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SECOND RESTATEMENT OF DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
HAMILTON ARROWHEAD RANCH

This Second Restatement of the Declaration of Covenants, Conditions and Restrictions for Hamilton Arrowhead Ranch is made this 14 day of SEPTEMBER, 2015 by the Del Lago Homeowner's Association, an Arizona nonprofit corporation ("Association").

RECITALS:

WHEREAS, a Declaration of Covenants, Conditions and Restrictions for Hamilton Arrowhead Ranch dated April 2, 1985 was recorded at Recorders No. 85-145097, office of the Maricopa County Recorder, Arizona, on April 2, 1985, which encumbered real property in Glendale, Maricopa County, Arizona more particularly described as lots 1 through 75, inclusive, Hamilton Arrowhead Ranch, according to the Plat of Record in Book 280 of Maps, Page 50, Records of Maricopa County, Arizona; and,

WHEREAS, the Restatement of the Declaration of Covenants, Conditions and Restrictions for Hamilton Arrowhead Ranch is made and entered into as of the September 9, 1985 and was recorded at Recorders No. 85-428685, office of the Maricopa County Recorder; and,

WHEREAS, the Association and its members desire to restate the above documents in a more legible format, without making any substantive changes to the documents;

NOW, THEREFORE, the Association hereby restates the Declaration as set forth herein. This Second Restatement of the Declaration does not amend the Declaration recorded April 2, 1985, at Recorder's No. 85-145097 or the Restatement of Declaration recorded September 9, 1985 and recorded at Recorders No. 85-428685, office of the Maricopa County Recorder, and only restates that which is contained in the first restatement, in a more legible medium. The Declaration as restated hereunder shall otherwise remain in full force and effect.

ARTICLE 1  
Definitions

Section 1. "Association" shall mean and refer to Del Lago Homeowner's Association, an Arizona non-profit corporation, its successors and assigns.

Section 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of conveyance of the first Lot is described as follows: Tracts A, B, C, and D as shown on the Plat of Record, Book 280 of Maps, Page 50, records of Maricopa County, Arizona. Tract A includes the Lake(s) and other body(ies) of water, facilities thereon and thereto and the surrounding perimeter area to each Owner's Lot line; Tracts B and C include the landscaped other Common Areas at the entrance to the subdivision and Properties and otherwise; and Tract D shall include the gate and guard house areas. Additionally, the Association shall maintain those certain easements and parkway located and referenced as 59<sup>th</sup> Avenue and the divided medians immediately west thereof, as those areas run adjacent to the subdivision and Properties in which the Lots are located.

Section 3. "Declarant" shall mean and refer to Hamilton Homes, Inc., an Arizona corporation, its successors and assigns, if such successors or assigns shall acquire all of the then remaining undeveloped Lots from the Declarant for the purpose of development.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area created.

Section 5. "Members" shall mean and refer to Owners who become participants in the Association.

Section 6. "Owner" shall mean and refer to the record owner (whether one or more persons or entities), of a fee simple title to any Lot or Lot and Partial Lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and excluding Declarant.

Section 7. "Partial Lot" shall mean any portion of a Lot originally shown on the subdivision Plat of Hamilton Arrowhead Ranch as recorded in Book 280 of Maps, Page 50, which becomes part of an adjacent Lot as the result of a Lot split in accordance with the Lot Split Ordinances of the City of Glendale, Arizona. The owner of a Partial Lot may not convey title thereto separate and apart from the Lot to which it is attached as a result of a Lot split.

Section 8. "Properties" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association, including the easements, parkway and divided median referenced in Section 2 above.

## ARTICLE II Property Rights

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, excluding Tract D, and excluding certain areas of Tract A (see XIII), which shall be appurtenant to and shall pass with the title to every Lot and Partial Lot subject to the following:

A. Charges. The Association's power to restrict use and access, or charge reasonable admission or other fees or licenses for the use of any recreational facility, includingl or other bodies of water situated upon the Common Area or Properties;

B. Suspension of Voting Rights. The Association's power to suspend the voting rights and right to use the recreational facilities by any Owner (and the Owner's family, lessees, contract purchasers, guests and invitees) for any period during which any Assessment against such Owner's Lot and Partial Lot remains unpaid or for a period not to exceed 60 days for any infraction of the published rules and regulations of the Association, or the covenants, conditions and restrictions contained herein and in the Articles or Incorporation and Bylaws of the Association;

C. Dedication or Transfer. The Association's power to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument in writing signed by two-thirds of each class of Owners and Members agreeing to such dedication or transfer has been recorded. Notwithstanding the foregoing, in the event the city of Glendale shall provide reasonable assurances to the Association that the City of Glendale shall properly maintain the easements, parkway and divided median adjacent thereto, the Board of Directors of the Association, without the consent of the Members, may transfer, assign and delegate to the city of Glendale such obligations for maintenance;

D. Rules and Regulations. The Association's power to promulgate reasonable and uniformly applicable rules and regulations governing the use of and conduct upon the Common Area for the protection of the property and Owners and the Owner's enjoyment of the property. The Association shall provide all Owners with copies of the rules and regulations adopted from time to time and the same shall be enforceable in the same manner as the provisions of this Declaration;

E. Lien Rights. The Association's power to place and enforce liens upon Lots and Partial Lots for unpaid assessments.

F. Restrictions on Tract A. The Association's additional; restrictions with reference to Tract A, as provided in Article XIII.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

Membership and Voting Rights

Section 1. Every Owner of a Lot or Lot and Partial Lot, which is subject to Assessment, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot or any Lot and Partial Lot which is subject to Assessment.

Section 2. The Association shall have two classes of voting membership as follows:

Class A: Class A Members shall be all Owners with the exception of the Declarant, who shall be entitled to one vote for each Lot owned and one-half vote for each Partial Lot owned. When more than one person holds an interest in any Lot or any Lot and Partial Lot, all such persons shall be Members. The vote for such Lot or Lot and Partial Lot shall be exercised as they, among themselves, determine, but in no event, shall more than one vote be cast in respect to any Lot, nor more than one and one-half votes be cast in respect to any Lot and Partial Lot. Further, the Owners of a Lot and Partial Lot may not split the vote of the Lot and half vote of the Partial Lot. Class A Members shall not be entitled to vote for Directors so long as there are any Class B Members.

Class B: Class B Members shall be the Declarant and shall be entitled to 110 votes for each Lot or Lot and Partial Lot owned. The Class B membership shall cease and be converted to Class A membership without any further act or deed upon the happening of any of the following events:

- A. When the last Lot or Lot and partial Lot is sold by Declarant or other Class B Member and title is conveyed;
- B. When Declarant, by a recorded declaration expressly relinquishes such membership; or
- C. On December 30, 1995

Section 3. The Association. The Association has been formed to serve as governing body for all of the Owners and Members for the protection, improvement, alteration, expansion, augmentation, disposal, divestment, redescription, maintenance, repair, administration and operation of the Properties, the assessment of expenses, payment of losses, disposition of hazard insurance proceeds and other matters as provided in this Declaration and the Articles of Incorporation of the Association (hereinafter the "Articles") and the Bylaws of the Association (hereinafter the "Bylaws"). The Association shall not be deemed to be conducting a business of any kind and all funds received by the Association shall be held and applied by it for the Owners and Members in accordance with the provisions of the Declaration, the Articles and the Bylaws.

Section 4. Qualification of Directors. Each Director in the Association shall be an Owner or the spouse of an Owner (or if an Owner is a corporation, partnership or trust, a Director may be an officer, partner, agent or beneficiary of such Owner). If a Director shall cease to meet such qualifications during his term, he will thereupon cease to be a Director and his place on the board shall be deemed vacant. The requirements of this subparagraph shall not apply to Directors elected by the Class B members.

Section 5. Boards Determination Binding. In the event of any dispute or disagreement between any Owners relating to the Properties or any question of interpretation or application of the provisions of this Declaration the Articles or the Bylaws, the determination thereof by the Board shall be final and binding on each and all of such Owners.

Section 6. Additional Provisions in Articles and Bylaws. The Articles and Bylaws may contain any provision not inconsistent with the law or with this Declaration relating to the conduct of the affairs of the Association and the rights and powers of its Directors, officers, employees, agents and Members.

#### ARTICLE IV

##### Covenant for Maintenance/Assessments

Section 1. General. Each Owner other than the Declarant and Trustee shall pay his proportionate share of the expenses of the administration and operation of the Common Area and other areas mentioned in Article 1, Section 2, and of any other expenses incurred in conformance with this Declaration and the Articles and Bylaws (which expenses are herein sometimes referred to as "Common Expenses"), including specifically, but not by way of limitation, operating cost, insurance, all taxes on and utilities for the Common Area, interest, principal or other payments on debts secured by mortgages of the Common Area or any part thereof, the maintenance and repair of the Common Area, open spaces, lakes and other bodies of water, easements, including landscaped easements, non-vehicular access easements and other easements and parkways specified herein, and any and all replacements and additions thereto and reasonable reserves for contingencies, replacements or other proper purposes in the form of "Assessments". Such Assessments shall be on a per Lot basis, and each Owner shall be charged with Assessments in proportion to the number of Lots and Partial Lots owned by an Owner, relative to the number of Lots and Partial Lots owned by all other Owners (excluding Declarant); provided, further, that the Owner of a Partial Lot shall be charged with an Assessment equal to 50% of the Assessment for a Lot (again, excluding the Declarant).

Section 2. Lien for Unpaid Common Expenses. Payment of Assessments shall be in such amounts, at such times and in such manner as maybe provided in this Declaration, the Articles and Bylaws determined by the Board of Directors from time to time. Such Assessment together with interest at a rate established by the Board, but not to exceed 18% per annum for the due date thereof until paid, costs and reasonable attorneys' fees, shall constitute the personal obligation of the person who was the Owner of such Lot or such Lot and Partial Lot at the time such payment fell due and an obligation running with the land. The

personal obligation for delinquent Assessments shall not pass to an Owner's successor-in-title unless expressly assumed by him or her. If any Owner shall fail or refuse to make such payments of Assessments when Due (including any interest added to the Assessments of such Owner), the amount thereof, together with interest, costs and reasonable attorneys' fees shall constitute a lien on such Owner's Lot or Lot and Partial Lot and on any rents or proceeds therefrom; provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage on the applicable Lot or Lot and Partial Lot, acquired in good faith and for value, except for the amount of the unpaid Assessments which accrues from and after the date on which such first mortgage acquires title to or comes into possession of the applicable Lot or Lot and Partial Lot and if any lien for unpaid Assessments prior to such date has not been extinguished by the process by which such first mortgagee acquires such title or possession, such first mortgagee shall not be liable for such unpaid assessment and upon written request to the Board of Directors by such first mortgagee such lien shall be released in writing by the Association. Any person acquiring an interest in any Lot or any Lot and Partial Lot shall be entitled to a statement from the Association setting forth the amount of unpaid Assessments, if any, and such person shall not be liable for, nor shall any lien attached to such Lot or Lot and Partial Lot in excess of the amount set forth in such statement except for assessments which occur or become due after the date thereof. The lien provided for in this paragraph may be foreclosed by the association in any manner provided for or permitted for the foreclosure of realty mortgages or deeds of trust in the State of Arizona. The liens provided for above shall attach equally to a Partial Lot in the event an Owner fails to pay the full assessment against a Lot and Partial Lot owned by said Owner.

Section 3. Annual Assessment. The Board of Directors shall annually determine and fix the amount of the annual Assessment against each Lot and Lot and Partial Lot (other than those owned by Declarant), for purposes of raising revenues to pay Common Expenses and shall notify the Owner of each Lot or Lot and Partial Lot (with the exception of Declarant) in writing as to the amount of such annual Assessment not less than thirty (30) days prior to the date that such assessment is to commence. All annual Assessments shall be payable in monthly installments, unless otherwise determined by the Board.

Section 4. Special Assessments. In addition to the regular annual Assessments authorized above, the Board may levy in any year a special Assessment (applicable to that year only) for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of capital improvements upon the Common Area and other maintenance areas, including fixtures and personal property related thereto or to defray any unanticipated or underestimated expense normally covered by an annual Assessment (and where necessary for taxes assessed against the Common Area); provided, however, that the aggregate special assessments for any fiscal year shall not exceed 20% of the budgeted gross expenses of the Association for that year without a vote or written assent of a majority of the membership present and voting at a meeting of which a quorum equal to 25% of the total voting power of the Association has been constituted. In the absence of such a quorum at any such meeting, a majority of those present in person or by proxy may adjourn the meeting to another time but may not transact any other business. Any adjournment for lack of a quorum under this Paragraph shall be to a date not less than five (5) nor more than ten (10) days from the date of the original meeting date. The quorum requirement for such a reconvening meeting shall be 25% of the total voting power of the Association. Furthermore, special Assessments may be levied against an

individual Lot or Lot and Partial Lot and its Owner for reasonable monetary penalty for the violation of any of the restrictions or conditions, the breach of the covenants or agreements contained herein or the breach of any rules and regulations promulgated by the Board of Directors, after notice and a hearing before the Board or committee elected by the Board for that purpose. Any special assessment levied hereunder shall apply to any Partial Lots at the rate of 50% of such special assessment levied against any individual Lot.

Section 5. Declarant's Exemption. Notwithstanding any of the provisions of the Declaration to the contrary, until such time as Declarant has sold and conveyed record title to all of the Lots or Lots or Partial Lots, the Declarant shall be exempt from paying any charge or Assessment of the Association for maintenance of the Common Area or for any other purpose referenced in this Declaration and no lien shall attach pursuant to this Declaration or otherwise to any Lot or Lot and Partial Lot owned by the Declarant, its successors and assigns so long as the Declarant shall remain exempt from the payment of charges and Assessments as hereinabove provided. If, and so long as Declarant shall be exempt or partially excused from paying the full Assessment amount for Common Expenses, the Declarant shall pay all Common Expenses in excess of the amounts which can be assessed against the Owners pursuant to this Paragraph (pro rata, allocated among various Owners on the basis of the number of lots owned). Any provisions of the foregoing to the contrary notwithstanding, the Declarant may elect at any time to commence paying regular Assessments.

## ARTICLE V

### Maintenance

#### Section 1. By the Association.

A. Common Area. The Association shall be responsible for maintaining the Common Area and the other areas referenced in Article 1, Section 2 above, in a state of good condition and repair.

B. Landscaping. As part of its duty to maintain the Common Area, the Association shall maintain, repair and replace the grass, trees, shrubs and other landscaping located upon the Common Area, and the other areas referenced in Article 1, Section 2 above.

C. Lakes and Guardhouse. The Association shall maintain the Lakes and perimeter are thereof and guard house(s) located on the Common Area. In particular, the Lakes and other bodies of water shall be maintained in accordance with applicable health regulations, and as further provided in Article XIII. The guard house(s) may be operated by one or more guards twenty-four hours a day, seven days a week or as otherwise decided by the Board. Such guards may be contracted for directly by the Board or retained through a service; provided, however, each guard shall possess adequate licensing, bonding and public liability insurance. Notwithstanding the proceeding, the guard house(s) may be un-manned, as determined by the Board.

D. Necessitated by Owner. In the event that the need for maintenance or repairs of any Common Area or other area to be maintained by the Association is caused by the willful or negligent act of any Owner, his or her family, guests, pets, or invitees, the cost of such maintenance or repair shall be charged to the responsible Owner or Owners and secured by a lien on his or her Lot or Lot and Partial Lot as provided in Article IV, Section 2 above.

Section 2. By the Owners. Each Owner shall be responsible for the upkeep and maintenance of the interior and exterior of his or her dwelling unit and all improvements located on his or her Lot or Lot and Partial Lot including, but not limited to maintaining landscaping in good condition and repair.

## ARTICLE VI

### Insurance Requirements

Section 1. The Association, its Employees and independent contractors shall obtain and maintain in full force and effect at all times casualty, liability and other insurance as hereinafter provided. All such insurance shall be obtained to the extent possible from responsible companies duly licensed and authorized to transact business in the State of Arizona. All such insurance, to the extent possible, shall name the Association as the insured in its capacity and also either as Attorney-in-fact or Trustee for all Owners and any mortgagees, as their interests may appear. The Board of Directors shall review all such insurance at least annually and shall be responsible to set the amounts thereof as it deems necessary or appropriate. To the extent possible such casualty insurance shall:

A. Provide for a waiver of subrogation by the insurer as to claims against the Association, its Directors, officers, employees and agents and against each Owner and each Owner's employees, agents and invitees and any other person for whom the Association and any mortgagee may be responsible;

B. Provide that the insurance cannot be unreasonably cancelled, invalidated, or suspended on account of the conduct of the Association, its officers, Directors, employees or agents or of any Owner, or such Owner's employees, agents or invitees or any other person for whom the Association or any Owner may be responsible;

C. Provide that any "no other insurance" clause in the insurance policy shall exclude any policies or insurance maintained by any Owner or mortgagee and that the insurance policy shall not be brought into contribution with insurance maintained by any Owner or mortgagee;

D. Provide for a standard "without contribution" mortgage clause endorsement in favor of the mortgagees of any Lot on all or any part of the property; and

E. Provide that the policy of insurance shall not be terminated, cancelled or substantially modified without at least thirty (30) days prior written notice to the

Association and each Owner and to each mortgagee covered by any standard mortgage clause endorsement.

The cost and expenses of all insurance obtained by the Association shall be a general, Common Expense to be covered by Assessments as further provided in this Declaration.

Section 2. Casualty Insurance. The Association shall obtain and maintain casualty insurance covering the Common Area against loss or damage by fire or such other hazards as are covered under standard extended coverage policies including, without limitation, vandalism and malicious mischief for the full insurable replacement cost of such Common Areas.

Section 3. Public Liability and Property Damage Insurance. The Association shall obtain and maintain and require same of any contractors retained by the Association comprehensive public liability and property damage insurance covering bodily injury liability, property damage liability and automobile bodily injury. The Association and each Owner shall be insured with respect to liability arising out of the Association's ownership, maintenance, repair or operation of the Common Area. Limits of such coverage shall be not less than \$5,000,000.00 per injury and per occurrence with respect to bodily injury liability and \$1,000,000.00 for each occurrence with respect to property damage liability or such higher amounts as the Board of Directors deem appropriate from time to time.

## ARTICLE VII

### Destruction, Condemnation or Obsolescence of the Common Area

Section 1. Definitions. The following terms shall have the following definitions:

A. "Substantial Destruction" shall exist whenever the Board of Directors of the Association determines that as a result of any casualty, damage or destruction to the Common Area or any part thereof, the excess of the estimated cost of restoration (as herein defined) over available funds (as herein define) is 50% or more of the estimated restored value of the Common Area (as herein defined).

B. "Partial Destruction" shall mean any other casualty, damage or destruction of the Common Area or any part thereof.

C. "Substantial Condemnation" shall exist whenever the Board of Directors of the Association determines that a complete taking of the Common Area has occurred or that a complete taking of the Common Area by condemnation or eminent domain or by grant of conveyance in lieu of condemnation or eminent domain has occurred such that the excess of the estimated cost of restoration or available funds is 50% of more of the estimated restored value of the Common Area.

D. "Partial Condemnation" shall mean any other such taking eminent domain or grant of conveyance in lieu of eminent domain.

E. "Restoration", in the case of any casualty, damage or destruction, shall mean restoration of the Common Area to a Condition the same or substantially the same as the condition in which it existed prior to the casualty, damage or destruction; in the case of condemnation, shall mean restoration of the remaining portion of the Common Area to an attractive, sound and desirable condition.

F. "Restored Value" of the Common Area shall mean the fair market value of the Common Area after restoration.

G. "Available Funds" shall mean any proceeds of insurance or condemnation awards or payment in lieu of condemnation or any uncommitted income or funds of the Association, other than the income or funds derived through Assessments. Available funds shall not include that portion of insurance proceeds legally required to be paid to any party, other than the Association, including any mortgagee, for all or any part of the Common Area, or that portion of any condemnation award or payment in lieu of condemnation payable to the Owner of the Lot or Lot and Partial Lot for the condemnation or the taking of that Owner's Lot or Lot and Partial Lot.

Section 2. Restoration of Common Area. Restoration of the Common Area shall be undertaken by the Association without a vote of the Owners in the event of a Partial Destruction or Partial Condemnation. In the event of Substantial Destruction or Substantial Condemnation, such restoration shall be undertaken unless the Board obtains the prior written consent of the Owners and first mortgagees to such non-restoration and if there are any proceeds or awards to the use of such proceeds or awards for a purpose other than the restoration of the Common Area, is obtained as follows:

A. If Declarant then owns any Lots or Lots and Partial Lots, such consent shall be obtained from Declarant and not less than two-thirds of the Owners of all Lots and Lots and Partial Lots not owned by Declarant; and

B. If Declarant then owns no Lots or Lots and Partial Lots such consent shall be obtained from not less than two-thirds of the Owners of all Lots and Lots and Partial Lots.

For purposes of both subparagraphs A and B, before the written consent of the Owners of any Lot which is subject to a mortgage shall be effective, the first mortgagee of such Lot shall have consented in writing to such non-restoration and to the use of any such proceeds or awards for a purpose other than the restoration of such Common Area and all appropriate governmental entities shall have consented to and approved the non-restoration of the Common Area.

Section 3. Sale of the Properties. In the event of Substantial Destruction or Substantial Condemnation, if the requisite number of first mortgagees, the appropriate governmental entities, and the Owners consent to such non-restoration as provided in the preceding paragraph, the Common Area shall be sold except for those portions of the Common Area which remain desirable and which are independent of the destroyed or condemned portion. In the event of such sale, the proceeds of sale and any insurance proceeds or condemnation awards or payments in lieu of condemnation shall be distributed by the Association to the Owners of Lots and Lots and Partial Lots with each Lot and Lot and Partial Lot, receiving an equal portion. Such payments shall be made to Owners or as to Lots and Lots and Partial Lots which are mortgaged of record at the time of such payment, jointly to such Owner and the mortgagee.

Section 4. Authority of the Association to Restore or Sell. The Association, as Attorney-in-fact for each Owner, shall have full power and authority to restore or to sell the Common Area and related facilities whenever restoration or sale, as the case may be, is undertaken as hereinabove provided. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate for restoration or sale, as the case may be.

Section 5. Special Assessments for Restoration. Whenever restoration is undertaken the Association may levy and collect Assessments from the Owners in equal proportions, payable over such period as the Association may determine to cover the cost and expenses of restoration to the extent not covered by available funds. Such special Assessments shall be secured by a lien on the Lot or Lot and Partial Lot of each such Owner as in the case of Regular Assessments. Such Assessments shall also be personal obligations of the Owners of the Lots and Lots and Partial Lots at the time the assessment is levied and shall run with the land in the same manner as regular Assessments. If it is not paid when due, such special Assessment may be recovered by foreclosure of the lien against the Lot or Lot and Partial Lot of such Owner as hereinabove; provided, however, that such Lien shall be subordinate to the Lien of a prior recorded first mortgage on the applicable Lot or Lot and Partial Lot acquired in good faith and for value, except for the amount of the unpaid Assessments which accrue from and after the date on which such first mortgagee acquires title to or comes into possession of the applicable Lot or Lot and Partial Lot and if any Lien for unpaid Assessments prior to such date has not been extinguished by the process by which such first mortgagee acquires such title or possession, such first mortgagee shall not be liable for such unpaid Assessments, and upon written request to the Board of Directors by such first mortgagee such Lien shall be released in writing by the Association. The Association shall have the right, acting alone, to adjust or settle any award payable to it.

Section 6. Receipt and Application of Condemnation Funds. Except as expressly provided herein, all condemnation, damages or other proceeds constituting awards in condemnation or eminent domain or payments in lieu of condemnation or eminent domain on account of the taking of the Common Area, related facilities and easements shall be payable to the Association.

ARTICLE VIIIOwners' Proportionate Share of Payments and Distributions

Except for the exemption of the Declarant and Trustee as herein provided and except for any special charges, fines, or Assessments attributable to particular Lots or Lots and Partial Lots or Owners in accordance with the terms of this Declaration, all Assessments by the Association for any purpose whatsoever shall apply equally to each Lot or Lot and Partial Lot and the Owner of each Lot or Lot and Partial Lot shall be obligated to pay an equal portion of such Assessment for each Lot or Lot and Partial Lot owned by him, her or it.

ARTICLE IXArchitectural Control

Section 1. Reservation. For the purpose of preserving the values and amenities in an upon the Properties to the reservation of architectural control hereinafter provided, which reservation is for the benefit of the Properties and each Owner of any part thereof as well as for the benefit of the Declarant, there is hereby reserved architectural control to an Architectural Committee designated by the Declarant. After all of the Lots are sold to individual members of the public, the Architectural Committee shall be selected by the Board of Directors of the Association. Such reservations shall run with the land, except as otherwise amended, released or modified.

Section 2. Approval. No building shall be erected, placed or altered on any lot until the construction plans and specifications on the plan showing the location of the structure have been approved by the Architectural Committee as to quality, workmanship and materials, fences, walls and landscaping, harmony of external design with existing structures and conformance with the restrictions set forth herein and as to location with respect to topography and finish grade elevation. Alterations shall include painting and landscaping and special placement of antennae, heating, air conditioning and solar panels. Any request for such improvements shall be submitted to the Architectural Committee in writing and shall be accompanied by plans and specifications describing in detail the nature, kind, shape, height, painting, materials, color, location, and other material attributes of the proposed improvements. If the Architectural Committee fails to disapprove the proposed plans and specifications within thirty (30) days after said plans and specifications have been submitted to and received by it, they shall be deemed approved. The failure of the Architectural Committee to exercise the power of approval or disapproval in one or more instances shall not be deemed to constitute a waiver of the right to exercise the power in other or different instances. Likewise, approval of any one set of plans and specifications shall not be deemed to constitute approval of any other or different plans and specifications or of the same at a different time and location. Each decision of the Architectural Committee shall be based on all of the facts and circumstances, applied in a uniform, nondiscriminatory manner.

Section 3. Finality of Decisions. All decisions of the Architectural Committee shall be final and no Owner or other person shall have recourse against the

Association, the Architectural Committee or any member thereof for approving any plan or for its failure or refusal to do so.

Section 4. Duration. All of the properties, including the Common Area and Related areas and any Lot, shall be and remain subject to this reservation during the term of this Declaration, notwithstanding the conveyance thereof by Declarant or any subsequent Owner.

Section 5. Members. The individuals appointed by the Declarant shall serve at the pleasure of the Declarant. The Declarant shall have the right to remove and replace the committee members and appoint new members to replace the current members until the last Lot is sold, as it, in its sole discretion, determines. The initial members of the Architectural Committee shall be Robert C. Hamilton and Joseph H. Wimberly, Jr.

Section 6. Inapplicability to Declarant. For so long as Declarant, or its successors own any Lot and wish to construct improvements thereon, Declarant need not apply to the Architectural Committee, but shall otherwise construct said improvements in conformity with this reservation.

Section 7. Partial Lots. All of the foregoing restrictions shall apply equally to Partial Lots and the Lots to which they are appended.

## ARTICLE X

### Use Restrictions on Lots

Section 1. Lots. All Lots shall be used exclusively for single-family residential purposes and are hereby further restricted as follows:

A. New and Permanent Construction. All improvements shall be of a new and permanent construction and no improvements shall be moved onto, from or within any Lots; provided, however, that temporary structures may be placed and maintained on a lot in connection with the construction of improvements thereon, if previously approved and authorized in writing by the Declarant or the Architectural Committee. Any such temporary structure shall be promptly removed upon completion of the construction to which it relates, and in no event later than twelve months from the date it is placed upon the Lot.

B. Prosecution of Construction, Maintenance and Repairs. All construction, maintenance and repair work shall be prosecuted diligently from commencement until completion. All buildings shall be completed within one year after the commencement of construction (in accordance with plans and specifications approved by the Architectural Committee) and the landscaping of each Lot, (in accordance with the plans and specifications approved by the Architectural Committee) shall be completed within 120 days after a certificate of occupancy is issued for the dwelling constructed thereon. In the case of any dwelling unit used as a model, all fencing, garage doors and all other improvements required to fully use the model for single-family residential purposes shall be installed within thirty (30) days of the date on which the Owner or Owners thereof cease to use the dwelling unit as a model. In the event any

building is destroyed or damaged by fire, act of God, or other occurrence, such damage must be repaired and reconstructed within twelve (12) months after such damage or destruction. The time limits set forth in this Paragraph shall be extended by any periods during which construction is not able to proceed due to acts of God, labor disturbances, actual inability to procure necessary materials or other causes beyond the reasonable control of the Owner.

C. Television Antennae. All television antennae and other apparatus, including satellite dishes shall be installed in such a manner as to be concealed from other Lots and dwelling units adjacent streets, alleys and Common Areas, unless approved by the Architectural Committee.

D. Heating, Air Conditioning and Solar Panels. All heating, cooling, air conditioning units and any solar panels or water heaters shall be installed in such manner as to be concealed from any other Lots and dwelling units, adjacent streets, alleys and Common Areas unless approved by the Architectural Committee. Additionally, the Architectural Committee may require that all such equipment must be installed at ground level.

E. Garages and Motor Vehicles. Motor vehicles owed or in the custody of any Owner may be parked only in such garage or driveway located upon the Owner's Lot. Notwithstanding the foregoing, no Owner may park a motor vehicle of any type or nature in excess of one week in a driveway on such Owner's Lot without removing the motor vehicles from the Lot or placing them inside Owner's enclosed garage, except with the prior written approval of the Architectural Committee. Any vehicle which is not so parked may not be kept on the property, and the Association may have it towed away, assessing such cost to the Owner of said Lot, with a lien placing on said Lot (in the same manner as other Assessments).

F. Minimum Square Footage. No dwelling having a total floor area of less than 2,000 square feet, exclusive of open porches, pergolas, or attached garages, if any, shall be erected, permitted or maintained on any Lots.

G. Maintenance and Repair of Improvements. No improvements shall be permitted to fall in disrepair and any such improvement shall at all times be kept in good condition inside and out. Owners shall maintain in good repair all exterior surfaces including, but not limited to, walls, porches, patios, roofs and appurtenances. Garages shall be kept at all times in a neat and tidy manner and garage doors shut whenever not in use for access or egress. Shrubs, trees, grass and plantings on any Lots shall be kept by the Owner at all times neatly trimmed, properly cultivated, free from trash, weeds or other unsightly materials.

H. Storage. No exterior storage of any kind shall be permitted except with prior written approval of the Architectural Committee. Any such storage as is approved and authorized shall be in areas attractively screened or concealed (subject to approval from the Architectural Committee) from view from other Lots, Common Areas, alleys, and streets. This provision shall apply, without limitation, to trash and garbage, woodpiles, camping trailers, boat trailers, travel trailers, boats, motorhomes and pickup camper units and no automobile, motorcycles, truck, or other vehicles, wagon, trailer or boat, regardless of ownership, age, condition or appearance, shall remain on any Lot in any manner which could be

construed as being stored, neglected, abandoned or otherwise not in frequent use. Without limiting the foregoing, no Lot Owner shall permit any balcony to be used for storage, trash receptacles, litter or any other use which in the sole and absolute discretion of the Architectural Committee or the Board of Directors shall constitute an unsafely use.

I. Garbage. No garbage or trash shall be placed outside of any building except in containers meeting the specifications of the City of Glendale and County of Maricopa. All rubbish, trash and garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon.

J. Building Location. All buildings shall be located on the respective Lots in compliance with the side, front and rear yard set back requirements of the City of Glendale in effect as of the date on which the building permit for the respective Lot is issued.

K. Fences and Walls. All fences encompassing the perimeter Lot lines of each of the respective Lots shall be of block or wrought iron construction or a combination thereof. No solid walls or fence shall be constructed or maintained on any Lot that exceeds six (6) feet in height (except the walls of the building constructed on any of said Lots) without the prior approval of the Architectural Committee. No solid wall, fence or hedge shall be constructed or maintained that exceeds three (3) feet in height closer than twenty-five (25) feet from the front Lot line of any of said Lots.

L. Roofs. All of the roofs located within the subdivision shall be of clay or concrete tile construction, unless otherwise authorized by the Architectural Committee.

M. Pets. Dogs, cats or other household pets may be kept, provided, however, they are not kept, bred or maintained for commercial purposes. All pets must be kept in the fenced yard on the leash.

N. Animals. No cows, sheep, goats, poultry or horses shall be raised, bred or kept on any Lot.

O. Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereof which may be or may become an annoyance or nuisance to the neighborhood. Not store, office or other place of business of any kind and no hospitals, sanitarium or other place for care or treatment of the sick or disabled, mentally or physically, nor any theatre, saloon, or other place of entertainment shall be at any time erected or permitted upon any of the residential Lots or any part thereof.

P. Signs. No sign of any kind shall be displayed to the public view on any Lot except that traditional mailboxes, residential nameplates and not more than one sign of not more than four square feet advertising the property for sale or rent, or signs used by the builder to advertise the property during the construction and sales period, which shall be promptly removed upon completion of the builder's construction activities on the Lot.

Q. Violations of Statutes or Ordinances and Regulations. No Lot shall be maintained or utilized in such manner as to violate any applicable statute, ordinance, or regulation of the United States of America, the State of Arizona, the County of Maricopa, the City of Glendale, or any other governmental agency or subdivision having jurisdiction over the property or in the violation of the Declaration or of any Covenants, Conditions, or Restrictions applicable to said Lot.

R. Exemption for Purposes of Construction, Development and Sale. The restrictions contained in this Declaration shall not apply to the Declarant, its agents, servants, employees, contractors or subcontractors or other persons on the property for the benefit of Declarant. Declarant shall have the right during the period of construction, development and sale to grant reasonable and specifically limited exemptions from these restrictions to any other developer, builder, contractor or any Owner. Any such exemptions shall be granted only upon specific written request itemizing the exemption requested, the location thereof, the need therefore, and the anticipated duration thereof, and any authorization and approval thereof shall be similarly itemized. No such exemption shall be broader in terms of activity, location or time than reasonably required.

S. Sight Distance at Intersections. No fence, wall, hedge, shrub or tree planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines (extended) and a line connecting them at points twenty-five (25) feet from the intersection of the street property lines. The same sight line limitation shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway.

T. Oil and Mining Operations. No oil drilling, oil development operations, or refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, boring excavations, or shafts be permitted upon or in any Lot. No derrick or other structure designed for use and boring for Oil or natural gas shall be erected, maintained or permitted upon any Lot. The provisions of this Paragraph are subject to any matters that may appear of record.

U. Exterior Construction. The exterior construction of all houses will be block or stucco except for wood trim and facia, gable ends and such other areas as may be approved by the Architectural Committee.

V. Failure of Owner to Abide by Restrictions. In the event any Owner fails to abide by these restrictions, the Association or Architectural Committee shall remedy or cure, in whatever manner, such non-compliance or violation at the expense of said Owner, Assessed to said Owner and liened against said Lot in the manner otherwise provided herein for the levy of Assessments.

Section 2. Construction Requirements

A. It is the intention of the parties hereto that the Owner shall construct a single-family residence on the Lot. In the event Owner shall fail or neglect to commence the construction of a single-family residence on the Lot within twelve months after the date of the Lot purchase or shall fail or neglect to complete such residence within twenty-four months after that date (except for causes beyond the reasonable control of Owner, such as strikes, acts of God, or other natural disasters outside of Owner's control); or if a Owner shall abandon the construction of said residence for period in excess of thirty days; or if Owner does not comply with the terms and conditions relating to any architectural control committee or these Declarations; or if prior to the completion of construction in accordance with the approved plans and specializations, Owner files for relief under any state or federal bankruptcy, reorganization or insolvency law or any involuntary petition under any such law as filed against Owner which is not dismissed or quashed within sixty days; or if there is a taking of the interest of the Owner of the Lot upon execution, attachment, or other process of law or equity without the quashing of the same within fifteen days after the levy thereof, then in any of such events Declarant shall have the right and option, but shall not be obligated to repurchase from Owner the Lot, including any and all improvement or additions thereto. Declarant may exercise said option by giving notice thereof in writing to Owner. Declarant shall have sixty days after Owner's failure to construct within which to proceed to close an escrow to repurchase the Lot. In the event Declarant fails to exercise its option to repurchase the Lot as hereinafter provided within sixty days following Owner's failure to construct, and after receipt of notice, its option to repurchase the Lot arising under that default shall expire; provided, however, that the failure to exercise the option to repurchase the Lot in the event of a default shall not constitute a waiver of any succeeding default or any other right to repurchase as a result of any such succeeding default, nor shall it conflict with the provisions of Paragraph B below. Upon exercise of said right and option, Declarant shall pay to Owner, as the purchase price therefor, the amount of the original purchase price paid by Owner on said Lot, excluding interest and other loan costs and other items, together with Owner's actual out-of-pocket costs for all improvements or additions located thereon, less the total amount of any mortgage, lien, or deed of trust which the Lot is subject, the brokerage commission paid by Declarant the cost of the standard owner's title insurance policy in the amount of the purchase price, and less any other costs or expenses including reasonable attorney fees, which Declarant may incur to enforce this option and to obtain said title insurance policy in the same form as that originally issued to Owner (excepting any construction loan, which may have subsequently been placed upon the Lot). Declarant shall have the right to assume any mortgage or deed of trust and construction loan to which the Lot is subject. Within ten days after receipt by Owner of notice of exercise of the option, Owner shall furnish to Escrow Agent and Declarant an itemized statement of all costs together with checks, receipts and other documents supporting such costs. If Owner fails to furnish said documents within the time period set forth above, the purchase price of the Lot shall not include these costs. Owner shall execute and deposit with Escrow Agent a warranty deed in a form approved by Declarant and affidavit of value prior to the closing of escrow and any other documents reasonably required by Escrow Agent and Declarant to effectuate this right and option. Upon receipt by Escrow Agent of said notice by Declarant of the existence of this option and all the requisite funds, Escrow Agent shall have the right to deliver such funds and record such documents as may be required for this

purpose. Owner agrees to execute such other and further documents in recordable form setting forth the terms hereof, which documents may be recorded by Declarant.

Notwithstanding anything to the contrary contained herein, Owner shall not commence construction of the single family residence on the Lot without first paying off and satisfying all loans and other encumbrances on the Lot associated with the original purchase of the Lot. For this purpose, Owner shall pay the principal balance and all accrued interest to the Lender of the mortgage loan used by Owner to purchase the Lot. Until such time as Owner has satisfied all underlying encumbrances on the Lot, Owner shall not commence construction of the single family residence contemplated herein.

B. In the event an Owner fails to commence construction within three years after Declarant has transferred title to said Owner and provided that Declarant has not exercised its rights under sub-paragraph A above, and provided further that said Owner has not otherwise obtained the consent of Paloma Corporation (which consent shall not be unreasonably withheld), Paloma Corporation shall have the right, but not the obligation, to purchase from Owner said Lot on the same terms and conditions as otherwise available to Declarant in sub-paragraph A above.

Section 3. Declarant's Restriction on Multiple Sales. In the event Declarant sells two or more Lots to any third party purchaser, such third party purchaser must first obtain the consent of Paloma Corporation to any subsequent sale of such Lots or Lots, where such Lots are sold without improvements completed thereon. The consent required under this section and all other consents required of Paloma Corporation shall be based on the facts and circumstances presented and shall not be unreasonably withheld.

Section 4. Partial Lots. All of the restrictions contained in this Article X shall apply with equal force and effect to any Partial Lots and to the Lots to which they are appended.

## ARTICLE XII

### Easements

Section 1. Utilities. There is hereby created a blanket easement upon, across, over and under the Common Area and the Properties for ingress, egress, installation, replacement, repairing and maintaining all utilities serving the property including, but not limited to, water, sewer, gas, telephone and electricity, cable or satellite television and/or a master television antennae system. By virtue of this easement, it shall be expressly permissible for the providing utility to erect and maintain necessary equipment on said property and to affix and maintain wires, circuits and conduits on, above, across and under the roofs and exterior walls of the improvements on the surface of the grounds. Notwithstanding anything to the contrary contained in this paragraph, no sewer systems, electrical lines, water lines, gas lines, telephone lines or other utilities may be installed or relocated except as initially programmed or approved or marketed by Declarant. This easement shall in no way affect any other recorded easements on said property.

Section 2. Common Area. Declarant hereby reserves an easement over and upon the Common Area and the improvements located in and upon the Common Area and the Properties for the purpose of the development and sale of the property. Such easements shall entitle the Declarant, its agents, assigns, brokers, salesman and contractors and subcontractors of the buildings, structures and improvements to utilize the Common Area, the Properties, the buildings, structures and improvements thereon during the period of construction and sale of the lots and improvements thereon to conduct such activities as, in the sole opinion of Declarant, may be reasonably required, convenient or incidental to the development and sale of such lots including, without limitation, a business office, storage area, construction yards, signs, billboards, model units and sales offices.

Section 3. Partial Lots. The easements reserved hereunder shall apply equally to Partial Lots and the Lots to which they are appended.

### ARTICLE XIII

#### RESATRICTIONS AS TO LAKES AND LAKES LOTS

Section 1. Definitions. As used herein, the term "Lake" shall include any body of water located on or among the Common Areas or Properties, which is regularly used as a reservoir and is so designated in Tract A. The term "Lake Lots" shall include all Lots of an Owner (excluding declarant which abuts, is adjacent to or contiguous with any Owner's Lot.

Section 2. Additional Restrictions. In addition to the use restrictions and other covenants, conditions, and reservations contained herein, the following restrictions shall apply to all Owners and Owners of Lake Lots as follows:

(a) With respect to all Owners, there shall be no swimming in the Lakes at any time except in the case of emergency. No power boats whether electrical or fuel powered shall be permitted on any lake, except for boats used by the Association for maintenance or patrolling the Lakes. Fishing, if any shall only be allowed if so permitted by the Association, in accordance with any rules, regulations and required licenses which the Association may require.

(b) With respect to any Owner of a Lake Lot, the Owner of such Lake Lot shall not construct any docks or other structures located in or adjacent to any lake or Common Area without the prior written approval of the Association and Architectural Committee. No owner of a Lake Lot may otherwise store any materials in or about any Lake or Common Area and shall otherwise be governed by the additional restrictions referenced in subparagraph (a) above.

(c) The Association shall have the right to establish such additional rules and regulations concerning the use and access of the Lakes and the Lake Lots, as it shall deem to be in the best interest of the Owners and Members and shall have the right to establish

such fees for access or use of the Lakes, as it shall determine. It may be necessary for the Association to appoint one or more committees to patrol the use of the Lakes, which such committee or person shall have authority to restrict the usage of such Lakes and Lake Lots, including barring any Owner or Member from the use thereof, when such Owner or Member is found in violation of any regulation of the Association or Committee established to patrol said Lakes. The Association or Committee appointed thereby may also restrict the use of such Lake Areas and related facilities on account of any other violation contained in this Declaration.

Section 3. Partial Lake Lots. In the event any Owner owns a Lake Lot and a Partial Lot, the additional restrictions contained in this Article XIII shall apply equally to the Partial Lot and the Lake Lot to which it or they are appended.

#### ARTICLE XIV

##### Mortgages of Common Area

Except for the construction liens by the Declarant, the Association shall not mortgage, encumber or allow any lien to attach to the Common Area in excess of 50% of the appraised market value of all of the Lots and improvements thereon at the time such lien attaches without the consent of the Owners of at least 51% of the Lots. No Owner shall have the right or authority to make or create or cause to be made any mortgage or other lien or security interest on or affecting the property or any part thereof except only to the extent of his or her Lot and rights appurtenant thereto.

#### ARTICLE XV

##### MISCELLANEOUS

Section 1. Remedies. In the event that any Owner, Member, resident or other person upon the property including any Lot, dwelling unit, Common Area or elsewhere shall fail to comply with the provisions of the Declaration, the Articles, the Bylaws or the Rules and Regulations of the Association, the Association shall have each and all of the rights and remedies provided for in this Declaration, the Articles, the Bylaws or said Rules and Regulations or which may be available at law or in equity and may prosecute any action or other proceedings against such Owner or other person for enforcement of such provisions or for foreclosure if its lien, damages or injunctive relief or specific performance or judgment for payment of money and collection thereof or any combination of such remedies or any other or further relief which may be available at law or in equity. All expenses of the Association in connection with any such action or proceeding, including court costs and reasonable attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate determined by the Board of Directors, not to exceed 18% per annum until paid, shall be charged to and assessed against the defaulting Owner, and shall be added to and deemed a part of his Common Expenses and the Association shall have a lien upon the Lot of such defaulting Owner and upon all of his or her additions and improvements thereto for all of the same as well as for nonpayment of his or her respective share of the Common Expenses. In the event of any such breach by any Owner, the Association shall also have the authority, with or without legal process

and with or without notice to such Owner, to correct such default and to do whatever may be necessary for such purpose. All expenses in connection therewith shall be charged to and assessed against such Owner and such assessment shall constitute a lien against such Owner's Lot. Any and all rights and remedies of the Association may be exercised at any time and from time to time cumulatively or otherwise. Notwithstanding any provisions of this Declaration to the contrary, any breach of any of the Covenants, Conditions, Restrictions, reservations and servitudes provided for in this Declaration or any right of entry by reason thereof shall not defeat or adversely affect the lien of any mortgage made in good faith and for value upon each Lot. However, except as herein expressly provided each and all of such Covenants, Conditions, Restrictions, reservations and servitudes shall be binding upon and effective against any Owner of any Lot whose title thereto is acquired by foreclosure, trustee's sale, sale, deed in lieu of foreclosure or otherwise.

Section 2. Nature of Declaration. The Covenants, Conditions, Restrictions, reservations, and servitudes contained herein shall run with the land and shall be binding on all persons owning or acquiring any interest in or occupying any Lot after the date on which this Declaration is recorded. The breach of any said Covenants, Conditions, Restrictions, reservations or servitudes may be enjoined, abated or remedied by appropriate proceedings by any person owning any interest or estate in all or any part of the property who is affected by any such breach. Although 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 risk of the validity and enforceability thereof and by acquiring the Lot agrees to hold Declarant harmless.

Section 3. Amendment. The Covenants, Conditions and restrictions of this Declaration shall run with and bind the land for a term of 25 years from the date this Declaration is recorded after which time it shall be automatically extended for successive periods of 10 years. This Declaration may be amended during the first 25 year period by an instrument signed by Owners of at least 75% of the Lots and thereafter by instruments signed by not less than 51% of the Lot Owners and the Amendment must be recorded; provided further, that no such Amendment shall be effective unless and until approved in writing by City of Glendale, Arizona, and Trustee prior to recordation. Notwithstanding anything to the contrary herein contained, until such time as deeds to all of the Lots shall have been delivered by Declarant to purchasers thereof, Declarant reserves the right to amend this Declaration in any manner including, without limitation, the description of the Lots and the Common Areas, related facilities and easements, subject however, to the approval of the City of Glendale, Arizona and Trustee.

Section 4. Severability. If any provision of this Declaration, the Articles, the Bylaws, the Rules and Regulations, or any section, clause, sentence, phrase or word or the application thereof in any circumstance is held invalid by a court of competent jurisdiction, the validity of the remainder of this Declaration, the Articles, the Bylaws, or the Rules and Regulations and the application of any such provision, sections, sentences, clause, phrase or word in any other circumstances shall not be affected hereby and the remainder of this Declaration, the Articles or the Bylaws or the Rules and Regulations shall remain in full force

and effect as if such invalid part were never included therein and such invalid part shall be promptly amended as herein provided or reformed by such court so as to implement the intent thereof to the maximum extent permitted by law.

Section 5. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants, interest or rights created by this Declaration would otherwise be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue until twenty-one (21) years after the death of the last survivor of the now living descendants of the President of the United States, Ronald Reagan, or the Governor of Arizona, Bruce Babbitt.

Section 6. Waiver. Any right or remedy provided for in this Declaration shall not be deemed to have been waived by Declarant or Association by any act or omission including, without limitation, any acceptance of payment or partial performance of any forbearance except by an instrument in writing specifying such right or remedy and executed by the person whom enforcement of such waiver is sought.

Section 7. Master Declaration/Homeowners' Association. In the event the Association, its Members or Owners are governed by and subject to a Master Declaration of Covenants, Conditions and Restrictions of the planned area development known as Arrowhead Ranch, then in such event, such Master Declaration shall supercede and control over this Declaration, where conflicting and where applicable.

Section 8. 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 hereof.

Section 9. Reference to the Restrictions and Deeds. Whether or not reference is made in the deed to any Lot concerning the Covenants, Conditions and Restrictions and Easements herein set forth, each and all such Covenants, Conditions and Restrictions shall be binding upon all Owners now hereafter at any time succeeding in title to any Lot or Lots and Their heirs, devisees, personal representatives, successors and assigns.

Section 10. Gender and Number. Wherever the context of this Declaration has 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.

Section 11. Captions and Titles. All captions, titles, and headings in this Declaration are solely for the purpose of convenience of reference and shall not be deemed to limit, modify or otherwise affect any of the provisions hereof or be used to determine the intent or context thereof.

Section 12. Governing Law. This Declaration and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the laws of the State of Arizona.

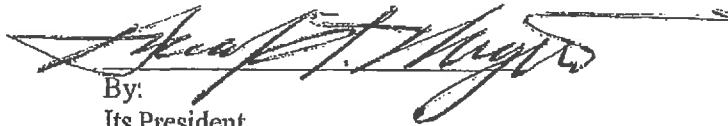
Section 13. Partial Lots. Where not conflicting, all references to "Lots" shall include Lots and Partial Lots, where applicable.

Section 14. Restatement. This Restatement of the Declaration amends the Declaration recorded April 2, 1985, at Recorder's No. 85-145097, office of the Maricopa County Recorder, and as amended and restated hereunder shall otherwise remain in full force and effect.

The undersigned President of the Association certifies that the foregoing is a true and correct restatement of the Declaration, as reflected in the previous recordings, and attests that the foregoing was assented to at a meeting of the Board of Directors held on SEPTEMBER 14, 2015

Executed this 14 day of SEPTEMBER, 20 15

Del Lago Homeowner's Association

  
By:  
Its President