

WHEN RECORDED PLEASE RETURN TO:

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
STRAWBERRY HOLLOW
PHASE II**

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF STRAWBERRY HOLLOW PHASE II

This Declaration is made on May 11, 2005, by STRAWBERRY HOLLOW DEVELOPMENT, INC., a corporation duly organized and existing under the laws of the State of Arizona ("Declarant"), which executes this Declaration of Covenants, Conditions and Restrictions to run with the real property for the purposes described.

RECITALS

WHEREAS, Declarant is the owner and developer of certain real property known and designated as Strawberry Hollow, located in Gila County, Arizona ("Property"); more particularly described as Exhibit "A" attached hereto, and

WHEREAS, it is the desire of Declarant to establish and secure the enforcement of covenants, conditions and restrictions upon the uses and development of the Property.

NOW, THEREFORE, Declarant creates the following covenants, conditions and restrictions:

I. GENERAL DECLARATION

A. Purposes. The purposes of the covenants, conditions and restrictions are, among other things, to enhance and protect the value, attractiveness and desirability of the Property, to ensure the usage of the Property for attractive residential uses only, to prevent nuisances, to maintain the desired tone of the Property, to further the continuance and harmonious development of the Property and to secure to each Owner full benefit and enjoyment of his or her Lot in the Property.

B. Property Subject to Restrictions. All of the Property shall be held, conveyed, encumbered, leased, used, occupied, sold and improved subject to this Declaration.

C. Run with the Land. All of the covenants, conditions and restrictions and other provisions hereof shall constitute covenants running with the land and shall be binding upon Declarant, the Association, all Owners and all of their successors and assigns.

II. DEFINITIONS

A. "Architectural Committee" means the committee created pursuant to Paragraph IX (C).

B. "Architectural Rules" means the rules and regulation adopted by the Architectural Committee.

C. "Articles" means the Articles of Incorporation of Strawberry Hollow Property Owner's Association.

D. "Assessments" means all regular assessments, special assessments or charges authorized in the Declaration.

E. "Assessment Lien" means the lien for regular assessments, special assessments or charges provided in Paragraph X.

F. "Association" means the Strawberry Hollow Property Owner's Association, a nonprofit corporation organized and existing under the laws of the State of Arizona. For all phases subjected to this Declaration there shall be one property owner's association.

G. "Board of Directors" means the board of directors of Strawberry Hollow Property Owner's Association.

H. "Built" means not by way of limitation, altered, constructed, erected, finished or painted, installed, maintained, placed or repaired.

I. "Bylaws" means the bylaws of Strawberry Hollow Property Owner's Association, and amendments.

J. "Common Area" means all real property and improvements shown on any recorded Subdivision Map of the Property owned or to be owned by the Association, and intended to be devoted to the common use and enjoyment of the Owners.

K. "Declarant" shall mean Strawberry Hollow Development, Inc., an Arizona corporation, and its successors and assigns.

L. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Strawberry Hollow applicable to the Property, and amendments.

M. "Improvement" shall mean, but not exclusively, any driveway, excavation, grading, landscaping, outdoor lighting or structure of any kind built on a Lot.

N. "Lot" shall mean any parcel of land, or subdivision thereof, shown upon any Subdivision Map of the Property recorded in the Official Records of Gila County, Arizona.

O. "Member" shall mean any person or entity who is entitled to membership in the Association by virtue of the Declaration or Bylaws.

P. "Mortgage" shall include a recorded deed of trust as well as a recorded mortgage, and any reference to rights or remedies under a mortgage shall also mean rights or remedies under a deed of trust, including, but not limited to, a foreclosure and trustee's sale.

Q. "Mortgagee" shall include the beneficiary or holder of a deed of trust as well as a mortgagee.

R. "Mortgagor" shall include the trustor of a deed of trust as well as a mortgagor.

S. "Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title or an equitable title when purchasing under a contract to any Lot which is part of the Property, but specifically excluding those having such interests merely as a security for the performance of an obligation.

T. "Plans" shall mean complete plans and specifications showing the nature, kind, shape, color, site, exterior finish, material, location and the like required to be submitted to the Architectural Committee.

U. "Property" shall mean that certain real property depicted in Exhibit "A" attached hereto and incorporated herein by this reference and such additional real property as may hereafter be brought within the jurisdiction of the Association.

V. "Property Rules" shall mean the rules and regulations adopted by the Association, and amendments.

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

X. "Structure" shall mean, but is not limited to, any accessory, attachment, awning, balcony, deck, equipment, garage, obstruction, pool, porch, residence, screen, spa or utility of any kind built on a Lot.

Y. "Subdivision Map" shall mean any map recorded in the Official Records of Gila County, Arizona covering any or all of the Property, and amendments. The Subdivision Maps are not annexed but are incorporated and made a part hereof.

Z. "Vehicle" shall mean, not by way of limitation, any all – terrain vehicle, all – terrain trailer, automobile, boat, boat trailer, bus, camper shell, detached camper, motorcycle, motor home, recreational vehicle, trailer, truck, van or other vehicle of any kind.

III. COMMON AREAS

A. Ownership. The Common Area is presently owned or controlled by Declarant.

1. Exclusive ownership and control shall remain with Declarant until such time as Declarant transfers ownership and control of the Common Area to the Association as provided herein.

2. Upon the sale by Declarant of all Lots, or such earlier time at the sole option and discretion of Declarant, ownership and control of the Common Area shall be transferred to the Association.

B. Property Rights. Each Owner of a Lot shall have a non – exclusive right and easement of enjoyment in and to the Common Area in accordance with the purposes for which it is intended without hindering the exercise of or encroaching upon the rights of any other Owner which shall be appurtenant to and shall pass with the title to such Lot, subject to the hereafter rights of the Association:

1. The right to suspend the right of use of the Common Area and the voting rights of any Owner for periods during which Assessments against his or her Lot remain unpaid, and the right after hearing by the Board of Directors, to suspend such rights for any reasonable period of any infraction of the Property Rules.

2. The right to make and publish from time to time Property Rules that in the judgment of the Board of Directors are necessary or advisable in governing the use and occupancy of the Common Area.

3. The right to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to any conditions as may be agreed to by 51 percent of each class of Members. No such dedication, sale or transfer shall be

effective unless an instrument has been signed by 51 percent of each class of Members agreeing to said dedication, sale or transfer.

C. Delegation of Use. Subject to such limitation as may be imposed in the Property Rules, each Owner may delegate his or her right of enjoyment in and to the Common Area to individuals of his or her family, and his or her guests, tenants and invitees.

D. Maintenance. The Common Area shall be owned, operated, repaired and maintained by the Association for the use and benefit of the Owners, subject to the Property Rules.

E. No Partition. There shall be no judicial partition of the Common Area and such Common Area shall not be dedicated, sold, transferred, mortgaged, pledged or otherwise conveyed separate and apart from ownership and individual Lots, except to a public agency, authority or utility pursuant to Paragraph III (B) (3).

IV. EASEMENTS

A. Reservation. Declarant reserves and creates all easements depicted on or referred to in the Subdivision Map or any other instrument executed by Declarant with respect to the Property recorded in the Official Records of Gila County, Arizona. Any easement on the Subdivision Map is created as an easement upon, across, over, under, in and about said Property for ingress, egress, installation, replacement, repair and maintenance directly or indirectly pertaining to the use(s) designated on the Subdivision Map. Easements designated for public utilities shall include all utilities, including, but not limited to, water, sewer, gas, electricity, telephone and cable television.

1. By virtue of such easement, it shall be expressly permissible for each utility company or organization providing any of the utilities to affix, install, erect and maintain any necessary or appropriate equipment, fixtures, wires, circuits, conduits and other personal property in or about the aforesaid Property and structures or other improvements thereon.

2. Notwithstanding anything to the contrary contained in this Paragraph IV (A), no sewer lines, electrical lines, water lines, gas lines, television lines or other utilities may be affixed, installed, erected or relocated in or about the Property except as initially directed or approved by Declarant, or thereafter approved by the Board of Directors, as the case may be.

3. These easements shall in no way affect any other recorded easements concerning the Property.

B. Accessibility. No structure or improvement shall be built on any of the foregoing easements, and such easements shall at all times be open and accessible to public and quasi – public utility corporations or organizations, their agents, servants, employees and contractors, and shall also be open and accessible to Declarant, its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on, under and above the Property to carry out any of the purposes for which the easements are reserved.

V. CONTROLS AND USE RESTRICTIONS

A. Single Family Residential. All Lots shall be used, improved and devoted exclusively to Single Family residential use.

1. No structure of any kind whatsoever other than one private Single Family residence shall be built on any Lot.

2. No carport or similar structure shall be permitted on any Lot.
3. All structures and improvements built on a Lot shall be of new construction and no structure shall be moved from any other location on to a Lot.
4. The livable area of the Single Family residence, exclusive of open porches and garages, shall not be less than 1,200 square feet.
5. No portion of any structure on a Lot, including windows or other projections, shall be less than:
 - a. 20 feet from the front boundary line of any Lot.
 - b. 20 feet from the rear boundary line of any Lot.
 - c. 7 feet from a side boundary line of any Lot.
 - d. 10 feet from a boundary line bordering a street for any corner Lot.
6. No structure shall be more than 2 stories in height and shall not exceed 30 feet in height from ground level. The height and location of any structure shall be designed and located so as to assist in the preservation of views of others.
7. All roofing material shall be earthtone in color and limited to either metallic, fiberglass, tile, composition shingles or wood shakes or shingles, and the plan must be approved by the Architectural Committee.
8. Siding shall be of wood, brick, stucco, rock, stone or combinations thereof and the plan of colors of any paint or stain and the like must be approved by the Architectural Committee.
9. No temporary structures or improvements shall be built on any Lot.
10. No Single Family residence on a Lot shall be occupied at any time prior to it being fully completed, nor shall any Single Family residence when completed be in any manner occupied at any time until the Owner has received a certificate of occupancy from all appropriate governmental agencies, or until the Single Family residence is in compliance with this Declaration.

B. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept in or about any Lot. However, household pets may be kept on a Lot provided:

1. Such household pets do not offend or annoy any other Owner and are controlled by a leash or other form of restraint at all times outside the confines of a Single Family residence;
2. The household pets are not kept, bred or maintained for any commercial purpose;
3. No kennels, pens, enclosures or similar structures shall be built on any lot, except pursuant to plans approved by the Architectural Committee;
4. Each Owner of a household pet shall immediately clean up waste products of such pet, except waste products on such Owner's Lot, and dispose of the same in the designated

sanitary containers of such Owner, and in the event of failure to do so, be subject to any reasonable fine or penalty (as a charge) imposed by the Board of Directors; and

5. The Owner of a household pet shall otherwise comply with each and every Property Rule as may be adopted by the Association regarding household pets.

C. Antennas. No antenna, aerial, satellite dish or other device for the transmission or reception of radio, television or other form of electromagnetic radiation shall be built on a Lot with the exception of a satellite dish no larger than 18 inches in diameter, provided the plan is approved by the Architectural Committee.

D. Basketball Backboards. No basketball backboard or other fixed sport apparatus of any kind shall be built on a Lot without the plan first approved by the Architectural Committee.

E. Business. The terms "business" and "trade", as used in this paragraph, shall be construed to have their ordinary and generally accepted meanings and shall include, but not by way of limitation, any occupation, work or activity undertaken which involves providing business services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration regardless of whether such activity is engaged in full or part-time, or whether such activity is intended to or does generate a profit or a license is required for the business or trade. No business or trade of any kind may be conducted in or from a Lot, excepting that an Owner may conduct a business or trade activity within a Single Family residence so long as the existence or operation of the business or trade activity, as may be determined in the sole discretion of the Board of Directors:

1. Is not apparent or detectable by sight, sound or smell from the exterior of the Single Family residence;
2. Conforms to all applicable zoning requirements of Gila County;
3. Is consistent with the residential character of the Property; and
4. Does not constitute a nuisance, hazardous or offensive use including, without limitation, excessive or unusual traffic or parking of vehicles in the vicinity of any Lot or street.

F. Clotheslines. No outside clotheslines or other outside facilities for drying or airing clothes shall be built on any Lot.

G. Construction Activities. No building material of any kind or character shall be placed upon any Lot except in connection with a construction plan approved in advance by the Architectural Committee.

1. Normal construction activities shall not be considered a nuisance or otherwise prohibited so long as the Lot is kept in a clean and litter-free condition during construction periods. The Architectural Committee is authorized to designate the areas and manner in which building materials and construction equipment shall be stored and the routes construction vehicles may use.

2. All construction, maintenance and repair work upon any Lot shall be pursued diligently from commencement until completion, and in no event shall the duration of new construction or maintenance exceed 180 days or of repair exceed 90 unless otherwise approved by the Architectural Committee.

3. No temporary structures or improvements of any kind shall be built on any Lot during the construction other than one portable toilet approved in advance by the Architectural Committee as to nature, size and location.

H. Conveyances. No Lot shall be further divided or separated into smaller Lots by any Owner, and no portion less than all of any such Lot, nor any easement or other interests therein, shall be sold, conveyed or encumbered. Notwithstanding the above a Lot may be split in half between Owners of adjacent Lots only as long as no structure or improvements of any kind is built on the divided Lot and provided the same is first approved by the Architectural Committee.

I. Disease and Insects. No Owner shall cause or commit any thing or condition to exist on any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

J. Drainage. Each Owner agrees not to interfere with or obstruct the established drainage pattern over his or her Lot from or to adjacent Lots, except that an Owner may modify the established drainage over his or her Lot by installation of pipes, paving or other means, provided such modification does not unreasonably burden or interfere with the use of other Lots or the drainage to or from other Lots.

1. For the purpose of this Paragraph V(J), "established drainage" means the drainage that exists at the time the overall grading of the Lots and the landscaping thereon are completed.

2. Before any grading or excavation is undertaken by any Owner upon any Lot, the plan for such grading or excavation shall be approved by the Architectural Committee.

3. All improvements shall be built upon the Lots in a manner consistent with the site and natural terrain, as determined by the Architectural Committee, in its sole discretion.

K. Driveways. All driveways which are placed upon a Lot shall be surfaced with asphalt or concrete unless a plan for an exception is first approved by the Architectural Committee.

L. Fencing. No fence, hedge, wall or other dividing instrumentality shall be built on any Lot.

M. Hazardous Activities. No hazardous activities shall be conducted upon any part of a Lot, nor shall any improvements or conditions which are unsafe or hazardous to any person or property be permitted.

1. Open fires or burnings shall not be allowed on any part of a Lot and no incinerators or the like for the incineration of rubbish, trash, garbage, vegetation or otherwise shall be built or allowed on any Lot.

2. The hereinabove shall not be deemed to preclude the outdoor use of barbecues or grills in a reasonable, safe and prudent manner, unless such usage is prevented or restricted by fire protection rules and regulations.

N. Lighting. No direct outdoor lighting is allowed on a Lot nor is any other outdoor lighting permitted on a Lot that may be or may become an annoyance or a nuisance to or that may in any way interfere with the quiet enjoyment of any Owner of his or her respective Lot.

O. Machinery. No machinery or equipment of any kind shall be built or allowed outdoors on a Lot, excepting for such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of a Single Family residence and other improvements.

No such machinery or equipment of any type shall be built or allowed upon any Lot, which may be visible from a neighboring Lot, street, or Common Area.

P. Maintenance. Each Owner, at such Owner's sole cost and expense, shall maintain his or her own Lot, structures and improvements in a clean, attractive, healthful and well-kept condition, and in good repair and order.

Q. Mineral Exploration. No part of the Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or earth substance of any kind.

R. Nuisances. No noxious, illegal or offensive activity shall be permitted to exist or operate on any Lot, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to any other Owner or Lot, or which may in any way interfere with the quiet enjoyment of each Owner of his or her respective Lot.

1. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells or other offensive sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any Lot.

2. No guns or firearms, including air, BB and pellet guns, may be discharged in or about a Lot at any time.

3. The Board of Directors, in its sole and absolute discretion, shall have the right to determine the existence of any such nuisance.

S. Rental. An Owner shall have the right to rent his or her Lot contingent on the hereunder provisions:

1. No Owner may rent less than the entire Lot.

2. Rentals must be for a minimum period of One month or more.

3. All rental agreements shall be in writing and are to provide that the terms of the rental shall be subject in all respects to the provisions of the Declaration, Articles, Bylaws, Property Rules and Architectural Rules, and any failure by a tenant to comply with the terms of such documents shall be a default under the rental agreement.

4. No Owner shall rent a Lot without giving the Association prior written notice of his or her intention to enter into such rental agreement.

5. A copy of the executed rental agreement shall be delivered to the Association.

6. An Owner shall be responsible for the tenant's compliance with the above documents and damages caused by the tenant, together with any assessments, fines, penalties, dues, costs, attorney's fees and other charges payable.

T. Right of Way. During reasonable hours, Declarant, the Board of Directors and/or the Architectural Committee, or any member or authorized agent or representative of any of the aforementioned, shall have the right to enter upon and inspect any Lot, structures and improvements for the purpose of ascertaining whether or not the provisions of this Declaration, Articles, Bylaws, Property Rules or Architectural Rules have been or are being complied with, and such person shall not be deemed guilty of trespass by reason of such entry.

U. Signs. No signs, billboards or posters of whatever nature (including commercial, for sale, political or otherwise) shall be built on any lot except:

1. Signs as may be required by legal proceedings.
2. A maximum of 2 residential identification signs, each with a maximum face area of 144 square inches.
3. During the time of construction of any structure or improvement, one job identification sign not larger than 18 inches in height and 24 inches in width and having a face area not larger than 3 square feet.
4. One for sale sign per Lot in an earthtone color, not larger than 18 inches in height and 24 inches in width and not to be posted for more than 30 consecutive calendar days.
5. One yard sale sign for each Lot not to be posted for more than 3 consecutive calendar days.
6. The nature, number and location of signs which have been approved in advance by the Architectural Committee.

V. Storage. All equipment, wood piles, storage piles or other unsightly objects shall be screened and concealed from the view of neighboring Lots, streets or Common Areas. Woodpiles shall be stacked in a neat and orderly fashion.

W. Trash. No garbage, trash, junk, waste materials or other unsightly growth or objects shall be maintained or allowed on any Lot.

1. Each Lot shall have a sufficient number of covered sanitary containers of the nature, type, size and style which are approved by the Architectural Committee.
2. All garbage, trash, junk, waste materials or other unsightly growth or objects shall be removed from a Lot and shall not be allowed to accumulate thereon.
3. In no event shall such sanitary containers be maintained so as to be visible from neighboring Lots, streets or Common Areas except to make the same available for collection for the shortest time reasonable necessary to effect such collection.

X. Utilities. All gas, electric, power, telephone, water, sewer, and other utility service lines and equipment of every kind or character, whether now or hereafter invented or used, shall be placed and kept underground up to the walls of a Single Family residence on a Lot, except to the extent, if any, said underground placement may be prohibited by law, or by the nature of the services to be rendered, such underground placement prevents the lines from being functional.

1. No tanks of any kind elevated above the surface of the ground or visible in any manner shall be built on or about any Lot and all tanks for use in connection with any Single Family residence constructed on a Lot, including tanks for the storage of fuels, must be buried and concealed from the view of neighboring lots, streets or Common Areas. Some lots require an effluent tank (see Strawberry Hollow Wastewater Improvement District Construction Inspection Criteria and Conditions to Connect to Wastewater System).

2. The foregoing shall not prohibit service pedestals and aboveground switch cabinets and transformers, where required.

Y. Vegetation. Each Owner shall exercise as much care as is possible to retain natural vegetation, trees, shrubs and similar growth.

1. Prior to the removal to any such growth (excluding weeds and other unsightly vegetation), plans shall be submitted to the Architectural Committee for approval, comments and review.
2. Such plans shall include the location of all trees that are 2 inches or more in diameter.
3. The design of all structures and improvements shall attempt to save such trees, except to the extent that they may become dangerous or hazardous or impede proper drainage of the Lot.
4. Dead or dying vegetation (such as from bark beetle) is the responsibility of each individual property owner. If such vegetation, in Declarant's opinion, needs to be removed, Declarant will give notice to property owner. If property owner fails to respond in a timely manner, it will become the sole discretion of the Declarant to proceed to remedy the situation and hold property owner accountable for costs.

Z. Vehicles. No vehicle shall be regularly parked, stored or placed upon a Lot except within the confines of a fully enclosed garage.

1. Only operable, licensed, non-disabled and non-abandoned vehicles may be parked, stored or placed upon a Lot.
2. No vehicles may be repaired, modified or otherwise worked on at any time at or about any Lot, Common Area or parking area or on any street adjacent to any such Lot, provided, however, the Architectural Committee may permit such minor repairs pursuant to its Architectural Rules or the Property Rules of the Association.
3. No vehicle shall at any time be parked, stored or placed upon a Common Area or street.
4. No commercial vehicle shall be parked, stored or placed in or about a Lot, excepting for automobiles or standard size pickup trucks which are for both business and personal use, and provided any signs or markings of a commercial nature on such commercial vehicle shall be unobtrusive and inoffensive as determined by the Architectural Committee

VI. EXEMPTION FOR DECLARANT

A. Development. The completion by Declarant of the work of developing all Lots in the Property, and the sale, operation or other disposition of Lots is essential to the establishment and welfare of the Property as an ongoing residential community.

B. Exclusion. In order that such work may be completed, nothing in this Declaration shall be understood or construed to prevent Declarant or its duly authorized agents from:

1. Going on any part of the Property owned or controlled by Declarant and doing whatever it determines may be reasonably necessary or advisable in connection with the completion of such work;
2. Constructing and maintaining on any part of the Property owned or controlled by Declarant such structures and improvements as may be reasonably necessary for the completion of the work, the establishment of the Property as a residential community and/or the disposition of Lots by sale or otherwise;

3. Conducting on any part of the Property owned or controlled by Declarant the business of completing the work, of establishing the subdivision as a residential community and of disposing of Lots by sale or otherwise;

4. Maintaining such signs on any part of the Property owned or controlled by Declarant as may be necessary in connection with the disposition of Lots by sale or otherwise; or

5. Subdividing or separating into smaller Lots or parcels any Property owned or controlled by Declarant.

VII. ASSOCIATION

A. Organization. The Association is a non-profit Arizona corporation charged with the duties and vested with the powers prescribed by law and set forth in the Declaration, Articles and Bylaws. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

B. Directors and Officers. The affairs of the Association shall be conducted by the Board of Directors and such officers as the Board of Directors may elect or appoint in accordance with the Articles and Bylaws, as amended.

1. Notwithstanding any of the foregoing, Declarant shall have the power and authority, in its sole discretion, to appoint persons to or to remove persons from the Board of Directors until 90% of all the Lots have been fully developed and sold by Declarant.

2. After 90% of said Lots have been developed and sold, the Board of Directors shall be elected at the next meeting of Members in the manner provided in the Articles and Bylaws.

3. Except as provided in Paragraph VII(B) as to the power and authority of Declarant, each director shall be an Owner or the spouse of an Owner, or, if any Owner is a corporation, partnership, trust or other legal entity, a director may be an officer, director, beneficiary or authorized agent of such Owner.

4. Should a director cease to meet such qualifications of a director during his or her term, he or she shall automatically cease to be a director and his or her place on the Board of Directors shall be deemed vacant.

C. Powers and Duties. The Association shall have such rights, powers and duties as described in the Declaration, Articles and Bylaws, as amended, and the following powers and duties which it may exercise and perform whenever in its discretion it may deem them necessary or desirable:

1. To enforce, either in its own name or in the name of any Owner within the Property, the Declaration, Articles, Bylaws, Property Rules or Architectural Rules that now exist or which may be lawfully imposed on or against an Owner or any of the Property.

a. The expenses of any enforcement proceedings, including reasonable attorney's fees, shall be paid out of the Assessments levied by the Association.

b. Nothing contained in this paragraph shall be deemed or construed to prevent any Owner from enforcing in his or her own names any of the aforesaid.

2. To manage and control all Common Areas and the structures and improvements located thereon, provided that such management and control shall at all times be subject to the laws, ordinances, regulations and the like of any state, county, city or town in which the Property is located.

3. To install, care for, spray, trim, protect and replace vegetation in Common Areas.

4. To provide for the cleaning of streets, gutters, catch basins, sidewalks and pedestrian ways and for the repair and maintenance of streets, storm sewers and appurtenant drainage facilities when sufficient services are not available from any public source.

5. To erect and maintain signs for the marking of streets and safety signs for the protection of children and other persons.

6. To exercise control over easements as it may acquire from time to time.

7. To acquire by lease or own the title to real estate as may be reasonably necessary to carry out the purposes of the Association, and pay taxes on the real estate as may be owned or leased by it, and to pay such taxes as may be assessed against the Common Areas.

8. To levy and collect the Assessments which are provided for in this Declaration.

D. Property Rules. The association may from time to time adopt, amend and repeal rules and regulations to be known as the "Property Rules."

1. The Property Rules may include, by way of illustration and not by way of limitation, rules and regulations governing the nature, extent, manner and otherwise of how Lots and Common Areas shall be held, conveyed, encumbered, leased, used, occupied, sold and improved for purposes, among other things, to enhance and protect the value, attractiveness and desirability of the Lots, to ensure the usage of the Property for attractive residential uses only, to prevent nuisances, to maintain the desired tone of the subdivision, to further the continuous and harmonious development of the Properties and to secure each Owner full benefit and enjoyment of his or her Lot.

2. Such Property Rules shall not be inconsistent with the Declaration, Articles or Bylaws.

3. A copy of the Property Rules, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner at his or her last known address.

4. The Property Rules, as they may from time to time be adopted, amended or repealed, shall have the same force and effect as if they were set forth in and were a part of this Declaration.

5. The Property Rules shall be binding upon all persons having an interest in, or making use of, any part of the Property, whether or not a copy of the Property Rules is actually received by such persons.

E. Personal Liability. No person serving on the Board of Directors or Architectural Committee, or any officer of the Association, shall be personally liable to any Owner, the Association or any other party for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, Board of Directors, Architectural

Committee, or any other representative or employee of the Association, Board of Directors or the Architectural Committee, provided that such person has acted in good faith, without willful, wanton or grossly negligent conduct on the basis of such information as may be possessed by him or her.

F. Control by Declarant. Declarant shall have all rights, duties and powers accorded to the Association until the first to occur of (i) not more than 90 days after 90% of all Lots have been fully developed and sold by Declarant or (ii) 90 days' written notice to all Owners of Declarant voluntarily relinquishing control of the Association.

1. Upon the first to occur of the foregoing events, control of the Association shall pass from Declarant to the Owners, and Declarant's relation to and interest in the Association shall be limited to that of a Member for each Lot, if any, owned by Declarant.

2. Should either of the events depicted in Paragraph VII(F) take place prior to the regularly scheduled date for the annual meeting of the Association, the existing Board of Directors shall be retained and continue in full control. At the first annual meeting after control of the Association is transferred to the Owners, all Members shall be entitled to exercise their respective rights in the Association. However, if any special meeting of the Association is called prior to the annual meeting and subsequent to the event passing control from Declarant, the Members shall have all rights in the Association.

G. Interpretation. In case of any dispute or disagreement relating to the Property or any question of interpretation or application of the Declaration, Subdivision Map, Articles, Bylaws, Property Rules or Architectural Rules, the determination by the Board of Directors shall be final and binding on the Owners.

1. If a decision cannot be reached by the Board of Directors in connection with any matter submitted to or considered by the Board of Directors, the Matter shall be determined by a simple majority vote of each class of Membership.

2. Should there be a conflict between the Declaration, Subdivision Map, Articles, Bylaws, Property Rules and Architectural Rules, priority shall be given to the instruments in the hereunder order:

- a. Declaration.
- b. Subdivision Map.
- c. Articles.
- d. Bylaws.
- e. Property Rules.
- f. Architectural Rules.

VIII. MEMBERSHIP

A. Members. Every Owner of a Lot shall automatically become a Member of the Association until such time as his or her ownership ceases for any reason, at which time his or her membership shall automatically terminate.

1. For the purpose of determining membership, ownership shall be deemed to have vested upon delivery of a duly executed deed to a grantee or a contract to a vendee.

2. The legal title retained by a vendor selling under a contract shall not qualify such vendor for membership.

B. Classes. The Association shall have 2 classes of voting membership as delineated below:

1. Class A – The Class A Members shall be all Owners, with the exception of Declarant while Declarant is a Class B Member, and shall be entitled to 1 vote for each Lot owned.

2. Class B – The Class B Member shall be the Declarant and shall be entitled to 5 votes for each Lot owned by Declarant. The Class B membership shall cease and be converted to Class A membership on the happening of either of the hereafter events, whichever occurs earlier:

a. When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or

b. The expiration of 5 years from the date the Declaration is recorded in the Official Records of Gila County, Arizona.

C. Voting. The vote for each Lot must be cast as a unit and fractional votes are not allowed.

1. Where more than one person or entity owns a Lot, all such persons and entities shall be Members and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than 1 be cast with respect to said Lot.

2. The method by which that vote shall be cast, and the person authorized and designated to cast the vote on behalf of the joint Owners, shall be as provided in the Articles or Bylaws.

3. If the joint Owners are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question.

4. Should any Owner cast a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or she was acting with the authority and consent of all other joint Owners of the same Lot.

5. In the event more than 1 vote is cast for a particular Lot, none of the votes shall be counted and all the votes shall be deemed null and void.

D. Rights. Each Member shall have such other rights, duties, and obligations as contained in the Articles, Bylaws, Property Rules and Architectural Rules, and amendments.

E. Transfer. Membership shall be appurtenant to and may not be separated from ownership of a Lot.

1. The rights, duties and obligations of an Owner and membership in the Association shall not be assigned, conveyed, pledged or alienated in any way except on transfer of ownership of the Lot and then only to the transferee of ownership to the Lot, or by intestate

succession, testamentary disposition, foreclosure of a mortgage of record or such other legal process as now in effect or as may hereafter be established pursuant to the laws of the State of Arizona.

2. Any attempt to make a prohibited transfer shall be void.
3. A transfer of ownership to a Lot shall operate to transfer the membership to the new Owner.

IX. ARCHITECTURAL CONTROL

A. Approval. Subject to the exemption of Declarant, any of the following must first be submitted to and approved in writing by the Architectural Committee:

1. Before any structure or improvement is built on a Lot.
2. Any alteration of such a structure or improvement on a Lot.
3. Any change in the grade of a Lot from the grade established or to be established by Declarant.

B. Plans. Complete plans shall be submitted to the Architectural Committee for approval as to quality, design and harmony of external design with existing structures and improvements, and as to location to surrounding structures or improvements and finished grade elevation. No approval shall be required for the hereunder:

1. To repaint or refinish in accordance with Declarant's original color scheme, if any.
2. To repaint or refinish pursuant to a color scheme previously approved by the Architectural Committee.
3. To rebuild or refinish as per plans previously approved by the Architectural Committee.
4. To finish, maintain, paint or repair the interior of a structure or improvement.

C. Architectural Committee. The Architectural Committee shall consist of 3 persons.

1. Declarant may appoint all of the original persons on the Architectural Committee and all replacements until 90 percent of all Lots have been developed and sold by Declarant.
2. Thereafter, the Board of Directors shall have the power to appoint and remove all persons to and from the Architectural Committee.
3. Persons appointed to the Architectural Committee by Declarant need not be members of the Association, however, persons appointed to the Architectural Committee by the Board of Directors shall be Members of the Association.
4. A person on the Architectural Committee may be removed for any reason or no reason at all by Declarant or the Board of Directors, as the case may be.

5. Directors and officers of the Association can be on the Architectural Committee.

6. No person on the Architectural Committee shall be entitled to any compensation for services performed on behalf of the Architectural Committee.

7. In the event the Architectural Committee fails to approve or disapprove plans within 30 days after the plans have been submitted to it, written approval by the Architectural Committee will not be required.

8. The Architectural Committee shall have such other rights, duties and obligations as set forth in the Articles, Bylaws, Property Rules and Architectural Rules, and amendments.

D. Architectural Rules. The Architectural Committee may, from time to time, and in its sole and absolute discretion, adopt, amend and repeal by a simple majority vote or written consent, rules and regulations to be known as the "Architectural Rules."

1. The Architectural Rules must also be approved by the Board of Directors.

2. Such Architectural Rules shall interpret and implement the Declaration, Articles and Property Rules by describing the standards and procedures for review by the Architectural Committee and the guidelines for the nature, kind, shape, color, size, materials, location and the like of structures and improvements.

E. Waiver. The approval by the Architectural Committee of any plan for any structures, improvements or for any other matter requiring the approval of the Architectural Committee, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan or matter subsequently submitted for approval.

F. Construction Deposit. Prior to the commencement of any construction or substantial replacement of a residence on any Lot, in addition to any other fees charged by the Architectural Committee for the approval of plans, the Owner shall provide to the Association a construction and clean-up deposit of \$2.00 per square foot of proposed construction. The foregoing shall not be construed as limiting an Owner's liability for damages or repairs. The deposit shall secure the constructing Owner's compliance with this Declaration, the Property Rules and the Architectural Rules and shall be returned in whole or part upon completion of the construction subject to the satisfactory review and approval of such compliance by the Architectural Committee.

X. ASSESSMENTS

A. Creation. Each Owner of a Lot, by acceptance of a deed or a contract of sale, whether or not it shall be so expressed in such document, is deemed to covenant and agree to pay to the Association each of the following:

1. Regular assessments.

2. Special assessments.

3. Any other charges made or levied by the Association against an Owner or Lot pursuant to the Declaration, Bylaws, Property Rules or Architectural Rules, such assessments and charges to be established and collected as provided in the Declaration and Bylaws.

B. Covenant of Payment. Each Owner of a Lot, upon becoming an Owner and/or a Member of the Association, is and shall be deemed to covenant and agree to pay to the

Association the Assessments and charges provided for in this Declaration, and agrees to the enforcement of the Assessments and charges in the manner specified in the Declaration. If the Association employs one or more attorneys for the collection of any Assessment, whether by suit or otherwise, to enforce compliance with the Declaration, Articles, Bylaws, Property Rules or Architectural Rules, or for any other purpose in connection with the above documents, each Owner and/or Member agrees to pay reasonable attorney's fees and costs incurred in addition to any other amounts due or any other relief obtained against the Owner and/or Member.

C. Obligation. Any part of an Assessment that is not paid when due shall bear interest at the rate of 12% per annum (or such lower rate as is the maximum rate then permitted by law) from the due date until paid.

1. Each such Assessment, together with interest, cost and reasonable attorney's fees incurred by the Association in enforcing compliance (whether or not a lawsuit or legal action is commenced) shall be the personal obligation of the person or entity who was the Owner of such Lot at the time the Assessment became due.

2. The personal obligation for the delinquent Assessments shall not pass to an Owner's successors in title unless specifically assumed by the successors.

3. No owner of a lot may exempt himself or herself from liability for any Assessments by waiver of the use or enjoyment of the common area or by the abandonment of his or her Lot.

D. Lien. The regular Assessment, special Assessment and other charges made against an Owner or a Lot, together with interest, costs and reasonable attorney's fees, shall be a charge and a continuing lien upon the Lot ("Assessment Lien").

1. The Assessment Lien shall be prior to all other liens except (i) taxes, bonds, assessment and other levies which, by law, would be superior to the Assessment Lien and (ii) payments due under a bona fide first mortgage or deed of trust instruments of encumbrances, if any, duly recorded.

2. A sale or transfer of any Lot shall not affect the Assessment Lien and no such sale or transfer shall relieve said Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

E. Purposes of Assessments. The regular and special Assessments levied by the Association shall be used exclusively to promote the health, safety, recreation and/or welfare of the Owners, the improvement and maintenance of the Property and the improvement and maintenance of the Common Area. Without limiting the generality of the foregoing statement of purpose, such Assessments may be applied by the Association for any of the hereinbelow:

1. To enforce the Declaration, Articles, Bylaws, Property Rules and/or Architectural Rules.

2. To repair and maintain the Common Area(s).

3. To maintain and repair storm drainage, sanitary sewers and private streets, if any, within the confines of the Property.

4. To pay expenses, such as attorney's fees, cost of liability, fire and other insurance, bookkeeping and accounting costs and any other expenses that may from time to time be deemed necessary to carry out the intent of this Declaration by the Association.

5. To keep adequate reserve funds for any such purposes.

6. To do all lawful things and tasks that the Association, in its discretion, may deem to be in the best interest of the Owners and Property.

F. Rate of Annual Assessment. The regular Assessment rate shall be \$365.00 a year. Every Owner, excluding Declarant, shall be obligated to pay to the Association the regular Assessment annually or in such other installments as may be determined by the Board of Directors.

1. Until January 1 of the year immediately following the conveyance of the first Lot by Declarant to an Owner, the maximum regular Assessment shall be \$365.00 a year.

2. From and after January 1 of the year immediately after the conveyance of the first Lot by Declarant to an Owner, the maximum regular Assessment may be increased each year not more than 25% above the regular annual Assessment for the previous year without a vote of each class of Members.

3. From and after January 1 of the year immediately subsequent to the conveyance of the first Lot by Declarant to an Owner, the maximum regular Assessment may be increased above 25% by the vote or written assent of a simple majority of each class of Members.

4. The Board of Directors may fix the regular Assessment at an amount not in excess of the applicable maximum.

G. Collection of Regular Assessments. The regular Assessment shall commence as each Lot is sold by the Declarant on the first day of the month subsequent to the close of escrow of said Lot. The first regular Assessment for each particular Lot shall be adjusted according to the number of months remaining in the calendar year.

1. The Board of Directors shall fix the amount of the regular Assessment and due dates against each Lot at least 60 days in advance for each regular Assessment.

2. Notice of the regular Assessment shall be sent each year to every Owner by first class mail, postage prepaid, at the last known address of the Owner pursuant to the records of the Association.

3. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association verifying whether the Assessments on a Lot have been paid.

H. Special Assessments. The Board of Directors is authorized to levy special Assessments for one or more of the purposes in Paragraph X(E) if the Board of Directors is required to make any expenditures which are not anticipated as of the first of any fiscal year of the Association, or for which there are not sufficient funds available.

1. Any such special Assessment must first be approved by Declarant while the Class B membership exists and by 51 percent of the votes of Class Members voting in person or by proxy at a meeting duly called for this purpose.

2. Any special Assessment as levied by the Board of Directors and approved by each class of Members shall be borne proportionately by all Owners, including the Declarant as each Lot not sold and still owned by the Declarant.

3. The due date of the special Assessment shall be at such time as designated by the Board of Directors.

I. Uniform Rates. Both the regular and special Assessments must be fixed at a uniform rate for all Lots.

J. Meeting. Written notice of any meeting called for the purpose of the Board of Directors taking any action authorized by Paragraph X(f)(3) or (H) shall be sent to all Owners not less than 30 days nor more than 60 days in advance of the meeting.

1. At the first such meeting called the presence of Members or proxies therefor entitled to cast Two Thirds of all the votes of each class of membership shall constitute a quorum.

2. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be ½ of the required quorum or One Third of all the votes of each class of membership at the preceding meeting.

3. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

4. While the Class B membership exists, the quorum requirements described above apply to both classes and a quorum shall not exist for a meeting unless a quorum of each class is present.

K. Civil Action. The Board of Directors may cause a civil action to be commenced and maintained in the name of the Association against an Owner and/or Member to enforce each such obligation for any Assessment of the Owner and/or Member. Any judgement rendered in such action shall include the amount of delinquency, together with interest at the rate of 12% per annum (or such lower rate as is the maximum rate then permitted by applicable law) from the date of delinquency, court costs and reasonable attorney's fees.

L. Lien Rights. When any Assessment due from an Owner to the Association on behalf of any Lot is not paid within 30 days after the due date, the Assessment Lien may be enforced by foreclosure of the lien and/or sale of the Lot by the Association, its attorney or other person authorized by law to make the sale.

1. After the occurrence of any default in the making of payment of any Assessment, the Association or its representative may deliver or mail a written demand stating the date and amount of the delinquency.

2. Each default shall constitute a separate basis for a demand or claim of lien, but any number of defaults may be included within a single demand or claim of lien.

3. Should the delinquency not be paid within 10 days after delivery of the written demand, or even without such a written demand being made, the Association may elect to record a claim of lien on behalf of the Association against the Lot of the defaulting Owner. Such a claim of lien shall contain substantially the hereunder information:

a. The name of the delinquent Owner.

b. The legal description and street address of the Lot against which the lien is made.

c. The total amount claimed to be due and owing for the amount of the delinquency, interest, cost and reasonable attorney's fees.

d. A statement that the claim of lien is being made by the Association pursuant to this Declaration.

e. Language that a lien is claimed against the Lot in the amount stated, plus any other sum, which may thereafter become due and payable in accordance with the Declaration.

4. The Assessment Lien may be foreclosed and the Lot sold in the same manner as a realty mortgage and property mortgaged thereunder, the Lot may be sold pursuant to the statutory or customary procedures for sales of trust property under deeds of trust or the lien may be enforced or foreclosed in any other manner permitted by law for the enforcement or foreclosure of liens against real property or the sale of property subject to such a lien.

5. Any such enforcement, foreclosure or sale action may be taken without regard to the value of the Lot, the solvency of the Owner or the relative size of the Owner's default.

6. The proceeds of any sale shall be applied as provided by applicable law, but in the absence of any such law, shall be applied first to discharge costs, including but not limited to, court costs, other litigation costs and attorney's fees incurred by the Association, all other expenses of the proceedings, interest, late charges, unpaid Assessments and other amounts due the Association, and the balance shall be paid to the Owner.

7. It shall be a condition of any such sale, and any judgements or orders shall so provide, that the purchaser shall take the interest in the Lot sold subject to this Declaration.

8. The Association, acting on behalf of all the other Owners, shall have the power to bid for the Lot at any sale and to acquire and hold, lease, mortgage or convey the Lot.

9. Should the Owner against whom the original Assessment made is the purchaser or redemptioner, the lien shall continue in effect and said lien may be enforced by the Association, or by the Board of Directors, for the Lot's Assessments that were due prior to the final conclusion of any such foreclosure, sale or equivalent proceeding.

10. Notwithstanding any foreclosure of the lien or sale of the Lot, any Assessments due after the application of any sale proceeds as provided above shall continue to exist as personal obligations of the defaulting Owner of the Lot to the Association, and the Association may use reasonable efforts to collect the same from the Owner even after he or she is no longer a Member.

M. Suspension of Rights. In addition to all other remedies provided in the Declaration or at law or in equity, the Board of Directors may temporarily suspend the Association voting rights and/or rights to use the Common Area of an Owner who is in default in the payment of any Assessment due the Association.

N. Cumulative Remedies. The rights, remedies and powers described in this Paragraph X and elsewhere in the Declaration, Articles, Bylaws, Property Rules or Architectural Rules are cumulative and may be used or employed by the Association in any order or combination. Without limiting the foregoing sentence, a civil action to recover a money judgment from unpaid Assessments, interest, costs, attorney's fees and/or other amount due and payable, to obtain specific performance of the obligations or to obtain injunctive relief may be maintained without foreclosing, waiving, releasing or satisfying the Assessment Lien.

O. Exclusion for Declarant. Until such time as control of the Association and ownership of the Common Areas are transferred from Declarant to the Association, Declarant shall not be liable for any regular Assessment or charges for Lots owned by Declarant.

XI. ENFORCEMENT OF RESTRICTIONS

A. Binding Effect. All of the covenants, conditions and restrictions now or hereafter imposed by, and all other provisions of, the Declaration shall run with the land and an Owner, by accepting the deed or contract of sale to a Lot accepts the same subject to said covenants, conditions, restrictions, and other provisions, and agrees for himself, herself, his or her heirs, administrators, personal representatives, successors, assigns and lessees to be bound by each and every one of the covenants, conditions, restrictions, and other provisions, jointly, separately and severally.

B. Severability. Each and every one of the covenants, conditions and restrictions now or hereafter imposed by the terms and conditions of the Declaration shall be considered to be an independent and separate covenant and agreement, and in the event any one or more of such covenants, conditions and restrictions shall for any reason be held to be invalid or unenforceable by a judgment or court order, all remaining covenants, conditions and restrictions shall nevertheless remain in full force and effect.

C. Remedies. The Declarant, Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, any and all of the covenants, conditions, restrictions, and other provisions, now or hereafter imposed by the Declaration.

D. Violation. If: (i) any portion of a Lot is maintained as to present a public or private nuisance as determined by the Board of Directors, (ii) any part of a Lot is used as to detract substantially from the appearance or quality of the surrounding Lots or other areas of the Property which are substantially affected thereby, (iii) any portion of the Lot is being utilized in a manner which violates the Declaration, Articles, Bylaws, Property Rules or Architectural Rules, or, (iv) an Owner of a Lot is failing to perform any of his or her obligations under the Declaration, Articles, Bylaws, Property Rules or Architectural Rules, then the Board of Directors may by resolution make a finding to such effect, specifying the particular condition or conditions with respect to the aforesaid.

1. In such case, the Board of Directors shall give written notice to the offending Owner that Unless corrective action is taken within 30 days after the delivery or mailing of the notice, the Board of Directors may cause corrective action to be taken and the cost shall be added as a charge to and become a part of the Assessment to which the offending Owner and his or her Lot are subject.

2. Said charge shall bear interest at the rate of 12% per annum (or such lower rate as is the maximum rate then permitted by applicable law) until paid and shall be secured by an Assessment Lien provided for in Paragraph X(L).

3. In addition, but not to the exclusion of the other remedies contained in this Declaration, the Board of Directors shall be empowered to levy fines and penalties as charges upon the offending Owner. Any fines or penalties assessed against an Owner shall also be added to and become a part of the Assessment, to which the offending Owner and his or her Lot are subject and shall be secured by an Assessment Lien and bear interest at the rate of 12% per annum (or such lower rate as is the maximum rate then permitted by applicable law) until paid.

4. The Board of Directors may publish a schedule of fines and penalties in the Property Rules for the assessment of such fines and penalties as charges, which Property Rules shall provide each Owner with reasonable due process before any fine or penalty is finally assessed and becomes due and payable.

XII. STRAWBERRY HOLLOW DOMESTIC WATER IMPROVEMENT DISTRICT

On August 17, 2001, the Strawberry Hollow Domestic Water Improvement District (SHDWID) was established and formed as a body corporate with the powers of a municipal corporation for the purposes of carrying out the provisions of Title 48, Chapter 6, Article 1 of the Arizona Revised Statutes.

The water system to serve Strawberry Hollow consists of one well, registration no. 55-579973, a 140,000-gallon storage tank, 1000 gallon hydropneumatic tank, and booster pumping system. The system is operated and maintained by the Strawberry Hollow Domestic Water Improvement District and consists primarily of PVC piping 8-inches, 6-inches, 4-inches and 2-inches in diameter.

The water system is designed to use the same pipes as the fire system. The design capacity is for 72 homes. It is the responsibility of the SHDWID to install and inspect each water service connection. The connection will contain a shutoff valve, anti-siphon valve, meter, and pressure-reducing valve.

XIII. DURATION

The covenants, conditions and restrictions of this Declaration shall run with and bind the land for a period of 20 years from the date the Declaration is recorded in the Official Records of Gila County, Arizona, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of 10 years.

1. All or any part of this Declaration may be amended or terminated during the first 20 years by a recorded instrument signed by the Owners of not less than 90% of the Lots; provided, that while Declarant is an Owner, no amendment shall be made without Declarant's consent.

2. After said 20 years, all or any part of the Declaration may be amended or terminated by a recorded instrument signed by the Owners of not less than 90% of the Lots.

3. While Declarant is an Owner, Declarant may amend this Declaration by a recorded instrument signed by the Declarant in order to satisfy any applicable requirement of law or order or to prevent or end regulation of the Well System, Declarant or any Owner as a public service corporation. Any such amendment may, without limitation, change or eliminate any Owner's ownership interest in all or any portion of the Well System.

XIV. ANNEXATION

Additional real property and Common Area may be annexed to the Property by Declarant without the consent of the other Owners until 90% of the Lots are sold and developed by Declarant, after which time the approval of 70% of each class of membership shall be required to annex additional real property and Common Area.

XV. GENERAL PROVISIONS

A. Governing Law. This Declaration shall in all respects be governed by, and construed in accordance with, the laws of the State of Arizona, including all matters of construction, validity and performance.

B. Waiver. No covenant, condition, restriction or provision contained in this instrument shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

C. Captions. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration, or the intent of any provisions thereof.

D. Gender. The use of any gender in this instrument shall be deemed to include the masculine, feminine and neuter gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

E. Notices. All notices, demands or other communications required or permitted to be made or given under the terms of this Declaration shall be in writing, signed by or on behalf of the party making or giving the same, and shall be deemed fully made or given when delivered personally or 24 hours after the deposit of the same in the United States mail by first class mail, postage prepaid, and addressed to the other party at his or her last known address.

F. Violation of Law. Any violation of any state, county, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of all or any part of the Property is declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth in the Declaration.

G. Attorney's Fees. If a party contracts an attorney for legal services seeking enforcement of or compliance with this Declaration by the other party, whether action be brought or not, or should legal action or any arbitration proceeding be brought for the enforcement of this Declaration, or because of an alleged dispute, breach or default in connection with any other provisions of the Declaration, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees and other costs in that action or proceeding, in addition to any other relief to which it may be entitled.

H. No Public Utility. Nothing in this Declaration shall be construed to make Declarant or any Owner a public service corporation or public utility subject to regulation by the Arizona Corporation Commission ("ACC"). In the event that Declarant or any Owner is at any time held to be a public service corporation or public utility subject to regulation by the ACC, or to be subject to any jurisdiction or order of the ACC, then Declarant and the Owners shall take such action, including modifying this Declaration, as shall be necessary to undo or terminate such status, jurisdiction or order while preserving to the maximum extent possible the benefits and burdens of this Declaration for Declarant and the Owners.

IN WITNESS WHEREOF, Declarant STRAWBERRY HOLLOW DEVELOPMENT, INC., an Arizona corporation, has caused this instrument to be executed by its duly authorized officers, and its corporate seal to be herein affixed on May 11, 2005.

STRAWBERRY HOLLOW DEVELOPMENT, INC.,
an Arizona corporation
Declarant

By /s/ _____
Loren B. Peterson
President

By /s/ _____
Diane F. Peterson
Secretary/Treasurer

IN WITNESS WHEREOF, the abovesigned persons have hereunto set their hands as of the
_____ day of May, 2005.

STATE OF ARIZONA)
) ss.
County of Gila)

On this, the _____ day of May, 2005, before me, the undersigned officer, personally
appeared Loren B. Peterson and Diane F. Peterson, known to me or sufficiently proven to be the
person whose name is subscribed to the foregoing instrument, and acknowledged to me that they
executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss.
County of Gila)

EXHIBIT "A"

Lots 42 through 72 of STRAWBERRY HOLLOW, PHASE II, according to the plat of record in the office of the County Recorder of Gila County Arizona, recorded in Map No. 758 A & B.

