided, however, that Owners of Dwelling Units shall be permitted to burn wood in outdoor fireplaces or firepits approved by the ARC;

15.2.7 Use or discharge of any radio, loudspeaker, horn, whistle, bell or other sound device so as to be audible to the Owners or Occupants of adjoining Lots, except alarm devices used exclusively for security purposes;

15.2.8 Dumping of grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances anywhere in The Springs at Santa Rita;

15.2.9 Accumulation of rubbish, trash, or other garbage except between regular garbage pickups, and then only in approved garbage containers (which garbage containers have been approved by the ARC), which approved containers shall not be Visible From Neighboring Property except on the dates of regular garbage pickups;

15.2.10 Obstruction or rechanneling of drainage flows after location and installation of drainage swales or channels, storm sewers, or storm drains, except that the Declarant and the Association shall have such right, provided, that the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent;

15.2.11 Subdivision of a Lot into two or more Lots, or changing boundary lines of any Lot after a subdivision plat including such Lot has been approved and Recorded, except that Declarant shall be permitted to subdivide or replat Lots that it owns;

15.2.12 Use of any Lot for the operation of a timesharing program, whereby the right to exclusive use of the Lot or Dwelling Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, except for those time share programs which are specifically permitted under a Supplemental Declaration executed by the Declarant and which are operating, in accordance with the terms of this Declaration;

15.2.13 Discharge of firearms; provided.. that the Board shall have no obligation to take action to prevent or stop such discharge;

15.2.14 On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Lot for operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation and maintenance vehicles, generators, and similar equipment;

15.2.15 Any business, trade or similar activity within a Lot. This section shall not apply to the Declarant or any Developer Owner with respect to the development and sale of properties or its use of airy Lots or Dwelling Units that it owns within the applicable Parcel that it is developing and selling;

15.2.16 Capturing, trapping or killing of wildlife within the Property, except in circumstances posing an imminent threat to the safety of persons using the Property;

15.2.17 Conversion of any carport or garage to finished space for use as an apartment or other integral part of living area in any Dwelling Unit without the prior written approval of the ARC of all plans and specifications associated therewith:

15.2.18 Operation of motorized vehicles of any type or nature on pathways or trails, or Common Areas maintained by the Association;

15.2.19 Any construction, erection, or placement of any thing, permanently or temporarily, on the outside portions of any improvements, Dwelling Units, or any Lot, whether such portion is improved or unimproved, except in strict compliance with the Architectural Design Guidelines. This shall include without Stations signs, basketball hoops, swing sets and similar sports and play equipment, clotheslines, garbage cans or containers. woodpiles, above ground swimming pools, antennas, satellite dishes, or other apparatus for the transmission or reception or television, radio, satellite, or other signals of any kind, and hedges, walls, landscaping, dog runs, animal pens, fences of any kind or gazebos; and

15.2.20 All mechanical, electrical equipment and utility meters to be installed by and Owner or Developer Owner shall be concealed so as to not be Visible From Neighboring Property. Included within this restriction shall be air conditioning, evaporative coolers, solar equipment, and pool pump and heating equipment. No such equipment shall be permitted to be roof mounted unless concealed by planting, fence or wall as approved by the ARC.

15.3 Prohibited Conditions. The following shall be prohibited within the Property:

15.3.1 Plants, animals, devices or other things or any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property or any Lot contained within The Springs at Santa Rita:

15.3.2 Structures, equipment or other items located on or about a the exterior of a Lot which have become rusty, dilapidated or otherwise fallen into disrepair;

15.3.3 Sprinkler or irrigation systems or wells, reservoirs of any type which draw water from round or surface waters within The Springs at Santa Rita, except that the Declarant and the Association shall have the right to draw water from such sources;

15.3.3 Walls, dog runs, animal pens, or fences or any kind on any Lot except as approved under the provisions of this Declaration;

15.3.4 Excessive exterior lighting on ;any Lot. The Board shall in its discretion determine whether any exterior lighting is excessive;

15.3.5 Tents, shacks, or other structures of a temporary nature on any Lot except as approved under this Declaration or as authorized by the Declarant during construction on the Property;

15.3.6 Storage of furniture, appliances, machinery, equipment or other goods and chattels not in active use on the Common Area or any portion of a Lot that is Visible From a Neighboring Property; and

15.3.7 Open garage doors. Garage doors shall remain closed at all times except when entering and exiting the garage.

15.4 Modification. The Board may modify or increase the foregoing restrictions or otherwise restrict and regulate the use and occupancy of the Property and the Lots by the Association Rules and regulations of general application adopted by the Board from time to time.

15.5 Declarant Exemption. Declarant shall, in addition to the rights set forth in this Article, have the right to permanently exempt any Lot from all of the provisions of this Article or to modify the application of this Article to any Lot by including such exemption or modification in any Supplemental Declaration. Declarant's right to exempt Lots from the provisions of this. Article shall terminate only in a Recorded document executed by Declarant specifically waiving such right

ARTICLE 16

INSURANCE PROVISIONS

16.1 Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

16.1.1 Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

16.1.2 Commercial general liability insurance on the Common Areas, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost. such coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage: provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

16.1.3 Workers compensation insurance and employers liability insurance, if and to the extent required by law;

16.1.4 Directors and officers liability coverage:

16.1.5 Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth of the Annual Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

16.1.6 Such additional insurance as the Board, in its best business judgment, determines advisable.

16.2 Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Pima County, Arizona area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 16.1. In the event of an insured loss, the deductible shall be treated as an expense of the Association in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Special Assessment.

16.3 Additional Requirements. All insurance coverage obtained by the Board shall:

16.3.1 be written with a company authorized to do business in the State of Arizona which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

16.3.2 be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members.

16.3.3 not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

16.3.4 contain an inflation guard endorsement:

16.3.5 include an agreed amount endorsement, if the policy contains a co-insurance clause;

16.3.6 provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area or membership in the Association:

16.3.7 provide a waiver of subrogation under the policy against any Owner or household member of an Owner;

16.3.8 include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure: and

16.3.9 include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

16.4 Optional Requirements. In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

16.4.1 a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

16.4.2 a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

16.4.3 an endorsement excluding Owners individual policies from consideration under any "other insurance" clause;

16.4.4 an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal:

16.4.5 a cross liability provision; and

16.4.6 a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

16.5 Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage. allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless Members representing at least 75% of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct. if either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or

information are available. However, such extension shall not exceed 60 additional days. No First Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the First Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 16.1.

ARTICLE 17

MISCELLANEOUS

17.1 Enforcement Rights. Each Owner (including the Declarant, so long as the Declarant is an Owner) shall have the right and authority, but not the obligation, to enforce the provisions of this Declaration.

17.2 Declarant's Disclaimer of Representations. Notwithstanding anything to the contrary herein, Declarant manes no warranties or representations whatsoever that the plans presently envisioned for the complete development of The Springs at Santa Rita can or will be carried out, or that any real property now owned or hereafter acquired by it is or will be subjected to this Declaration, or that any such real property (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or that if such real property is once used for a particular use, such use will continue in effect. While Declarant has no reason to believe that any of the restrictive covenants contained in this Declaration are or may be invalid or unenforceable. for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and by accepting a deed to the Lot agrees to hold Declarant harmless therefrom.

17.3 Interpretation of the Covenants. Except for judicial interpretation and as hereinafter provided, the Association, by the Board, shall have they exclusive right to construe and interpret the provisions of this Declaration and all other Governing Documents. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof or of any Supplemental

Declaration or Governing Documents, shall be final, 'conclusive, and binding as to all Persons and property benefited or bound by this Declaration or of the applicable Supplement Declaration.

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

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

17.6 Rule Against Perpetuities. If any of the interests, privileges, covenants, or rights created by this Declaration shall be unlawful or voidable for violation of the rule against perpetuities or any related rule, then such provision shall continue until 21 years after the death of the last survivor of the now living descendants of the President of the United States in office on the date this Declaration is Recorded.

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

17.8 Successors and Assigns. Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder. Any such assignment shall be evidenced by a Recorded document executed by the Declarant and its successor and assignee.

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

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

17.11 Notices. If notice of any action or proposed action by the Board or any committee or of any meeting is required by applicable law. ills Declaration or any other Governing Document or ally resolution of the Board to be given to any Owner or Occupant then, unless otherwise specified herein or in the resolution of the Board, such notice requirement shall be deemed satisfied if notice of such action or meeting is published once in a newspaper in general circulation within Pima County, Arizona. This section shall not be construed to require that any notice be given if not otherwise required and shall not prohibit satisfaction of any notice requirement in any other manner.

17.12 Management Agreement Any agreement providing professional management services or other services to the Association shall not exceed three (3) years. Any agreements must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

17.13 Survival of Liability The termination of membership in the Association shall not relieve or release any such former Member from any liability or obligation incurred under or in any way connected with the Association during the period of such membership, or impair any rights or remedies which the Association may have against such former Member arising out of, or in any way connected with such membership and the covenants and obligations incident thereto.

17.14 Construction In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and any other Governing Documents, the provisions of this Declaration shall prevail.

17.15 Joint and Several Liability In the case of joint ownership of a Lot or Dwelling Unit, the liabilities and obligations of each of the joint owners set forth in or imposed by this Declaration shall be joint and several.

17.16 Attorneys' Fees In the event the Association or Board retains or employs an attorney to enforce any lien granted to it under the terms of this Declaration or to collect any assessments or other amounts due from an Owner or to enforce compliance with or recover damages for any violation or noncompliance with the Project Documents, the prevailing party in any such action shall be entitled to recover from the other party its reasonable attorneys' fees incurred in any such action.

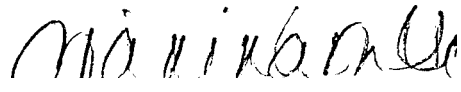
IN WITNESS WHEREOF, the Declarant has executed this Declaration on the 28th day of SEPTEMBER, 1995.

Title Guaranty Agency of Arizona, Inc.,
an Arizona corporation, as
Trustee under Trust No. T-1280


Its TRUST OFFICER

STATE OF ARIZONA)
)
County of Pima)

The foregoing instrument was acknowledged before me this 28th day of SEPTEMBER by CAROL A. CASTRO , the TRUST OFFICER of Title Guaranty Agency of Arizona, Inc., an Arizona Corporation, as Trustee under Trust No T-1280



Notary Public

My commission expires:

EXHIBIT "A"

Lots 1 thru 425 and Common Areas A and B, of ROADHAVEN RESORTS, INC. OF GREEN VALLEY , per map recorded in Book 37, Page 4 of maps and Plats, in the office of the Pima County Recorder, Pima county, Arizona.

Excepting the following from common Area B: Recreation Common Area "B"

That certain parcel of land situated in the San Ignacio de La Canoa Private Land Grant, according to the survey of said land grant made by the united States Surveyor General on March 10, 1901, and which said survey is now on file in the united states Generals office in Phoenix, in the state of Arizona, and which references is being made, within Pima County, Arizona, more particularly described as follows:

Commencing at a point on the South line of the North half of said land grant, said point being on the East right-of-way line of 1-19, Tucson-Nogales Highway;

Thence North 22 degrees 27'31" East along the East right-of-way line of 1-19, said line also being the West line of Roadhaven Resorts, Inc. of Green Valley, a subdivision of Pima county, Arizona, according to the Map or Plat thereof of record in the office in the county Recorder of Pima county, Arizona, in Book 37 of Maps and Plats at Page 4, a distance of 1305.00 feet to a point, said point being the intersection of the West line of Roadhaven Resorts, Inc. and the centerline of via Rio Fuerte, a private drive;

Thence departing said west line South 67. degrees 32;29" East a distance of 234.14 feet along the centerline of Via Rio Fuerte, to the beginning of a tangent curve concave to the Northwest having a radius of 185.00 feet;

Thence Northeasterly 127.06 feet along the arc of said curve, through a central angle of 39 degrees 21'02" to a point of tangency;

Thence North 73 degrees 06;29" East a distance of 22.86 feet;

Thence departing said centerline of VIA RIO FUERTE South 16 degrees 53'31" East a distance of 17.00 feet to a point, said point being the True Point Of Beginning;

Continued...

EXHIBIT "A"

Thence North 73 degrees 06'29" East a distance of 188.66 feet to the beginning of a tangent curve concave to the Southeast having a radius of 168.00 feet;

Thence southeasterly 115.38 feet along the arc of said curve, through a central angle of 39 degrees 21'02" to a point of tangency;

Thence South 67 degrees 32'29" East, a distance of 170.00 feet to the beginning of a tangent curve concave to the Southeast having a radius of 308.00 feet;

Thence Southeasterly 144.84 feet along the arc of said curve, through a -central angle of 26 degrees 56'41" to a point of tangency;

Thence South 40 degrees 35'48" East a distance of 92.36 feet to the beginning of a tangent curve to the southwest having a radius of 25.00 feet;

Thence Southeasterly 39.27 feet along the arc of said curve, through a central angle of 90 degrees 00'00" to a point of tangency;

Thence south 49 degrees 24'12" West, a distance of 140.94 feet;

Thence South 52 degrees 27'31" West, a distance of 305.17 feet to the beginning of a tangent curve concave to the North having a radius of 25.00 feet;

Thence Southwesterly 39.27 feet along the arc of said curve, through a central angle of 90 degrees 00.00" to a point of tangency;

Thence North 37 degrees 32'29" West, a distance of 329.00 feet to the beginning of a tangent curve concave to, the Northeast having a radius of 168.00 feet;

Thence Northerly 74.80 feet along the arc of said curve, through a central angle of 25 degrees 30'32" to a point of tangency;

Thence North 12 degrees 01'57" West, a distance of 123.66 feet to the beginning of a tangent curve concave to the Southeast having a radius of 25.06 feet;

continued...

EXHIBIT "A"

Thence Northeasterly 37.15 feet along the arc of said curve, through a central angle of 85 degrees 08'27" to a point; said point being the True Point of Beginning.