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AMENDMENT AND RESTATEMENT OF THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WINDOW ROCK East

THIS RESTATED DECLARATION made this 20 to day of December, 1997 by, First American Title Insurance Company, an Arizona corporation as Trustee under Trust No. <u>4762</u>, and not in it corporate capacity, hereinafter referred to as "Declarant".

WITNESSETH

WHEREAS, Declarant is now the Owner of certain real property in the County of Pima, State of Arizona, which is more particularly described as:

See Exhibit A.

which real property shall hereinafter be referred to as the "Property"; and

WHEREAS Window Rock LLC, an Arizona Limited Liability Company, beneficiary of the above Trust has caused a Declaration of Covenants, Conditions and Restrictions ("the CC&R's") to be recorded in the records of the Pima County, Arizona Recorder at Docket 10646, page 2092at seq., against the real property recorded at Book <u>50</u> of Maps and Plants at page <u>16</u> in the office of Pima County, Arizona.

WHEREAS, Declarant and Beneficiary desires to amend and restate the covenants, conditions and restrictions applied to the real property recorded at Book 50 of Maps and Plants at page 16 in the office of Pima County, Arizona.

WHEREAS, Declarant proposes to construct improvements upon the Property and upon the Common Areas, as defined herein, and;

WHEREAS, Declarant desires to establish a manufactured home community ("Community") on the Property with certain amenities for the benefit of the Community; and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values and amenities in the Community and for the maintenance of the property and improvements thereon, and to this and desire to subject the property to the covenants, restrictions, design guidelines, easements, charges and liens hereinafter set forth, each and all of which are for the benefit of the Property and each Owner thereof; and

WHEREAS, Declarant has deemed it desirable, or the efficient preservation of the values and amenities in the Community, to create a non-profit corporation to which shall be delegated and assigned the powers of owning, maintaining and administering the Common Area and common facilities and administering and enforcing this Declaration of Covenants, Conditions and Restrictions ("Declaration") and collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety and welfare of the residents; and

WHEREAS, Declarant has or will incorporate under the laws of the State of Arizona the Association as a non-profit corporation for the purpose of exercising the functions aforesaid;

NOW THEREFORE, pursuant to Declarant's right as stated in Article 12., Section 5 of the CC&R's recorded at Docket 10646 page 2092 et seq in the office of the Pima County Recorder, Pima County, Arizona, Declarant hereby amends and restates the CC&R's and declares that the real property and each of the Lots thereon, as-shown on the Plat recorded in Book 50 of Maps and Plats at Page 16 in the office of Pima County, Arizona, shall be held, transferred, sold, conveyed and occupied subject to this Amendment and Restatement of Declaration of Covenants, Conditions, and Restrictions, (Declaration") as hereinafter set forth.

This Amendment and Restatement of Declaration of Covenants, Conditions and Restrictions will run with the real property and is hereby declared to inure to the benefit of and to bind the property and Owners thereof, their heirs, successors, grantees and assigns.

ARTICLE I

- <u>Section 1</u>. "Association" shall mean and refer to the Window Rock East Homeowners' Association, its' successors and assigns.
- <u>Section 2</u>. "Board of Directors" and "Board" shall mean the persons named to the initial Board of the Association, pursuant to the Article of Incorporation of the Association, and their successors.
- Section 3: "Common Area" shall mean and refer to those areas of land other than Lots shown on the Plat. Common areas include but are not limited to: Common Area A shall refer to streets, Common Area B shall refer to landscape buffer yards, and Common Area C shall refer to detention basins.
- <u>Section 4.</u> "Declarant" shall mean and refer to Window Rock LLC, any successor or assignee to all or substantially all of its' interests in the Property as evidenced by an Assignment of Declarant's Interest or by Trust Agreement executed by Declarant and recorded in the office of the Pima County, Arizona Recorder.
- Section 5. "Lot" shall mean and refer to Lots 1 through 119 as shown on the Plat and any additional lots added subject to the provisions of Article II.
- Section 6. "Owner" shall mean and refer to the recorded owner, whether one or more persons or entities, of the fee simple title to any lot, but excluding those having such interest merely as security for the performance of an obligation.
- Section 7. "Plat" shall mean the Plat recorded in the Office of the Recorder, Pima County, Arizona, encompassing the Property and any future plats recorded by Declarant pursuant to Article II.
- Section 8. "Occupant" shall mean and refer to the occupant of a manufactured home located on a Lot, who shall be either the Owner or any person occupying a Lot with the Owner's consent provided such Occupant shall comply with the requirements set forth in Article III, Section 11.
- <u>Section 9</u>. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions and any amendments thereto which may be recorded by the Declarant or Owners as provided for in this Declaration.

- Section 10. "Manufactured Home" shall mean a structure that meets the following criteria:
- (a) designed and constructed for year-round private residential use, connected to water, electric utilities, and other services, and
- (b) contains completed plumbing, heating, cooling and electrical systems to be connected to utility hook-ups on a Lot, and
 - (c) is built on a permanent chassis,
- (d) is constructed and is transportable in more than one section and the transporting mode is ten (10) feet or more in width, and forty (40) feet or more in length, and when erected on a Lot contains not less than nine hundred sixty (960) square feet of living area.
- Section 11. "Development Period" shall mean the time period from the date of this Declaration until the earlier of (a) delivery of written notice of termination of the Class B membership in the Association from Declarant, or (b) 3 months following conveyance by Declarant of fee simple title to the last Lot held by Declarant.
- Section 12. "Design Guidelines" shall mean and refer to those certain Design Guidelines and may be amended from time to time by the Board of Directors.
- Section 13. "Member" shall mean any person, corporation, partnership, or other legal entity who is a member of the Association as provided in Article V.
- Section 14. "Rules and Regulations" shall mean such Rules and Regulations as shall be adopted and/or amended from time to time by the Association for the Project.
- Section 15. "Project Constituent Documents" shall mean this Declaration, the Articles of Incorporation, the Bylaws, and the Rules and Regulations of the Association, and all other documents or instruments pertaining to and affecting the Project, as the same may be amended from time to time.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION, ADDITIONS

- Section 1. The Property. The Property and to the extent annexed, the Annexable Property, shall be held, transferred, sold, conveyed, and occupied subject to this Declaration.
- <u>Section 2.</u> Additions to the Property. Additional properties may become subject to this Declaration in the following manner.

- (a) Additions by the Declarant. The Declarant, its' successors and assigns shall have the right to annex additional contiguous property ("Annexable Property"). Such annexation of contiguous property shall subject such property to the provisions of this Declaration.
- (b) Other Additions. Notwithstanding the foregoing, additional land which is contiguous to the Annexable Property may become subject to this Declaration upon approval in writing of the Declarant and of the Association, pursuant to a majority of votes of the Owners, who are voting in person or by proxy a meeting duly called for this purpose.

The additions authorized under subsections (a) and (b) shall be made by recording in the records of the Pima County Recorder, of one or more Supplementary Declaration of Covenants and Restrictions describing the additional property being annexed. All Common Areas referred to in this Declaration and those annexed, will be shared by all Owners. At such time as additional property is annexed, each Owner in such subsequent phase shall become a member of the Association, and shall be entitled to the same voting and other rights as any other Class A member.

ARTICLE III USE RESTRICTIONS

<u>Section 1</u>. <u>Residential Manufactured Home</u>. Each lot is hereby restricted to one multisectional residential manufactured home dwellings for single family residential use in accordance with all applicable City of Tucson rules and regulations.

Section 2. Declarant's Use. Notwithstanding any provision herein contained to the contrary, it shall be expressly permissible for Declarant, or its' Agent(s) to maintain, during the period of construction and sale of the Lots, such facilities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the development and sale of the Lots, including, but not limited to, a business office, storage areas, construction yards, signs, models, and sales and/or leasing offices. Nothing contained in this Declaration shall be construed as a covenant or a requirement that Declarant sell Lots, it being the Declarant's right to lease or sell any or all Lots.

Section 3. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats and other household pets may be kept on the Lots and in the Manufactured Home in accordance with the Rules and

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Regulations established by the Association, provided they are not kept, bred or maintained for any commercial purpose. The number of pets allowed per Lot shall not exceed two (2). Notwithstanding the foregoing, no animal may be kept which results in any annoyance or is obnoxious to residents in the vicinity. When outside its' Owner's Lot, all dogs shall be kept on a leash of such length set forth in the applicable provisions of the Association rules. All dogs shall be directly under the Owner's control when not on its' Owner's Lot. It shall be the responsibility of said Owner or Lessee to remove, immediately, any droppings from pets anywhere on the Property. Each dog, when not on a leash and accompanied by an adult, shall be confined entirely to an Owner's Lot.

Section 4. <u>Diseases</u>. No owner shall permit anything or any condition to exist upon any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

Section 5. Antennas. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any Lot, whether attached to a building or structure or otherwise, unless approved by the Design Review Committee. Small stationary satellite TV dishes are permitted for TV.

Section 6. No advertising signs, billboards, unsightly object, or Signs. nuisances shall be erected, placed, or permitted to remain on the property, EXCEPT Home for Sale, Rent, Lease or Open House signs. These excepted signs shall be freestanding and be located in the front yard of the Lot affected by the sign. The top of the sign shall be no higher than forty-eight (48) inches from adjacent ground level, and be no larger than twenty-four (24) inches wide or eighteen (18) inches tall. Property shall not be used in any way, or for any purpose, which may endanger the health, or safety, or unreasonably disturb the Owner of any Manufactured Home or Occupant thereof. Further, no business activities of any kind shall be conducted in any building or in any portion of the premises, except such functions which are held on the Common Areas from time to time with the prior written approval of the Board of Directors of the However, the foregoing covenants shall not apply to the business activities, signs, and billboards, or the construction and maintenance of buildings, if any, of the Declarant, its' agents and assigns during the Development Period, and those of the Association.

Section 7. Miscellaneous. In accordance with the Design Guidelines and this Article 3, all equipment, service yards, wood piles, or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from the view of neighboring Lots and streets. No trash, rubbish or garbage shall be allowed to accumulate on any Lot. No clotheslines shall be erected or maintained on the Property.

Section 8. Vehicles and Related Items. No boats, campers, commercial trucks, trailers, motor homes, recreational and similar vehicles (hereinafter "Prohibited Vehicles") shall be parked or placed permanently or temporarily upon the streets of the Property. Prohibited Vehicles that are owned or in the care of Owners must be stored within a screened enclosure, within a garage or patio of an Owner, or in a fenced area if designated by the Window Rock East LLC Design Review Board. Prohibited Vehicles, which are the property of visitors to a Lot, may be placed on the driveway located upon that Lot for a maximum of 72 hours.

Section 9. Stored Vehicles. All vehicles, including Prohibited Vehicles, parked on the Property shall be drivable. No vehicle, including Prohibited Vehicles, shall be stored on the Property, other than as stated in Section 8, above. Expired or non-existent license tags shall indicate a "stored condition." Furthermore, no vehicles, including Prohibited Vehicles, with flat tires and vehicles resting on jacks or supports shall be permitted on the property in a junk condition. Additionally, no vehicle, including Prohibited Vehicles, shall be repaired or reconstructed on the Property unless in an enclosed garage,

Section 10. Drainage. There shall be no interference with the established drainage pattern over any portion of the Property or as shown on the Plat unless adequate provision is made for proper drainage conforming to local governmental rules, regulations, ordinances and draining criteria and such drainage provision is approved by the Association and the applicable county or city governmental agencies and elected representative bodies. Notwithstanding the above, there shall be no blocking or altering of any designated or existing drainage way on Common Areas whether or not such drainage way is located over or across any Lot. Each Owner shall adequately establish facilities to contain all backflushing, backwashing or similar discharge within each lot in such manner that the disposal is not discharged into the streets or roadways or other lots.

Section 11. Rentals. No portion of the Property may be rented, except an entire Lot may be rented, and then only for residential purposes, and pursuant to a

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written lease. All leases shall contain a provision in which the tenant agrees to abide by the terms and conditions of this Declaration, the Articles of Incorporation of the Association, the By-Laws of the Association and the rules and regulations adopted by the Board as though such tenant were an Owner. Each Owner shall cause the tenant, occupant or persons living with the Owner or with tenant, to comply with this Declaration, the Articles, the By-Laws and the rules and regulations adopted by the Board, and the Owner shall be responsible and liable for all violations and losses caused by the Owner's tenants. Occupants of the Unit are also fully liable for any such violations or losses caused or permitted by them.

In the event that a tenant, Occupant or person living with the tenant violates a provisions of this Declaration, the Articles, the By-Laws or the Rules and Regulations adopted by the Board, the Association shall have the power to bring an action or suit against such person and/or the Owner to recover sums due for damages or for injunctive relief, or for any other remedy available by law or equity. The Association's costs in so doing, including, but not limited to reasonable attorney's fees, together with interest as provided in Article VII, Section 7, shall be reimbursed by the tenant to the Association and shall constitute a lien on the applicable Lot which may be enforced in the manner described in Article VII, Section 7.

The Board shall also have the power to suspend the right of the Owner, tenant, occupant and/or person living with the tenant to use the recreational facilities (if any) of the Common Areas for any violation by such persons of any duty imposed under this Declaration, the Articles, the By-Laws or the rules and regulations adopted by the Board. No suspension of the right of an Owner, tenant, Occupant or person living with the tenant to use the recreational facilities (if any) on the Common Area may be for a period longer than sixty (60) days (except that the foregoing limitation shall not affect or prevent termination of the applicable lease if permitted by the terms of the lease or otherwise by applicable law).

Section 12. Windows. No reflective materials, including, but not limited to, aluminum foil, reflective screens or glass, mirrors or similar type items, shall be permitted on any Lot or dwelling unit so as to be visible from outside the dwelling unit. No window air conditioners shall be visible from the street.

<u>Section 13</u>. <u>Noisy Equipment</u>. Except for emergencies, no equipment which gives off disturbing sounds or loud noises, including, but not limited to, radios, stereos, TV's, phonographs, lawn mowers, power hedge clippers, power chain saws and other similar noisy equipment, shall be operated on any part of the Property except in a reasonable and non-offensive manner.

Section 14. Trash Container and Collection. No garbage or trash shall be placed or kept on any Lot except in covered containers of a type, size and style, which are approved by the Architectural Committee. In no event shall such containers be maintained so as to be visible from neighboring property except to make the same available for collection and then only for the shortest time reasonably necessary to affect such collection. All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No outdoor incinerators shall be allowed, kept or maintained on any Lot.

<u>Section 15. Mineral Exploration</u>. No Lot 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 any earth substance of any kind.

Section 16. Pavement Cuts. No pavement cuts may be made on the private streets and roadways of the Subdivision without the prior written consent of the Board of Directors. All pavement cuts or damage must be repaired to current Pima County standards as if the repair was done on a public street.

Section 17. Rules and Regulations. The Board of Directors shall adopt rules and regulations not inconsistent with this Declaration for the proper and efficient management, use, and operation of the Common Area and facilities and for the benefit, safety, health, use or enjoyment of the Common Area and the common facilities.

ARTICLE IV OWNERS ASSOCIATION

<u>Section 1.</u> <u>Association</u>. The affairs of the Association shall be conducted by the Window Rock East Homeowners Association, a nonprofit organization organized under the laws of the State of Arizona which shall fulfill its obligations pursuant to the Articles of Incorporation and Bylaws.

Section 2. Articles of Incorporation. Articles of Incorporation for the Association shall be prepared and executed and the Association incorporated prior to the initial sale of a Lot to a Public Purchaser. Upon being incorporated, the Association shall promptly take all necessary steps to conclude its formation and to commence the

discharge of its duties under this Declaration and the Articles including, but not limited to, the adoption of Bylaws and Rules and Regulations.

Section 3. Rules and Regulations. The Association shall from time to time establish such Rules and Regulations as it deems necessary for the conduct and operation of the Project including, by way of illustration and not by way of limitation, rules and regulations for the purpose of establishing and maintaining general beautification features within the Project, providing for the health, safety and welfare of occupants of and visitors to the Project, and establishing such common community services as the Association shall deem desirable for the general use and benefit of occupants of the Project.

Section 4. Governing Body. The Association shall serve as a governing body for all Owners and occupants of Lots and shall provide necessary and appropriate action for the maintenance, repair, replacement and management of the Amenities, assessment of expenses, payment of losses, disposition of insurance proceeds, and other matters as provided in the Project Constituent Documents; provided, however, that the foregoing shall not operate to relieve the Owners of their responsibilities under the Project Constituent Documents.

Section 5. Board of Directors. The affairs of the Association shall be conducted by a Board of Directors who shall be selected in the manner stated in the Project Constituent Documents. Each director shall be an Owner of a Lot or the spouse of an Owner, or, if an Owner is a corporation, partnership, trust or other legal entity, a director may be an officer, director, partner, beneficiary or authorized agent of such Owner. If a director shall cease to meet such directorship qualifications during his term, he shall automatically cease to be a director and his place on the Board of Directors shall be deemed vacant. Notwithstanding the foregoing, as long as there is a Class "B" Membership, as defined in Article 5, directors need not be an Owner of a Lot.

Section 6. Arbitration. In the event of any dispute or disagreement between any Owners relating to the Project or any question of interpretation or application of the Project Constituent Documents, the determination thereof by the Board of Directors shall be final binding on each and all of the Owners. 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, such matter shall be submitted and settled in accordance with the current rules and regulations of the American Arbitration Association in Pima County, Arizona, and any decision made or rendered thereon shall be final and binding upon all of the Owners and the Association.

<u>Section 7</u>. <u>Funds</u>. All funds received by and the titles of all properties acquired by the Association shall be held in trust for the Members of the Association in accordance with this Declaration, the Articles and Bylaws.

<u>Section 8.</u> <u>Availability of Documents.</u> The Association shall make available to all Owners of Lots and prospective purchasers of Lots, if any, current copies of the Project Constituent Documents.

Section 9. Indemnification. The Association shall indemnify Developer and every Director and officer and their heirs, executors, administrators, successors and assigns against all loss, cost and expense, reasonably incurred by them in connection with any action, suite or proceeding to which they may be made a party, by reason of being or having been a Director or officer of the Association (or in the case of Developer by reason of the appointment, control or removal of members of the Board), including reasonable matters wherein he shall be finally adjudged in such action, suite or proceeding to be liable for or guilty of negligence, except to the extent such liability, damage or injury is covered by any type of insurance; however, this indemnification shall not cover any acts of gross negligence, willful misconduct or with fraudulent or criminal intent. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director, Developer or officer may be entitled.

Section 10. Right of Inspection. The first mortgages of any Lot in the subdivision and each Owner shall have the right at reasonable times to inspect the books and records of the Association.

Section 11. Management and Service Contracts. Any agreement for professional management of the subdivision, or any other contract providing for services of the Declarant shall not exceed one (1) year. Any such agreement shall provide for termination by either party without cause and without payment of a termination fee upon a maximum sixty (60) days written notice.

Section 12. Recreational/Social Activities. To the extent (if any) the Board of Directors of the Association shall deem it reasonable to do so, it may establish recreation and social activities for the Association and its' members.

Section 13. Restrictions/First Mortgage Rights. Any provision contained in the Declaration to the contrary notwithstanding, unless at least two-thirds (2/3) of the first Mortgages of Lots (based upon one vote for each first mortgage owned or held) and two-thirds (2/3) of the Owners (other than the Declarant, his successors and assigns) have given their prior written approval, the Association shall not be empowered or entitled to:

- (a) by act or omission seek to abandon, partition, subdivide, encumber, (mortgage, sell or transfer the Common Areas or any common property owned by the Association, directly or indirectly (except that the Association shall have the right to grant easements for public utilities or for other public purposes consistent with the intended use of such common property);
- (b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner,
- (c) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the maintenance of the Common Areas or common property, party walls or common fences, driveways, or the upkeep of lawns and planting areas of the subdivision;
- (d) fail to maintain fire and extended coverage insurance on the Common Areas and common property on a current replacement cost basis in an amount of not less than one hundred percent (100%) of the insurable value (based on current replacement costs);
- (e) use hazard insurance proceeds from losses to any Common Areas or common property for other than the repair, replacement or reconstruction of such common property.
- <u>Section 14. Additional Rights of First Mortgagee.</u> Notwithstanding any provision to the contrary stated in this Declaration;
- (a) First mortgagees of any Manufactured Home(s) may jointly or singularly pay taxes or other charges which are in default and which may or have become a charge against any Common Area or common property and may pay overdue premiums or hazard insurance policies or secure new hazard insurance policies on the lapse of a policy for such Common Area or common property and first mortgagee making such payments shall be immediately owed reimbursement therefor from the Association.
- (b) Upon request a first mortgagee shall be entitled to written notification from the Association of any default in performance by an Owner/Borrower or any obligation described in this Declaration which is not cured within sixty (60) days.

ARTICLE V MEMBERSHIP AND VOTING RIGHTS

<u>Section 1</u>. Every Owner shall be a member of the Association and such membership shall not be separated from ownership of any Lot, which is subject to assessments.

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

Class A. Class A members shall be all Owners, with the exception of the Declarant, and each Class A member shall be entitled to one vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to five (5) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following; (a) The expiration of three (3) months following the conveyance of the last Lot by Declarant or its successors covered by these Declarations; or (b) when the Declarant notifies the Association in writing that it relinquishes its' Class B membership in favor of Class A membership.

ARTICLE VI PROPERTY RIGHTS

- <u>Section 1</u>. <u>Owner's Easements of Enjoyment</u>. Every Owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:
- جري (a) The right of the Association to limit the number of guests of Owner and Occupants;
- (b) The right of the Association to establish rules and to regulate the use of any common facility situated upon the Common Area;
- (c) The right of the Association, in accordance with its' Articles and By-Laws, to borrow money for the purpose of improving and maintaining the Common Area and facilities and in aid thereof, but subject to the provisions of Article IV, Section 13, to mortgage said property, and the rights of such mortgages in said properties shall be subordinate to the rights of the Owners hereunder,

- (d) The rights of the Association to suspend the voting rights and rights to use of the Common Area and facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days for any infraction of its' published rules and regulations; and
- (e) The right of the Association, subject to the provisions of Article IV, Section 13 (a), and Article XII, Section 8, to dedicate or transfer all or any part of the Common Area to any public agency or utility for such purpose and on such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument signed by Owners representing two-thirds (2/3) of the votes entitled to be cast.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws and rules and regulations of the Association, his rights of enjoyment to the Common Area and facilities to the Occupants of his Lot.

ARTICLE VII ASSESSMENTS

Creation of the Lien and Personal Obligation of Assessments. The Section 1. Owner of each Lot within the Property hereby covenants, and each Owner of any Lot by acceptance of a deed for a Lot or by being an owner in any other fashion, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association; (1) annual assessments or charges; and (2) special assessments for capital improvements. Such assessments are to be established and collected as hereinafter provided. Annual assessments shall be effective the first day of each calendar year. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each Owner, by his acceptance of a deed to a Lot, or by becoming an Owner in any other fashion, hereby expressly vests in the Association or its agents the right and power to bring all actions against such Owner personally for the collection of all such Assessments or charges as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in the like manner as a Mortgage of real property, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. In addition, the Association may make payments on any prior liens, including any Mortgage, tax or other assessment on the Lot, and such payments shall be added to the lien in favor of the Association. The lien shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid in such a foreclosure sale and to acquire and hold, lease, mortgage and convey the property so purchased. Either the Association, or the Board of Directors on behalf of the Association, may institute a suit to recover a money judgment for unpaid obligations of the Owner without being required to foreclose on the Lot involved and without waiving the lien which secures such obligations. In any such foreclosure proceeding, the Owner shall be required to pay a reasonable rental for the Lot, commencing as of the date foreclosure proceedings are filed, and the plaintiff in such proceedings shall be entitled, subject only to the prior right of any holder of a recorded bona fide first Mortgagee of such Lot, to such rent and to the appointment of a receiver to collect the same. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment falls due. The personal obligation for delinquent assessments shall remain an obligation of the Owner and shall not pass to his successors in title unless expressly assumed by them. assessments shall commence no later than thirty (30) days after the conveyance of the first Lot to a Public Purchaser.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Property and for the improvement and maintenance of the Common Areas as provided herein. The Board of Directors of the Association shall provide that annual Association assessments shall include an amount it shall deem adequate as and for a reserve fund for normal expenses of maintenance, repairs and replacement of those elements of the Common Areas and common property owned by the Association that must be replaced on a periodic basis. All such dues, charges and assessments imposed by the Association shall be paid on a periodic basis in regular installments as provided for by the Board of Directors.

Section 3. Maximum Annual Assessments. Until January 1, 1999, the maximum annual assessment shall be established by the Board of Directors of the Association and shall not exceed Three Hundred Sixty Dollars (\$360.00) per Lot.

(a) From and after January 1, 1999, the Board may, without a vote of the membership of the Association, increase the maximum annual assessment during each calendar year of the Association by an amount which represents not more than fifteen (15%) percent of the previous annual assessment.

- (b) From and after January 1, 1999, the maximum annual assessments may be increased by an amount greater than the maximum increase allowed pursuant to Section 3(a) above, only with approval of Owners representing two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for such purposes.
- (c) The provisions of this Declaration regarding payment of assessments shall apply to the Declarant during the period of Declarant's Class B membership; provided that the Declarant shall be responsible to pay such assessments at the rate of twenty-five (25%) percent on finished lots beginning twelve (12) months after certification for occupancy by the City of Tucson during the period of Declarant's Class B membership.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year for the purpose of defraying in whole or in part (a) the cost of any construction, reconstruction, and non-periodic repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related hereto, or (b) such other costs approved by the Board of Directors, provided that any such assessment shall have the consent of two-thirds (2/3) of the vote of the members who are voting in person or by proxy at a meeting duly called for this purpose. Method and terms of payment of the special assessment shall be included in the levy of that assessment.

Section 5. Notice and Quorum for any Action Authorized under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all the vote shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Date of Commencement of Monthly Assessment. The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance of the Lot by Declarant to any Owner. Said assessment may be paid monthly on the first day of each month during the annual period or as otherwise provided by the Board of Directors.

The first annual assessment for each Lot shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall determine the amount of the annual assessment against each Lot for the forthcoming annual period at least thirty (30) days in advance of each annual period. Written notice of the annual assessment shall be sent to every Owner subject thereto. Upon demand, and at a reasonable charge, the Association shall furnish a certificate setting forth the status of current assessment payments on a specified Lot. A properly executed certificate from the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its' issuance.

Section 7. Effective of Non Payment of Assessments: Remedies. Any assessment not paid within fifteen (15) days after the due date shall bear interest from the due date at the rate of twelve (12%) percent per annum. A late fee equal to one half the assessment shall be due if the assessment is not paid within ten (10) days of the due date. All payments on account shall first be applied to interest and then to the assessment payment first due. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Areas or by abandonment of his Lot or otherwise avoiding such obligation.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage on the Lot of the delinquent Owner. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VIII

EXTERIOR MAINTENANCE AND LANDSCAPE

Section 1. Landscaping. The Association shall provide landscaping and landscaping maintenance on the Common Areas. Except as otherwise approved in writing by the Association, landscaping on any Lot and on the Common Areas shall conform to the desert style of landscaping utilizing indigenous desert plants and trees and such other plants and trees as shall, in the opinion of the Board of Directors,

compliment the desert landscaping style. Only approved plants may be used in the community. A list of approved materials will be provided by the Association. Each Owner shall be solely responsible for maintaining approved landscaping on his/her Lot in accordance with the requirements stated in this Declaration. The Board of Directors shall determine, in its' sole discretion, whether any Owner has failed to comply with this section. The Board of Directors shall notify a non-complying Owner in writing specifying the nature of the non-compliance and advising the Owner that he/she shall have thirty (30) days to comply. If the Owner fails to perform the necessary acts to comply with these provisions, the Association shall have the right to enter upon the Lot and perform landscaping and maintenance as required by the Board of Directors. The cost of performance by the Association shall be an additional assessment and lien upon the Lot. Such assessment shall be paid upon notice from the Association.

Section 2. Overhead Encroachments. No tree, shrub, or planting of any kind on any Lot shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way or other area from ground level to a height of eight (8) feet.

Section 3. Common Area Maintenance. The Association shall be responsible for the control and maintenance of all Common Areas within the Property, and all areas outside the perimeter fences of the Property. The Association shall also be responsible for operation, maintenance and liability for drainage structures and retention basins. The Association shall have an Arizona Registered Professional Civil Engineer prepare a certified inspection report for the drainage and detention/retention facilities at least once each year. These inspection reports shall be on file with the Association and available for review by City of Tucson staff upon written request by the City of Tucson. The certified annual inspection shall indicate: I) no maintenance work is needed at the time of inspection, or ii) a list of repairs and work to be done to correct deficiencies followed by a letter of certification from an Arizona Registered Professional Civil Engineer stating that the recommended work has been satisfactorily completed. The certified annual inspection shall also indicate that watershed conditions have not changed since the previous inspection report, or state that specific changes have occurred which alter or eliminate some design features and affect the level of service of the drainage and detention/retention systems. The City Engineer is to be notified if watershed conditions have changed to the extent that drainage and detention/retention systems no longer satisfy the requirements of the Floodplain Regulations found in the Tucson Zoning Code as of August 12, 1997.

Section 4. Charges to Owner. In the event that the Board of Directors determines that the need for maintenance or repair of Common Areas or common facilities has been caused through the willful or negligent act of an Owner, or any Occupant of his/her Lot, the cost of such maintenance or repairs shall be added to and become part of the assessment to which such Lot is subject.

Section 5. Repair of Building. No building or structure on any Lot shall be permitted to fall into disrepair and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any building or structure is damaged or destroyed, such building or structure shall be immediately repaired or rebuilt or shall be demolished.

Section 6. Party Walls. Except as hereinafter provided, the rights and duties of Owners with respect to party walls between Lots or party fences between Lots shall be as follows:

- (i) The Owners of contiguous Lots who have a party wall or party fence shall both equally have the right to use such wall or fence, provided that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner.
- (ii) In the event that any party wall or party fence is damaged or destroyed through the act of an Owner or any of his Tenants, agents, guests, or members of his family (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner to rebuild and repair the party wall or party fence back to its original condition or better without cost to the Owner of the adjoining Lot. Any dispute over an Owner's liability for such damage shall be resolved as provided in Subsection (v) below, but any liability imposed on an Owner hereunder shall not prevent the Owner from seeking indemnity therefor from the persons causing such damage.
- (iii) In the event any party wall or party fence is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act of an adjoining Owner, his Tenants, agents, guests or family, it shall be the obligation of all Owners whose Lots adjoin such party wall or party fence to rebuild and repair such wall or fence at their joint expense, such expense to be allocated among the Owners in accordance with the frontage of their Lots on the party wall or party fence.

- Such party wall or party fence shall be repaired back to its original condition using similar or the same materials as originally constructed.
- (iv) Not withstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any party wall or party fence without the prior consent of all Owners of any interest therein, whether by way of easement or in fee.
- (v) In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a party wall or party fence, or with respect to the sharing of the cost thereof, such adjoining Owners shall submit the dispute to the Board of Directors and the decision of the Board shall be binding.
- (vi) In the case of party fences (1) between Common Areas and Lots, or (2) constructed by the Declarant or the Association on Common Areas within a Lot, the Association shall be responsible for all maintenance thereof, except that each Owner of a Lot shall be responsible for painting the portion of the party fence facing his Lot or the portion thereof which is not a portion of the Common Area.

<u>Section 7</u>. <u>Easement</u>. Each Owner of each Lot hereby grants to the Association an easement over, across and upon each lot for the purpose of performing maintenance duties and rights described in this Declaration.

ARTICLE IX <u>DESIGN GUIDELINES</u>

Section 1. Lot Use. No Lot shall be used for any purpose other than residential space for a Manufactured Home and such additional improvements as shall be approved in writing by the Board of Directors of the Association prior to placement. The following structures may be maintained on any Lot so long as each such structure (a) conforms to the Design Guidelines and (b) has received the prior written approval of the Board of Directors: one Manufactured Home, a cabana or Arizona room attached to the manufactured home, a storage room, and a private garage or carport for not more than two (2) cars.

<u>Section 2.</u> <u>Design Guidelines.</u> No improvements, including without limitation, Manufactured Home, building, fence, wall or other structure shall be placed, commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration of any improvement be made, until the detailed plans and

specifications showing the nature, kind, shape, style, height, materials, color, and location of the same shall have been submitted to and approved in writing by the Board of Directors of the Association or its' designated agent. Until termination of Declarant's Class B membership, the Declarant or agent designated by Declarant shall act as the Design Review Board. After termination of Declarant's Class B membership, the Board of Directors of the Association shall appoint a Design Review Board composed of three or more representatives, one of whom shall be a member of the Board of Directors. The Design Review Board shall review all plans for alterations and improvements submitted by Owners and shall make recommendations to the Board of Directors for approval or disapproval of said plans, and recommend, from time to time, written rules, regulations and restrictions concerning any construction, change or alteration to be made on or concerning any improvements on the Property including amendments to such rules, regulations or restrictions promulgated by the Board of Directors.

- (a) <u>Minimum Standards</u>. The Design Guidelines shall include, without limitation, the following minimum standards:
- (i) any structure on a Lot shall be of a similar color and general style as the Manufactured Home;
- ' (ii) no structure on any Lot shall exceed one story height or 15 feet; in its greatest height from the ground.
- (iii) the Manufactured Home must be manufactured under HUD guidelines;
 - (iv) <u>building surfacing material</u> and roofing shall comply with design standards available from the Association;
 - (v) wheels, axles and towing devices shall be removed.
 - (b) <u>Setback Restrictions</u>.
- (i) <u>Manufactured Home</u>. No Manufactured Home shall be located on any Lot closer than nineteen (19) feet from back of curb to ten (10) feet to any side Lot line, and five (5) feet from the rear Lot line.
- μ (ii) <u>Accessory Building</u>. No accessory building shall be located within three (3) feet of any side or rear Lot line or within eight (8) feet of any front or rear Lot lines.
- (iii) <u>Setback Restrictions</u>. Setback restrictions may be waived by the Design Review Board, subject to applicable setback restrictions of all governmental authorities having jurisdiction.

- (iv) <u>Landscaping Location</u>. No landscaping of any nature, including, without limitation, trees and shrubs or other improvements shall be placed or permitted to remain on any Lot, if, in the opinion of the Board of Directors of the Association, such landscaping or improvement (i) encroaches upon the Common Areas of another Lot, or (ii) creates a potential safety or traffic hazard.
 - (c) Review Procedure. Any Owner, Occupant or potential purchaser of any Lot shall, prior to submitting any plans and specifications to the Design Review Board for review, request in writing a copy of the current rules, regulations, restrictions and guidelines promulgated by the Board of Directors. Complete plans and specifications shall be prepared in accordance with the rules and regulations set forth by the Declarant or the Board of Directors as the case may be. In the event the Board of Directors fails to approve or disapprove in writing submitted complete plans and specifications within forty-five (45) days shall be deemed disapproved and no construction, placement, changes, or alterations shall be permitted. The plans and specifications shall be submitted in duplicate and the Design Review Board may charge a minimal fee.
 - (d) <u>Effect of Approval or Disapproval</u>. Declarant, the Board of Directors, the Design Review Board, or any member thereof shall not be liable to any Owner, or any other party, for any damage or loss suffered or claimed on account of: (l) approval or disapproval of any plans, drawings or specifications; (ii) construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; or (iii) the development of any property within the Project.

ARTICLE X EASEMENTS

There is hereby created a blanket easement upon, across and under the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephone, electricity, and television approved by the Association. By virtue of this easement, it shall be expressly permissible for each individual Owner or public service utility company or municipality to erect and maintain the necessary poles, power systems, sewer connections and other necessary equipment or lines on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits or sewer connections across and under the Lots and Common Areas, including the roof and exterior walls of each Manufactured Home. Notwithstanding anything to the contrary contained in this

paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property except as initially designed and approved by the Declarant or thereafter approved by the Board of Directors. This easement shall in no way affect any other recorded easements on the Property.

ARTICLE XI INSURANCE REQUIREMENTS

Section 1. Comprehensive General Liability and Property Insurance. Comprehensive general liability and property damage insurance covering all Common Areas shall be maintained in full force and effect at all times. Such insurance policy or policies shall contain a "Severability of Interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or of other Owners. The scope of coverage shall be in the kinds and amount commonly required by private institutional mortgage investors for projects similar in design, location and use. Coverage shall be for at least One Million Dollars (\$1,000,000.00) per occurrence of personal injury and/or property damage.

Section 2. Fire Hazard Insurance. Fire and other hazard insurance covering all Common Areas, shall be purchased by the Association and shall thereafter be maintained in full force and effect at all times. Such policy or policies shall consist, at a minimum, of a multi peril type policy covering the Common Areas and common facilities, providing, as a minimum, fire and extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage lenders in Tucson, Arizona, on a replacement cost basis, in an amount not less than one hundred (100%) percent of the insurable value (based upon replacement cost).

Section 3. Minimum Financial Rating of Carrier. Each hazard insurance policy obtained by the Association pursuant to the foregoing shall be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of Class IV or better. Hazard insurance policies shall also be acceptable from an insurance carrier which has a financial rating by Best's Insurance Reports of Class V, provided that such insurance carrier has a general policy-holder's rating of at least A. Each such carrier shall be specifically licensed or authorized by law to transact insurance business in the State of Arizona.

ARTICLE XII GENERAL PROVISIONS

Section 1. Leasing. All leases of any portion of the Property shall include a provision requiring the tenant to comply with (a) this Declaration, and any amendments thereto, (b) the rules and regulations adopted by the Association from time to time, and (c) all other governing documents which affect Owners of the property, as members of the Association. The lease shall incorporate, by reference; the documents referred to in this section.

Section 2. Taxes. The Association shall pay all real property and ad valorem taxes levied against the Common Area by any governmental agency. Owners shall pay all real property and ad valorem taxes imposed upon such Owner's Lot.

Section 3. Non-Liability of Officials. To the fullest extent permitted by law, the officers and directors of the Association, the Design Review Committee and other committees of the Association and all members thereof, and Declarant and their partners, shareholders, officers, employees and affiliates (to the extent any claim may be brought against Developer, Declarant or any of their partners, shareholders, officers, employees and affiliates by reason of the appointment, removal or control over members of the Board or the Architectural Control Committee) shall be exempt from liability to any Member, Owner, the Association and every other person for any damage, loss or prejudice suffered or claimed on account of any course of action, act, inaction, omission, error, negligence or the like made in good faith and which Declarant, any such partner, shareholder, officer, employee or affiliate, the Board or such committees or persons reasonably believed to be within the scope of their respective duties.

Section 4. No Offsets. All Assessments shall be payable in the amount specified in the Assessment or by notice and no offsets against them shall be permitted for any reason, including, but not limited to, a claim that (a) the Association, the Board, or Declarant (or any of their partners, employees, shareholders, officers or affiliates) is not properly exercising its duties and powers as provided in this Declaration; (b) Assessments for any period exceed expenses; or (c) an Owner has made, or elects to make, no use of the Amenities.

Section 5. <u>Limitation on Declarant's Liability and Developer's Liability</u>. Notwithstanding anything to the contrary herein, it is expressly agreed, and each Owner, by accepting title to a Lot and becoming an Owner, and each other person, by acquiring any interest in the Project, acknowledges and agrees, that neither Developer,

Declarant (including, but not limited to, any assignee of the interest of Developer or Declarant hereunder) nor any partner, shareholder, officer, employee of affiliate of Developer or Declarant shall have any personal liability to the Association, or to any Owner, Member or other person, arising under in connection with, or resulting from (including, but not limited to resulting from action or failure to act with respect to) this Declaration, The Association or the Architectural Control Committee except, in the case of Developer or Declarant (or their respective assignees), to the extent of their respective interests in the Project; and, in the event of a judgment no execution or other action shall be sought or brought thereon against any other assets, nor be a lien upon such other assets, of the judgment debtor.

Section 6. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

<u>Section 7</u>. <u>Severability</u>. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

Section 8. Revocation and Amendment.

A. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless revoked or amended by two-thirds (2/3) of all Owners or such higher percentage as required by applicable law by written instruments duly recorded in the Office of the Recorder, Pima County, Arizona within ninety (90) days prior to the expiration of the initial period or any ten (10) year extension. Notwithstanding the foregoing, any amendment is subject to the approval of Declarant so long as Declarant owns any Lot or any interest in the Project.

B. Notwithstanding any other provision of this Article, until the later of (a) conversion of the Class "B" Membership to Class "A" Membership, or (b) the tenth anniversary of the date hereof, Developer reserves the right to amend this Declaration or the Plat without the approval of the Owners; provided, however, that no such

amendment shall have the effect of changing the boundaries of an Owner's Lot without the consent of the Owner; and provided, further, that after the conveyance of the first Lot to a Public Purchaser, Developer may not amend the provisions of this Declaration in Article 5 (c) relating to maximum annual increases in Assessments.

C. This Declaration shall not be revoked or amended, other than by Declarant unless two-thirds (2/3) of all Owners consent and agree to such revocation by written instruments duly recorded. Any amendment to this Declaration may also be evidenced by a recorded certificate of the Secretary of the Association certifying that, at a meeting of the Owners duly called, two-thirds (2/3) of the Owners consented to such amendment, and that copies of such written consents are in the corporate records of the Association.

Section 9. Priority. If there is any conflict among or between this Declaration, the Articles of Incorporation of the Association, the By-Laws of the Association, or the Rules and Regulations of the Association, the provisions of this Declaration shall prevail; thereafter, priority shall be given first to such Articles of Incorporation, then to such By-Laws, and then such Rules and Regulations.

IN WITNESS WHEREOF, the undersigned, being the D	Declarant herein, has
hereunto set its' hand and seal this day of	<u>, 1997</u>
First American Title Insurance Company an Arizona Corporation. astroster yider trust 4762 and not otherwise	se. '
Br. Juvoerone 2	* * * * * * * * * * * * * * * * * * *
As: HESST. Decretary	. 5

SATE OF ARIZONA)
)
COUNTY OF PIMA)
On this the 30th of December, 1997, before me, the
undersigned manager, personally appeared Shawna-Rubyujarvswho acknowledged
herself to the Secretary First American Title Insurance Company, an Arizona
Corporation, and that she being authorized so to do, executed the foregoing instrument
for the purposes therein contained by signing the name of the company, as such
officer and not otherwise
A A A COLO
CITICIAL SEAL Notary Public
MOTARY PITUS - AREONA)
PISA COUNTY By Comm. Expires One. 27, 1009 My Commission Expires 12 27 98
Contract Con

EXHIBIT "A"

PARCEL 1:

All that portion of the South half of Section 13, Township 15 South, Range 14 East, Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

COMMENCING at the Southeast corner of said Section 13;

THENCE North 00 degrees 01 minutes 16 seconds West, along the East line of said Section 13, a distance of 30.02 feet;

THENCE South 87 degrees 47 minutes 29 seconds West, along the North right-of-way of Los Reales Road, a distance of 30.02 feet to the TRUE PLACE OF BEGINNING;

THENCE continue South 87 degrees 47 minutes 29 seconds West, along said North right-of-way, a distance of 978.12 feet;

THENCE North 00 degrees 01 minutes 16 seconds West, and parallel with the East line of said Section 13, a distance of 1,277.21 feet;

THENCE North 8 degrees 16 minutes 16 seconds East, along the North line of the South half of the Southeast quarter of said section 13, a distance of 977.84 feet;

THENCE South 00 degrees 01 minutes 16 seconds East, along the West right-of-way of Wilmot Road, a distance of 1,269,02 feet to the TRUE PLACE OF BEGINNING.

PARCEL 2:

All that portion of the South half of Section 13, Township 15 South, Range 14 East, Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

COMMENCING at the Southeast corner of said Section 13;

THENCE North 00 degrees 01 minutes 16 seconds West, along the East line of said Section 13, a distance of 30.02 feet;

THENCE South 87 degrees 47 minutes 29 seconds West, along the North right-of-way of Los Reales Road, a distance of 1008.14 feet to the TRUE PLACE OF BEGINNING;

THENCE continue South 87 degrees 47 minutes 29 seconds West, along said North right-of-way, a distance of 971.88 feet;

THENCE North 00 degrees 01 minutes 16 seconds West, and parallel with the East line of said Section 13, a distance of 1,285.35 feet;

THENCE North 88 degrees 16 minutes 16 seconds East, along the North line of the South half of the Southeast quarter of said section 13, a distance of 971,60 feet;

THENCE South 00 degrees 01 minutes 16 seconds East, and parallel with the East line of said Section 13, a distance of 1,277,21 to the TRUE PLACE OF BEGINNING.