
**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS
FOR CASA DEL RIO RV PARK – PHASES I AND II
(ALSO KNOWN AS VACATION VILLAGE)**

Effective upon Membership approval and recordation

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1 **ARTICLE I: DEFINITIONS**

2
3 The terms used in this Declaration and the Community Documents shall be generally be
4 given their natural, commonly accepted definitions unless otherwise specified. Capitalized
5 terms shall be defined as set forth below:
6

7 1.1 "Annual Assessments" means the annual assessments levied by the Board pursuant to
8 Section 6.2 of this Declaration.
9

10 1.2 "Architectural Review Committee" or "ARC" means the committee appointed by the
11 Declarant or the Board of Directors in accordance with Section 5.1 of this Declaration.
12

13 1.3 "Articles" means the Articles of Incorporation of the Association which have been filed
14 in the Office of the Arizona Corporation Commission as such Articles may be amended from
15 time to time.
16

17 1.4 "Assessment" means an Annual Assessment, Special Assessment, and/or
18 Reimbursement Assessment payable to the Association.
19

20 1.5 "Association" means Vacation Village Owners' Association, an Arizona non-profit
21 corporation, its successors and assigns.
22

23 1.6 "Association Rules" means the rules for the Association, if any, adopted by the Board
24 pursuant to Section 2.3.
25

26 1.7 "Board" means the Board of Directors of the Association.
27

28 1.8 "Bylaws" means the Bylaws of the Association as such Bylaws may be amended or
29 restated by the Board from time to time.
30

31 1.9 "Casita" means an Improvement to be constructed upon a Lot as an accessory use that
32 shall not be used as living quarters. Casitas require the prior written approval of the
33 Architectural Review Committee.
34

35 1.10 "Common Area and Common Areas" means all the real property and any Improvements
36 thereon, from time to time owned and controlled by the Association for the common use and
37 enjoyment of the Owners, which real property is legally described as Parcel "2" of Exhibit "A"
38 hereto, which is incorporated herein by this reference.
39

40 1.11 "Community Documents" means this Declaration, the Bylaws, the Articles, the
41 Association Rules, the Design Guidelines, and the Plats as they may be amended from time to
42 time.
43

- 1 1.12 "Declarant" means Arizona Legends RV Resort, LLC, an Arizona limited liability company,
2 its successors or assigns who have been designated in writing by Declarant as successor to all or
3 a portion of Declarant's rights hereunder, so long as they possess a fee interest in all or a
4 portion of the Properties.
5
- 6 1.13 "Design Guidelines" means the rules and regulations pertaining to architectural review
7 and modifications, which are approved by the Board of Directors.
8
- 9 1.14 "Dwelling Unit" means any building, or part thereof, situated upon a Lot and intended
10 for use and occupancy as a residence by a Single Family, including (but not limited to) Port
11 Homes.
12
- 13 1.15 "First Mortgage" means the holder of any mortgage under which the interests of any
14 Owner of a Lot is encumbered and which mortgage has first and paramount priority, subject
15 only to the lien or general or ad valorem taxes and assessments and such other matters as are
16 recognized in such First Mortgage as permitted title exceptions. "First Mortgagee" shall mean
17 the holder of a First Mortgage.
18
- 19 1.16 "Improvements" include any and all construction or alterations thereto, including but
20 not limited to all buildings and structures, driveways, parking areas, fences, walls, landscaping,
21 recreational facilities, signs, excavation or site work, including without limitation grading, road
22 construction, utilities, alterations or modifications thereto.
23
- 24 1.17 "Lot" means an area of real property designated as a "Lot" by numerical designation on
25 the Plats.
26
- 27 1.18 "Manufactured Home" means an Improvement placed within the confines of any Lot
28 designed and intended for use and occupancy as a single family residence, and as may be
29 further defined and limited by the attached Exhibit "C" and the Community Documents.
30
- 31 1.19 "Member" means an Owner of a Lot that is subject to Assessment. Membership in the
32 Association shall be appurtenant to, and may not be separate from ownership of a Lot.
33
- 34 1.20 "Membership" means both classes of Membership unless otherwise stated to the
35 contrary.
36
- 37 1.21 "Occupant" means any Person, other than an Owner, occupying a Lot or any portion
38 thereof, or building or structure thereon, as a resident, Tenant, licensee or otherwise, other
39 than on a merely transient basis.
40
- 41 1.22 "Owner" means the record owner, whether one or more Persons, of beneficial or
42 equitable title (and legal title if the same has merged with the beneficial or equitable title) to
43 the fee simple interest of a Lot. Owner shall not include: (A) Persons having an interest in a Lot
44 merely as security for the performance of an obligation, or (B) a lessee or tenant of a Lot.

1 Owner shall include a purchaser under a contract for the conveyance of real property, a
2 contract for deed, a contract to convey, an agreement for sale or any similar contract through
3 which a seller has conveyed to a purchaser equitable title to a Lot under which the seller is
4 obligated to convey to the purchaser the remainder of seller's title in the Lot, whether legal or
5 equitable, upon payment in full of all monies due under the contract. The term "Owner" shall
6 not include a purchaser under a purchase contract and receipt, escrow instructions or similar
7 executory contract which is intended to control the rights and obligations of the parties to the
8 executory contract pending the closing of a sale or purchase transaction. In the case of a Lot,
9 the fee simple title to which is vested in a trustee pursuant to A.R.S. §33-801 *et seq.*, the Trustor
10 shall be deemed to be the Owner.

11
12 1.23 "Person" means a natural person, a corporation, a partnership, a trustee or any other
13 legal entity.

14
15 1.24 "Plats" mean those subdivision plats recorded against all or any part of the Properties
16 described in Parcel "1" of Exhibit "A" hereto, as modified by the Survey described in such Parcel
17 "1," and any amendment or supplement thereto.

18
19 1.25 "Port Home" means a single family residential unit designed specifically to house a
20 Recreational Vehicle as described in Exhibit "C" hereto, and which meets any and all
21 requirements imposed by the Design Guidelines regarding such residential units.

22
23 1.26 "Properties" means the property described on attached Exhibit "A."

24
25 1.27 "Recreational Vehicle" or "RV" means a vehicle designed to provide living quarters for
26 individuals or families for recreational, camping or travel use as defined and restricted in Exhibit
27 "C" hereto, and as may be further defined and restricted in the Design Guidelines.

28
29 1.28 "Reimbursement Assessments" means the assessments, if any, levied by the Board
30 pursuant to Section 6.6 of his Declaration.

31
32 1.29 "Special Assessments" means the assessments, if any, levied by the Board pursuant to
33 Section 6.5 of this Declaration.

34
35 1.30 "Tenant" means any person who occupies property located within the Properties under
36 any type of leasing arrangement but is not included within the definition of a Lessee.

37
38 1.31 "Visible From Neighboring Property" means, with respect to any given object, that such
39 object would be visible to a person six (6) feet tall, standing at ground level on any part of an
40 adjoining Lot, Common Area or street.

41
42
43

1 **ARTICLE II: ORGANIZATION OF ASSOCIATION**

2
3 2.1 Formation of Association. The Association shall be an Arizona nonprofit corporation
4 charged with the duties and invested with the powers prescribed by law and set forth in the
5 Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be
6 amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.
7

8 2.2. Board of Directors. The affairs of the Association shall be conducted by the Board and
9 such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws
10 as the same may be amended from time to time. So long as there is a Class B Member, the
11 Board shall consist of at least one (1) person, and all Board members shall be appointed by the
12 Declarant and do not need to be Members of the Association. After expiration of the Class B
13 Membership, all Board members shall be Members of the Association. The Board also may
14 appoint various committees and may appoint a Manager who shall, subject to the direction of
15 the Board, be responsible for the day-to-day operation of the Association. The Board shall
16 determine the compensation to be paid to the Manager or any other employee or contractor of
17 the Association.
18

19 2.3 Association Rules.
20

21 2.3.1 The Board may adopt, amend, and repeal the Association Rules which shall have
22 the same force and effect as if set forth in this Declaration. The Association Rules may
23 restrict and otherwise govern the use and occupancy of the Properties. However, the
24 Association Rules may not discriminate among Owners and shall not be inconsistent
25 with this Declaration, the Articles or the Bylaws and any amendments thereto.
26

27 2.3.2 The Rules may be adopted, amended, or repealed at any special or regular
28 meeting of the Board upon a vote of a majority of all the Directors, and shall take effect
29 after thirty (30) days' written notice to the Owners, unless the rule(s) being adopted,
30 amended or repealed has a compelling health or safety purpose, in which case seven (7)
31 days' notice to the Owners is required.
32

33 2.3.3 The Association Rules, as adopted, amended or repealed, shall be available for
34 review by each Owner upon written request to the Board. It shall be the responsibility
35 of each Owner to review and keep abreast of any changes in the Association Rules.
36

37 2.4 Personal Liability. No member of the Board or of any committee of the Association, no
38 officer of the Association, and no Manager or other employee of the Association shall be
39 personally liable to any Member, or to any other Person, including the Association, for any
40 damage, loss or prejudice suffered or claimed on account of any act, omission, error, or
41 negligence of the Association, the Board, the Manager, any representative or employee of the
42 Association, or any committee, committee member or officer of the Association; provided,
43 however, the limitations set forth in this Section 2.4 shall not apply to any person who has
44 failed to act in good faith or has engaged in unlawful, willful or intentional misconduct.

1 **ARTICLE III: MEMBERSHIPS AND VOTING**

2
3 3.1 Owners of Lots. Every Owner of a Lot, which is subject to Assessments, shall be a
4 Member of the Association. Except as otherwise provided in Section 3.3, each such Owner shall
5 have one (1) Membership for each Lot owned. Each such Membership shall be appurtenant to
6 and may not be separated from ownership of the Lot to which the Membership is attributable.
7 There shall be only one (1) Membership for each Lot, which Memberships shall be shared by
8 any joint Owners of, or Owners of undivided interests in, a Lot.
9

10 3.2 Declarant. The Declarant shall be a Member of the Association for so long as Declarant
11 holds a Class B Membership pursuant to Section 3.3 below or owns any property within the
12 Properties.
13

14 3.3 Voting. The Association shall have two (2) classes of voting Memberships:
15

16 Class A. Class A Memberships shall be all Memberships, except the Class B Membership held by
17 the Declarant, and each Owner shall be entitled to one (1) vote for each Class A Membership
18 held by the Owner, subject to the authority of the Board to suspend the voting rights of the
19 Owner for violations of this Declaration in accordance with the provisions hereof.
20

21 Class B. There shall be one (1) Class B Membership, which shall be held by the Declarant and
22 the Class B Membership shall be entitled to three (3) votes for each Lot owned by the
23 Declarant. The Class B Membership shall cease and be converted to Class A Memberships on
24 the happening of the first of the following events:
25

- 26 A. When the total votes outstanding in the Class A Membership equal the total
27 votes outstanding in the Class B Membership.
- 28 B. At such time as the Declarant notifies the Board in an express writing that it is
29 relinquishing its Class B Membership.
30

31 No time limit exists for this to occur.
32

33 3.4 Right to Vote. No change in the ownership of a Membership shall be effective for voting
34 purposes unless and until the Board is given actual written notice of such change and is provided
35 satisfactory proof thereof. The vote for each such Membership must be cast as a unit, and
36 fractional votes shall not be allowed. In the event that a Membership is owned by more than one
37 (1) person or entity and such owners are unable to agree among themselves as to how their vote
38 or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member
39 casts a vote representing a certain Membership, it will thereafter be conclusively presumed for all
40 purposes that he/she was acting with the authority and consent of all other owners of the same
41 Membership unless objection thereto is made at the time the vote is cast. In the event more than
42 one (1) vote is cast for a particular Membership, none of the said votes shall be counted and all
43 said votes shall be deemed void.
44

1 3.5 Membership Rights. Each Member shall have the rights, duties and obligations set forth in
2 this Declaration and such other rights, duties and obligations as are set forth in the Articles and
3 Bylaws as the same may be amended from time to time.

4
5 3.6 Transfer of Membership. Except as provided in this Section 3.6, the rights and
6 obligations of the holder of a Class A Membership in the Association shall not be assigned,
7 transferred, pledged, conveyed or alienated in any way except upon transfer of ownership to an
8 Owner's Lot. A transfer of ownership to a Lot may be made by deed, intestate succession,
9 testamentary disposition, foreclosure of a mortgage of record, or such other legal process as
10 now in effect or as may hereafter be established under or pursuant to the laws of the
11 State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of
12 ownership to a Lot shall operate to transfer the Membership appurtenant to said Lot to the new
13 Owner thereof.

14
15 3.7 Association's Rights and Powers. In addition to the rights and powers of the Association
16 set forth in this Declaration, the Association shall have such rights and powers as are set forth in its
17 Articles and Bylaws. Such rights and powers may encompass any and all things which a natural
18 person could do or which now or hereafter may be authorized by law, provided such Articles and
19 Bylaws are not inconsistent with the provisions of this Declaration and are necessary, desirable or
20 convenient for effectuating the purposes set forth in this Declaration.

21
22 **ARTICLE IV: USE AND OCCUPANCY RESTRICTIONS**

23
24 4.1 Animals.

25
26 4.1.1 No animal, bird, fowl, poultry or livestock, other than a reasonable number of
27 generally-recognized household pets, shall be maintained on any Lot and then only if
28 they are kept solely as domestic pets and not for commercial purposes or in violation of
29 all applicable laws and local ordinances. In no event shall fowl, poultry or livestock be
30 considered a generally-recognized household pet.

31
32 4.1.2 Each Owner shall be responsible for the immediate removal and disposal of all
33 solid animal waste of his/her pet(s) from his/her Lot or any other area within the
34 Properties.

35
36 4.1.3 No animal or bird shall be allowed to make an unreasonable amount of noise or
37 become a nuisance.

38
39 4.1.4 When outside of the confines of the Dwelling Unit, domestic pets are to be
40 leashed or similarly restrained.

41
42 4.1.5 Pet "runs" require the prior written approval of the Architectural Review
43 Committee. Owners and occupants who want their pets to have yard access are required
44 to install a fence or wall on their Lot with the prior written approval of the Architectural

1 Review Committee. No separate pet entrances/exits or ramps may be connected to
2 Recreational Vehicles or any other Improvement on a Lot.

3
4 4.1.6 Upon the written request of any Member, the Board shall conclusively determine,
5 in its sole and absolute discretion, whether, for the purposes of this Section, a particular
6 animal or bird is a generally-recognized house or yard pet, whether such a pet is a
7 nuisance, or whether the number of animals or birds on any such property is reasonable.
8 Any decision rendered by the Board shall be enforceable in the same manner as other
9 Restrictions contained herein.

10
11 4.1.7 The Board may adopt additional Rules in accordance with Section 2.3 that further
12 restrict the keeping of animals in the Properties.

13
14 4.2 Antennas. Subject to applicable federal and state law, the Board may adopt rules
15 restricting the placement of antennas or other devices for the transmission or reception of
16 television or radio signals or any other form of electromagnetic radiation. No ham radio towers
17 are allowed.

18
19 4.3 Business Uses on Lots. All Lots shall be used for residential purposes only. No business
20 or commercial building may be erected on any Lot. No gainful occupation, profession, trade, or
21 other non-residential use shall be conducted on the Properties, except that an Owner or
22 Occupant may carry on a "Home Occupation" as provided below. The leasing of a Dwelling Unit
23 shall not be considered a business.

24
25 4.3.1 Scope of "Home Occupations." "Home Occupation" as permitted by this Section
26 4.3.1 means private consultation and advice in trades and professions, and the creation
27 of art work, craft, and small wares, and includes consultation by professionals such as
28 accountants, lawyers, and doctors, but no portion of the Properties nor any Dwelling
29 shall be used for the full-time general practice of any profession, nor as a lodge, regular
30 club meeting place, religious institution, revivalist, cult, or sect meeting place, nor may
31 the interior of any Dwelling Unit be used for medical or surgical treatment or
32 procedures.

33
34 4.3.2 Restrictions on Home Occupations. An Owner or Occupant residing in a Dwelling
35 may conduct a Home Occupation solely within the private confines of a Dwelling so long
36 as: (A) the existence or operation of the business activity is not apparent from the
37 outside of the Dwelling Unit, and no sound or smell from the outside of the Dwelling
38 Unit indicating the conduct of business is detectable; (B) the business activity conforms
39 to all zoning restrictions applicable to the Properties; (C) the business activity does not
40 involve frequent or annoying traffic by persons coming on the Properties who do not
41 reside in the Properties or door-to-door solicitation of residents of the Properties; (D)
42 the business activity is consistent with the residential character of the Properties and
43 does not constitute a nuisance or hazardous or offensive use, nor threaten the security
44 or safety of other residents of the Properties; (E) None of the following occurs: use or

1 storage of heavy equipment or machinery, manufacturing, drilling, burning, or
2 conversion of any garage into a business office or room.

3
4 4.3.3 Exterior Appearance of Dwelling Unit. No business conducted upon the
5 Properties or in any Dwelling Unit may result in any change to the exterior appearance
6 of any Dwelling Unit or Lot, and no business conducted shall involve signs, buildings, or
7 structures in addition to the Dwelling Unit.

8
9 4.3.4 Board's Discretion. The Board of Directors shall have the discretion to determine
10 whether, in a particular case, the conduct of a Home Occupation violates the provisions
11 of this Declaration. If such determination is made, the Board of Directors shall have the
12 authority to require that the Home Occupation in question ceases immediately.

13
14 4.3.5 Pertinent Definitions. The terms "business" and "trade," as used in this Section
15 4.3 shall be construed to have their ordinary, generally-accepted meanings, and shall
16 include, without limitation, any occupation, work or activity undertaken on an ongoing
17 basis which involves the provision of goods or services to persons other than the
18 provider's family and for which the provider receives a fee, compensation or other form
19 of consideration, regardless of whether: (A) such activity is engaged in full or part-time;
20 (B) such activity is intended to or does generate a profit; or (C) a license is required
21 therefor. Notwithstanding the above, the leasing of a Lot shall not be considered a
22 trade or business within the meaning of this Section.

23
24 4.4 Clothes Drying Facilities. A Lot may be equipped with the in-ground insertion of a
25 collapsible umbrella type clothesline placed at the rear of the Lot. A small collapsible RV type
26 clothesline may also be used. No other exterior clothes drying apparatus may be placed on the
27 lot. Clotheslines must be retracted or collapsed from sunset to sunrise and when not in use.
28 Clotheslines may not be attached or tied to storage buildings, trees or other fixtures.

29
30 4.5 Diseases and Insects. No Owner shall permit any thing or condition to exist upon any
31 Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

32
33 4.6 Drainage. The drainage from, to, or on any Lot or Common Area shall not be altered,
34 disturbed or obstructed by any Owner.

35
36 4.7 Hazardous Activities. No activities shall be conducted on the Properties which are or
37 might be unsafe or hazardous to any person or property. Without limiting the generality of the
38 foregoing, no firearms shall be discharged upon the Properties and no open fires shall be
39 lighted or permitted on the Properties, except in a contained barbecue unit while attended and
40 in use for cooking purposes or within a safe and well-designed interior fireplace or firepit.

41
42 4.8 Machinery and Equipment. No machinery or equipment of any kind shall be placed,
43 operated or maintained upon or adjacent to any Lot except: (A) such machinery or equipment
44 as is usual and customary in connection with the use, maintenance or construction (during the

1 period of construction) of a building, appurtenant structures, or other Improvements; or (B)
2 that which Declarant or the Association may require for the operation and maintenance of the
3 Properties.

4
5 4.9 Mineral Exploration. No Lot shall be used in any manner to explore for or to remove any
6 water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of
7 any kind.

8
9 4.10 Nuisances; Construction Activities. No rubbish or debris of any kind shall be placed or
10 permitted to accumulate upon or adjacent to any Lot, and no odors or loud noises shall be
11 permitted to arise or emit there from, so as to render any such property or any portion thereof,
12 or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the
13 vicinity thereof or to the Occupants of such other property. No other nuisance shall be permitted
14 to exist or operate upon any Lot so as to be offensive or detrimental to any other property in the
15 vicinity thereof or to its Occupants. Without limiting the generality of any of the foregoing
16 provisions, no exterior speakers, horns, whistles, firecrackers, bells or other sound devices, except
17 security devices used exclusively for security purposes, shall be located, used or placed on any
18 such property. Normal construction activities and parking in connection with the building of
19 Improvements on a Lot shall not be considered a nuisance or otherwise prohibited by this
20 Declaration, but Lots shall be kept in a neat and tidy condition during construction periods, trash
21 and debris shall not be permitted to accumulate, and supplies of brick, block, lumber and other
22 building materials will be piled only in such areas as may be approved by the Architectural Review
23 Committee. In addition, any construction equipment and building materials stored or kept on
24 any Lot during construction of Improvements may be kept only in areas approved by the Board of
25 Directors, which may also require screening of the storage areas. The Board in its reasonable
26 discretion shall have the right to determine the existence of any such nuisance.

27
28 4.11 Rentals. The entire Dwelling Unit on a Lot may be rented for a period of not less than
29 thirty (30) days, subject to the provisions of this Declaration and the Association Rules. Any
30 enforcement action that is made necessary by a Tenant's violation of the Community
31 Documents shall be imposed against the Owner of the Lot. If an Owner leases his/her Lot, the
32 Association may require the Occupants' names and contact information, and such other
33 information as the Board of Directors may reasonably require.

34
35 4.12 Restriction on Further Subdivision, Property Restrictions and Rezoning. No Lot shall be
36 further subdivided or separated into smaller lots or parcels by any Owner, and no portion less
37 than all of any such Lot shall be conveyed or transferred by any Owner, without the prior written
38 approval of the Board. This provision shall not, in any way, limit Declarant from subdividing or
39 separating into Lots any property at any time owned by Declarant. No further covenants,
40 conditions, restrictions or easements shall be recorded by any Owner or other Person against
41 any Lot without the provisions thereof having been first approved in writing by the Board, and
42 any covenants, conditions, restrictions or easements recorded without such approval being
43 evidenced thereon shall be null and void.

1 4.13 Signs. The following restrictions apply to signs on the Properties, except signs placed by
2 the Declarant (see Section 4.16):

3
4 4.13.1 No advertising signs, billboards, posters or advertisements of any type shall be
5 placed on any Lot or in the Common Areas.

6
7 4.13.2 Signs which advertise a Lot for sale or lease are permitted; provided, however,
8 that only one (1) commercially-prepared sign is allowed on a Lot. Such signs shall not
9 exceed 18" x 24" in size, and may have one (1) sign rider, which shall not exceed 6" x
10 24" in size. All signs must be removed within one (1) week after the close of escrow on
11 any sale.

12
13 4.13.3 Temporary "Open House" signs may be placed in appropriate locations on the
14 Lot and Common Area to properly direct interested parties to the Lot for sale, but may
15 only be placed when the Lot is open for inspection.

16
17 4.13.4 Signs required by legal proceedings.

18
19 4.13.5 Such other signs which have been approved in writing by the Board.

20
21 4.14 Tanks. Free-standing propane tanks are permitted on Lots. All propane tanks, except
22 those of 100 or more capacity, must be secured via cable or chain to a building, an RV or
23 another rigid support; provided, however, small propane tanks must be secured via a secure
24 hold-down stake. No other tanks of any kind, elevated or buried, may be placed, erected or
25 permitted on any Lot without the express written authorization of the Architectural Review
26 Committee.

27
28 4.15 Trash and Refuse Disposal. No garbage, refuse, rubbish, or cuttings shall be placed or
29 kept on any Lot or in any street. It must be bagged and deposited in the dumpsters on the
30 Common Area, which are for household garbage and trash only. No outdoor garbage cans are
31 allowed on a Lot. All other items, including but not limited to building materials; discarded
32 furniture and appliances; vehicle batteries, tires or oil; paint and other hazardous materials;
33 must be transported to the Benson Transfer Station.

34
35 4.16 Vehicles & Parking. (See Exhibit "C" hereof for rules and restrictions pertaining to
36 Recreational Vehicles in the Properties.)

37
38 4.16.1 Parking of or occupation by more than two (2) motorized vehicles on a Lot, in
39 addition to the Lot Owner's Recreational Vehicle, is prohibited. However, one (1) golf
40 cart or ATV/UTV and two (2) motorcycles or mini-bikes per Lot are permissible. Truck
41 campers and van conversions are permissible if they are the Owners' or occupants' only
42 means of transportation out of Vacation Village;

1 4.16.2 Parking of any vehicles is prohibited on private streets or thoroughfares;
2

3 4.16.3 Parking is prohibited of commercial vehicles or equipment, boats and other
4 watercraft, trailers, stored vehicles or inoperable vehicles, additional Recreational
5 Vehicles, dismantled camper shells, slide in units, utility trailers and any and all similar
6 items. However, the Board of Directors may grant temporary approval for storage of a
7 prohibited vehicle. Moving vans; delivery and other service vehicles; and emergency
8 vehicles shall be exempt from this provision during daylight hours (all hours for
9 emergency vehicles) for such period of time as is reasonably necessary to provide
10 service or to make a delivery to a Lot or the Common Area;
11

12 4.16.4 No automobile, motorcycle, motorbike or other motor vehicle shall be
13 constructed, reconstructed or repaired upon any Lot or street on the Properties, and no
14 inoperable vehicle may be stored or parked on any such Lot or street, so as to be Visible
15 From Neighboring Property or to be visible from Common Areas or streets. The provisions
16 of this Section shall not apply to: (A) emergency vehicle repairs or temporary
17 construction shelters or facilities maintained during, and used exclusively in connection
18 with, the construction of any Improvement approved by the Board; or (B) vehicles parked
19 in garages on Lots.
20

21 4.17 Declarant's Exemption & Development Rights. As long as Declarant owns unsold Lots,
22 nothing contained in this Declaration shall be construed to prevent the erection or maintenance
23 by Declarant, or the duly authorized agents of Declarant, of structures, Improvements or signs
24 necessary or convenient to the development or sale of any portion of the Properties; provided
25 that such Improvements, structures and signs shall not obstruct access to any Lot, and shall only
26 be placed on Common Areas or Lots owned by Declarant. No rule or action by the Association or
27 Board shall unreasonably impede the Declarant's right to develop and sell the Properties.
28

29 **ARTICLE V: ARCHITECTURAL CONTROL**

30
31 5.1 Architectural Review Committee. The Architectural Review Committee (the "ARC") shall
32 consist of three (3) or more persons appointed by the Board of Directors. Until all Lots have
33 been conveyed to the first Owner thereof (other than Declarant), Declarant shall appoint the
34 members of the ARC.
35

36 5.2 Review and Approval.
37

38 5.2.1 No Casita, Park Model or other structure, Improvement, or any attachment to an
39 existing structure shall be made or constructed upon the Properties (except by the
40 Association upon the Common Area), no alteration of the exterior of a structure or
41 Improvement shall be made, and no change in the final grade, nor the installation of any
42 landscaping to any part of the Properties (except the Common Area), shall be performed,
43 unless complete plans and specifications, including a construction schedule therefor, shall
44 have first been submitted to and approved in writing by the ARC.

1 5.2.2 No changes or deviations shall be made in or from the approved plans and
2 specifications without the approval of the ARC.

3
4 5.2.3 No RV may be placed on a Lot unless first approved in writing by the ARC. The
5 provisions of Exhibit "C" apply to all RVs in Vacation Village.

6
7 5.2.4 The ARC shall exercise its best judgment to the end that all attachments,
8 Improvements, construction, and alterations to structures and RV and Park Models, on
9 lands located within the Properties (collectively referred to in this Article V as
10 "Architectural Improvements") conform to and harmonize with the existing
11 surrounding[s] and structures.

12
13 5.2.5 Architectural review and approval shall not be required for structures to be
14 erected or placed by Declarant.

15
16 5.3. Commencement and Completion of Construction. If construction does not commence
17 on a project for which plans have been approved within one (1) year after the date of approval,
18 such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply
19 for approval before commencing the proposed work. Once construction is commenced, it shall
20 be diligently pursued to completion. All work shall be completed within one (1) year of
21 commencement unless otherwise specified in the notice of approval or unless the ARC grants
22 an extension, in writing, which it shall not be obligated to do. If approved work is not
23 completed within the required time, it shall be considered nonconforming and shall be subject
24 to enforcement action by the Association, the Declarant or any aggrieved Owner.

25
26 5.4 Design Guidelines. Declarant may prepare initial Design Guidelines, which may contain
27 general provisions applicable to all of the Properties. Declarant shall have sole and full authority
28 to amend the Design Guidelines as long as it owns any portion of the Properties. Upon
29 termination or delegation of the Declarant's right to amend, the ARC shall have the authority to
30 amend the Design Guidelines with the consent of the Board. Any amendments to the Design
31 Guidelines shall be prospective only and shall not apply to require modifications to or removal
32 of structures previously approved once the approved construction or modification has
33 commenced. There shall be no limitation on the scope of amendments to the Design
34 Guidelines, and such amendments may remove requirements previously imposed or otherwise
35 make the Design Guidelines less restrictive.

36
37 5.5 Fee. The Board may establish a reasonable processing fee to defer the costs of the
38 Association in considering any requests for approvals submitted to it, which fee shall be paid
39 before the request is processed.

40
41 5.6 Limited Liability. Approval by the ARC or the Board shall relate only to the conformity of
42 plans and specifications to the Community Documents and Plat. Such plans, drawings, and
43 specifications are not approved as to adequacy of engineering design or architectural
44 competence. By approving such plans, drawings, and specifications, the Association does not

1 assume liability or responsibility therefor, or for any defect in any structure constructed from
2 such plans, drawings and specification. Members of the ARC and of the Board shall have
3 absolutely no personal responsibility or liability to any Person with respect to any actions taken
4 by them in their architectural review function.
5

6 5.7 Variances. The ARC may authorize variances from compliance with any of its guidelines
7 and procedures when circumstances such as topography, natural obstructions, hardship, or
8 aesthetic or environmental considerations require, but only in accordance with duly adopted
9 rules and regulations. Such variances may only be granted when unique circumstances dictate
10 and no variance shall (A) be effective unless in writing; (B) be contrary to this Declaration; or (C)
11 estop the ARC from denying a variance in other circumstances. For purposes of this Section, the
12 inability to obtain approval of any governmental agency, the issuance of any permit, or the
13 terms of any financing shall not be considered a hardship warranting a variance.
14

15 5.8 Non-Conforming Architectural Improvements.
16

17 5.8.1 In the event that the Architectural Improvements do not, upon the proposed
18 date set forth in the construction schedule, conform to the plans submitted to and
19 approved by the ARC, the ARC shall give written notice to the Owner of the Lot upon
20 which such Architectural Improvements have been made. Such notice shall specify the
21 nature of the nonconformity of the Architectural Improvements and shall grant the
22 Owner a hearing before the ARC.
23

24 5.8.2 If Owner has not, within thirty (30) days of the mailing or delivery of the
25 written notice, corrected the non-conformity of the Architectural Improvement, then
26 the ARC shall have the right and easement to direct its agents, employees or
27 contractors to enter upon the said Owner's property for the purpose of making any or
28 all of such improvements, alterations, or repairs as are necessary to bring the Owner's
29 Architectural Improvements into conformity with the plans submitted to and
30 approved by the ARC.
31

32 5.8.3 All costs incurred by the Association in the course of the ARC's efforts to bring
33 non-conforming Architectural Improvements into conformity with the approved plans
34 as provided for in Section 5.8.2 above, including cost of labor, materials, and all
35 associated administrative costs reasonably incurred by the Association in connection
36 therewith, shall be a Reimbursement Assessment.
37

38 5.9 Setback Restrictions. No building structure or RV or Park Model shall be placed closer
39 than: fifteen (15) feet from the front Lot property line with the exception of driveway
40 pavement to and over the front line; five (5) feet from each side Lot property line; and ten (10)
41 feet from the rear Lot property line.
42

43 5.10 Appeal. Until termination of the Class B Membership, decisions of the ARC shall be
44 binding and conclusive. After the termination of the Class B Membership, an Owner whose

1 proposal has been disapproved by the ARC or any other Owner who believes that the ARC's
2 decision is incorrect, may appeal the ARC's decision to the Board within thirty (30) calendar
3 days of the ARC's issuance of the original decision. The appeal must be in writing and state the
4 reasons for the request for reconsideration or appeal of the ARC's decision and the relief
5 requested. The Board shall set a meeting to hear the appeal in closed session unless the
6 applicant wants the appeal heard in an open Board meeting. The applicant and any interested
7 party or parties shall be given notice of said hearing. The applicant and any other interested
8 party or parties may testify and present evidence at the hearing. The date of the hearing shall
9 not be sooner than ten (10) days nor later than twenty (20) days following the receipt by the
10 Board of the notice of appeal. The Board shall issue a written decision within ten (10) business
11 days after the hearing has been completed. Failure to do so shall mean that the ARC's decision
12 is affirmed. Decisions of the Board in this regard shall be binding and conclusive.

13
14 **ARTICLE VI: COVENANT FOR ASSESSMENTS AND CREATION OF LIEN**
15

16 6.1 Creation of Lien and Personal Obligation of Assessments. Every Owner, by accepting a
17 Deed or entering into a recorded contract for sale of any portion of the Properties (whether or
18 not it shall be so expressed in such Deed or contract), is deemed to covenant and agree to pay
19 to the Association the following assessments and charges: (A) Annual Assessments, (B) Special
20 Assessments for capital improvements, and (C) Reimbursement Assessments, all such
21 Assessments to be established and collected as hereinafter provided. The Annual Assessments,
22 Special Assessments and Reimbursement Assessments, together with interest, costs and
23 reasonable attorney's fees, shall be a continuing servitude and lien upon the Lot against which
24 each such Assessment is made. Each such Assessment, together with interest, cost and
25 reasonable attorney's fees, shall also be the joint and several personal obligation of each
26 Person who was the Owner of the Lot at the time when the Assessment fell due.

27
28 6.2 Annual Assessment. Except as otherwise provided in this Article VI, and to provide for
29 the uses and purposes specified in this Declaration, including the establishment of a reserve
30 fund, the Board in each year, commencing with the year in which this Declaration is recorded,
31 shall assess against each Lot an Annual Assessment. The amount of the Annual Assessment,
32 subject to the provisions of Sections 6.3 and 6.4 hereof, shall be in the sole discretion of the
33 Board but shall be determined with the objective of fulfilling the Association's obligations under
34 this Declaration and providing for the uses and purposes specified herein. The Annual
35 Assessment shall include the Association's share of the costs of maintenance and repair of the
36 Access Easement as set forth in that certain Access Easement Agreement described in Section
37 11.2 below. As of the date of this Declaration, the Properties contain all of the subdivided lots in
38 the property benefitted by the Access Easement (i.e., the Casa del Rio Property); therefore, the
39 Association is responsible for all of the costs of maintenance and repair of the Access Easement
40 until such time as other lots are subdivided and developed within the Casa del Rio Property.

41
42 6.3 Uniform Rate of Assessment. The amount of any Annual or Special Assessment against
43 each Lot shall be fixed at a uniform rate, except that the rate of Annual and Special Assessments
44 for Lots owned by Declarant shall be fixed at one-quarter (1/4) of the assessment rate for the

1 other Lots. Other than temporary occupancy by prospective buyers, if any of Declarant's Lots are
2 leased, rented, or otherwise occupied as a residence, the assessments for such Lots shall not be
3 reduced. During the Class B Membership, if Annual Assessments, exclusive of those amounts
4 held by the Association for an adequate reserve fund for working capital, fail to equal or exceed
5 the actual expenses incurred by the Association during any particular fiscal year, then Declarant
6 shall pay to the Association a sufficient amount, up to the amount of the full Annual Assessment
7 on Declarant's Lots, to meet any such shortfall.

8
9 6.4 Increasing Annual Assessment. The Association shall not impose an Annual Assessment
10 that is more than twenty percent (20%) greater than the immediately preceding fiscal year's
11 Annual Assessment, without the approval of the majority of the Members in the Association in
12 a duly-held election.

13
14 6.5 Special Assessment for Capital Improvements and Extraordinary Expenses. In addition to
15 the Annual Assessment, the Association may levy, in any Assessment Period, one (1) or more
16 Special Assessments applicable to that period only for: (A) defraying, in whole or in part, the cost
17 of any construction, reconstruction, repair or replacement of a capital improvement on the
18 Common Area; or for (B) the purpose of defraying other extraordinary expenses. Any such Special
19 Assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who
20 are voting in person or by other authorized means at a meeting duly called for such purpose.

21
22 6.6 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment
23 if: (A) Any Owner, his/her family member, Tenant, guest or invitee, has failed to comply with
24 the Community Documents, which failure has necessitated an expenditure of money by the
25 Association to bring the Owner or his/her Lot into compliance; (B) Any Owner, his/her family
26 member, Tenant, guest or invitee has caused damage to the Common Areas; (C) Any Owner,
27 his/her family member, Tenant, guest or invitee has acted in a manner which resulted in the
28 imposition of a fine or penalty; or (D) Any Owner owes the Association for trash services, cable
29 services or any other services that are billed directly to Owners by the Association. A
30 Reimbursement Assessment imposed under (A) through (C) of this Section shall not be levied by
31 the Association until notice and an opportunity for a hearing has been given to the Owner.
32 Payment of Reimbursement Assessments may be enforced in the same manner as Annual
33 Assessments.

34
35 6.7 Establishment of Annual Assessment Period. The period for which the Annual
36 Assessment is to be levied (the "Assessment Period") shall be the calendar year, except that the
37 first Assessment Period shall commence upon the recordation of this Declaration and terminate
38 on December 31st of such year. The Board in its sole discretion from time to time may change
39 the Assessment Period by recording an instrument specifying the new Assessment Period in the
40 Cochise County Recorder's Office.

41
42 6.8 Rules Regarding Billing and Collection Procedures. The Board may adopt rules and
43 regulations setting forth procedures on the collection of Assessments and other charges provided
44 for herein, and for the billing and collection of the Assessments imposed.

1
2 6.9 Collection Costs and Interest on Delinquent Assessments. Any Assessment or any
3 installment thereof, not paid within thirty (30) days of its due date shall be deemed delinquent
4 and shall incur a late fee and shall bear interest at the rates set from time to time by the Board.
5

6 **ARTICLE VII: COLLECTION OF DELINQUENT ASSESSMENTS AND OTHER CHARGES**
7

8 7.1 Association's Remedies to Enforce Payment. If any Member fails to pay an Assessment
9 when due, the Association may enforce payment by taking any of the following actions,
10 concurrently or separately. By exercising any of the remedies hereinafter set forth, the
11 Association does not prejudice or waive its right to exercise any other remedy:
12

13 7.1.1 Bring an action at law and recover judgment against the Member personally
14 obligated to pay the Assessment;
15

16 7.1.2 Foreclose the Association's lien by appropriate action in court in the manner
17 provided by law for the foreclosure of a realty mortgage; or
18

19 7.1.3 Exercise any other remedy available under the laws of the State of Arizona to
20 ensure collection of any and all monies due and owing.
21

22 7.2 Priority of Assessment Lien. The lien for Assessments provided for herein shall be
23 subordinate to the lien of any First Mortgage or governmental entity, as set forth in A.R.S. §33-
24 1807. In any foreclosure sale or proceeding in lieu thereof, the purchaser at the mortgage
25 foreclosure or deed of trust sale, or any grantee taking by deed in lieu of foreclosure, shall take
26 the Lot free of the lien for all Assessments that have accrued up to the date of issuance of a
27 sheriff's or trustee's deed or deed in lieu of foreclosure.
28

29 7.3 Costs Incurred in Enforcement Action. In any action taken by the Association to collect
30 Assessments, the delinquent Member shall be personally liable for, and the Assessment lien is
31 deemed to secure all amounts due, together with interest and the Association's collection costs
32 and attorney's fees.
33

34 **ARTICLE VIII: USE OF FUNDS: BORROWING POWER**
35

36 8.1 Purposes for which Association's Funds may be Used. The Association shall be
37 responsible for the control, maintenance, and operation of the Common Area. The Association
38 shall apply all funds and property collected and received by it (including the Assessments, loan
39 proceeds, surplus funds and all other funds and property received by it from any other source,
40 together with interest on any and all such sums) for the common good and benefit of the
41 Properties and the Members.
42

43 8.2 Borrowing Power. The Association may borrow money in such amounts, at such rates,
44 upon such terms and security, and for such period of time as is necessary or appropriate;

1 provided, however, that neither the Common Areas or any part thereof nor the income stream
2 or other personal property of the Association may be mortgaged or encumbered without the
3 consent of at least fifty-one percent (51%) of the Owners, excluding the Declarant, and further
4 provided that if ingress or egress to any residence is through a Common Area or Access
5 Easement, any encumbrances of such area shall be subject to the Owners' respective
6 easements.
7

8 **8.3 Association's Rights in Spending Funds From Year to Year.** The Association shall not be
9 obligated to spend in any year all the sums received by it in such year (whether by way of
10 Assessments, or otherwise), and may carry forward as surplus any balances remaining. The
11 Association shall not be obligated to reduce the amount of the Annual Assessment in the
12 succeeding year if a surplus exists from a prior year and the Association may carry forward from
13 year to year such surplus as the Board in its discretion may determine to be desirable for the
14 greater financial security of the Association and the accomplishment of its purposes.
15

16 **ARTICLE IX: INSURANCE**

17
18 **9.1 Insurance Requirements.** The Association shall be responsible and obligated to
19 purchase and maintain at all times the following types of insurance:
20

21 9.1.1 Comprehensive general liability and property insurance covering the Common
22 Area and any other areas under the jurisdiction or control of the Association shall be
23 purchased by the Association and shall be maintained in full force at all times. Such
24 insurance policy or policies shall contain, if available, a "severability of interest"
25 clause or endorsement which shall preclude the insurer from denying the claim of a
26 Lot Owner because of negligent acts of the Association or of any other Lot Owner(s).
27 The scope of coverage in such policy or policies must include all other coverage in the
28 kinds and amounts commonly required by private institutional mortgage lenders for
29 projects similar in construction, location and use as the Properties. Coverage shall be
30 for at least one million dollars (\$1,000,000) per occurrence for personal and/or
31 property damage.
32

33 9.1.2 Directors and Officers Liability Insurance, and any other insurance deemed
34 necessary or advisable by the Board of Directors.
35

36 **9.2 Fidelity Insurance.** At the Board's discretion, the Association may purchase and
37 maintain in force, fidelity coverage against dishonest acts on the part of directors, officers,
38 managers, trustees, employees, or volunteers responsible for handling funds belonging to or
39 administered by the Association.
40

41 **9.3 General Provisions.** Every policy of insurance obtained by the Association shall contain
42 an express waiver, if available, of any and all rights of subrogation against the Board, and such
43 other persons or entities affiliated with the Association such as a manager and their
44 representatives, members and employees and a provision, if available, preventing any

1 cancellation or modification thereof except upon at least ten (10) days' written notice to the
2 insureds and their mortgagees.

3
4 9.4 Insurance Premiums. Premiums for insurance purchased or obtained by the Association
5 shall be a common expense payable through Annual Assessments and all such insurance
6 coverage obtained by the Board shall be written in the name of the Association. It shall be the
7 individual responsibility of each Owner at his/her own expense, to provide for insurance
8 coverage for his/her property as he/she sees fit.

9
10 **ARTICLE X: MAINTENANCE**

11
12 10.1 Maintenance of Common Area. The Board shall be the sole judge as to the appropriate
13 maintenance of all Common Areas and any other properties maintained by the Association. Any
14 action necessary or appropriate to the proper maintenance and upkeep of said properties shall
15 be taken by the Board or by its duly delegated representative.

16
17 10.2 Drainage/Retention Facilities. The Association is responsible to maintain and control
18 the private drainageways, if any, within the Properties.

19
20 10.3 Assessment of Certain Costs of Maintenance and Repair of Common Area. In the event
21 that the need for maintenance or repair of the Common Area and any other areas maintained by
22 the Association is caused through the intentional, willful or negligent act of any Member, his
23 family, guests, invitees or agents, the cost of such maintenance or repairs shall be a
24 Reimbursement Assessment.

25
26 10.4 Improper Maintenance and Use of Lots. In the event any portion of any Lot is not
27 properly maintained and presents a public or private nuisance, so as to substantially detract
28 from the appearance or quality of the surrounding Lots or other areas of the Properties which
29 are substantially affected thereby or related thereto, the Board may make a finding to such
30 effect, specifying the particular condition or conditions which exist, and give notice to the
31 offending Owner that unless corrective action is taken within fourteen (14) days, the Board may
32 cause such action to be taken at said Owner's cost. If at the expiration of said fourteen (14) day
33 period the requisite corrective action has not been taken, the Board is authorized and
34 empowered to cause such action to be taken and the cost thereof shall be a Reimbursement
35 Assessment.

36
37 **ARTICLE XI: EASEMENTS**

38
39 11.1 Utility Easements. In addition to any specific easements shown on the Plats, there is
40 hereby created a blanket easement upon, across, over and under the Common Areas for
41 ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and
42 systems, including, but not limited to, water, sewer, gas, telephone, electricity, television cable
43 or communications lines and systems, etc. By virtue of this easement, it shall be expressly
44 permissible for the providing utility or service company to install and maintain facilities and

1 equipment on the Common Areas and to affix and maintain wire, circuits and conduits on, in,
2 and under the walls of Common Areas. Notwithstanding anything to the contrary contained in
3 this Section, no sewers, electrical lines, water lines, or other utilities or service lines may be
4 installed or relocated on the Properties, except as initially designed and installed by the
5 Declarant or thereafter approved by the Board. This easement shall in no way affect any other
6 recorded easements on the Properties. In no event shall any portion of the above-mentioned
7 easements for utilities be constructed to authorize the placing or installing of sewers, electrical
8 lines, water lines or other utilities under any permanent building structure constructed on the
9 Properties.

10
11 11.2 Access Easement. The Association and the Owners have been granted an easement for
12 access purposes, with full rights of ingress and egress, as set forth in that certain Access
13 Easement Agreement recorded on May 30, 2017, in Document Number 2017-10500, office of
14 the Cochise County Recorder.

15
16 11.3 Easement for Encroachments. A valid easement exists on the surface and for the sub-
17 surface below such surface and for the maintenance of same, so long as it stands if: upon the
18 erection of any structure upon any of the Lots which are subject to these Restrictions, it is
19 disclosed by survey that a minor violation or infringement has occurred. A “minor violation” for
20 the purpose of this Section is a violation of or encroachment over the required setback lines or Lot
21 lines. This provision shall apply only to the original structures and shall not be applicable to any
22 alterations or repairs to any of such structures. Any minor violations shall not be considered a
23 waiver of the setback restriction, and the setback restriction shall be binding upon all other
24 Owners who are subject to this Declaration.

25
26 **ARTICLE XII: ENFORCEMENT**

27
28 12.1 Right to Enforce. The Association or any Owner has the right to enforce, by any
29 proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and
30 charges which are imposed by the Community Documents, as amended from time to time.

31
32 12.2 No Waiver. The failure of the Association or any Lot Owner to enforce any provision of
33 the Association's Community Documents is not a waiver of that Person's right to do so
34 thereafter.

35
36 12.3 Attorney Fees. In the event any judicial or administrative action is brought by the
37 Association or any Owner to enforce the provisions of the Community Documents or applicable
38 law, the successful party is entitled to recover reasonable attorney fees and costs incurred. The
39 Association shall be entitled to reimbursement of reasonable attorneys' fees and costs incurred
40 in enforcing the terms of the Community Documents whether or not suit or an administrative
41 proceeding is filed.

42
43 12.4 No Obligation to Enforce. The Association is not obligated to take any enforcement
44 action if the Board determines, in its sole discretion, that because of considerations pertaining

1 to the Association's finances, possible defenses, the time and expense of litigation or other
2 enforcement action, the likelihood of a result favorable to the Association, or other facts
3 deemed relevant by the Board, enforcement action would not be appropriate or in the best
4 interests of the Association.

5
6 12.5 Enforcement Procedures. At the Board's discretion, a violation of the Community
7 Documents by an Owner, his/her guests, Tenants or family members, may be referred to the
8 Association's attorney for enforcement action in Superior Court or any other court or agency of
9 appropriate jurisdiction. Alternatively, the Board may levy a monetary penalty or other
10 sanction against an Owner in accordance with applicable law and procedures set forth by the
11 Board of Directors.

12
13 12.6 Recorded Notice of Violation. In the event that any Owner, his guests, Tenants or family
14 members are in violation of any of the provisions of the Community Documents, the
15 Association, after providing notice and an opportunity to cure the violation, has the right to
16 record a "Notice of Violation" with the office of the County Recorder of Cochise County,
17 Arizona, stating the name of the Owner, the Lot and the nature of the violation, and the
18 Association's intent not to waive any of its rights of enforcement. The Notice shall remain of
19 record until the violation is cured.

20
21 12.7 Cumulative Rights and Remedies. All rights and remedies of the Association under the
22 Community Documents or at law or in equity are cumulative, and the exercise of one right or
23 remedy shall not waive the Association's right to exercise another right or remedy.

24
25 12.8 Violation of Law. Each and every provision of this Declaration, as amended from time to
26 time, is subject to any and all applicable federal, state and local governmental rules and
27 regulations, ordinances and subdivision regulations. Any violation of any federal, state,
28 municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use
29 of any property within the Properties is declared to be a violation of the Community Documents
30 and subject to any and all enforcement procedures set forth in such Community Documents.

31
32 12.9 Guests and Tenants. Each Owner is responsible for the actions of that Owner's agents,
33 Tenants, guests, invitees or licensees and for compliance by these persons with all of the
34 Community Documents. If the Owner fails to ensure compliance by those persons, the Board of
35 Directors has the right to take action against the Owner.

36
37 **ARTICLE XIII: TERM; AMENDMENTS; TERMINATION**

38
39 13.1 Term and Termination. This Declaration shall be effective upon the date of its
40 recordation and, as amended from time to time, shall continue in full force and effect for a term
41 of twenty (20) years from the date of recordation of this Declaration. Thereafter, this
42 Declaration, as amended, shall be automatically extended for successive periods of ten (10)
43 years each. This Declaration may be terminated by the written consent of 90% of the Lot
44 Owners. Anything in the foregoing to the contrary notwithstanding, no vote to terminate this

1 Declaration shall be effective unless and until the written consent to such termination has been
2 obtained, within a period from six (6) months prior to such vote to six (6) months after such
3 vote, from the holders of First Mortgagees to which the Association's lien for Assessments is
4 subordinate pursuant to Section 7.2 above. If the necessary votes and consents are obtained,
5 the Board shall cause to be recorded with the County Recorder of Cochise County, Arizona, a
6 Certificate of Termination, duly signed by the President or Vice President and attested by the
7 Secretary of the Association, with their signatures acknowledged. Thereupon these Restrictions
8 shall have no further force and effect, and the Association shall be dissolved pursuant to Arizona
9 law.

10
11 13.2 Amendments. This Declaration may be amended at any time by the affirmative vote of
12 at least fifty-one percent (51%) of the votes of the Membership. Such amendment shall be
13 effective when duly recorded in the Office of the Recorder of Cochise County, Arizona, and shall
14 include the certification of the President and Secretary of the Association that the requisite
15 number of votes were obtained.

16
17 **ARTICLE XIII: MISCELLANEOUS**
18

19 13.1 Interpretation of Declaration. Except for judicial construction, the Association, by its
20 Board, shall have the exclusive right to construe and interpret the provisions of this Declaration.
21 In the absence of any adjudication to the contrary by a court of competent jurisdiction, the
22 Board's construction or interpretation of the provisions hereof shall be final, conclusive and
23 binding as to all Persons and property benefited or bound by the provisions hereof.

24
25 13.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or
26 court order shall not affect any other provisions which shall remain in full force and effect.

27
28 13.3 Gender and Number. Wherever the context of this Declarant so requires, words used in
29 the masculine gender shall include the feminine and neuter genders; words used in the neuter
30 gender shall include the masculine and feminine genders; words in the singular shall include the
31 plural and words in the plural shall include the singular.

32
33 13.4 Captions and Titles. All captions, titles or headings of the Articles and Sections in this
34 Declaration are for the purpose of reference and convenience only and are not to be deemed
35 to limit, modify or otherwise affect any of the provisions hereof or to be used in determining
36 the intent or context thereof.

37
38 13.5 Binding Arbitration. In the event of a dispute between or among Declarant, its builders,
39 contractors or brokers, or their agents or employees, on the one hand, and any Lot Owner(s) or
40 the Association, on the other hand, regarding any controversy or claim between the parties,
41 including any claim based on contract, tort, or statute, arising out of or relating to the rights or
42 duties of the parties under this Declaration, the design or construction of the Common Area
43 and/or any Lot or any Dwelling, or an alleged defect, the matter will be resolved by binding
44 arbitration which shall be conducted in accordance with the rules set forth in Exhibit B to this

1 Declaration, which is incorporated herein by this reference. This Section and Exhibit B shall
2 not be amended or deleted without the approval of Declarant.

3 IN WITNESS WHEREOF, the undersigned officers of Vacation Village Owners'
4 Association hereby certify that this Declaration was approved by the holders of at least 75% of
5 the votes of the Membership in Vacation Village Owners' Association, and the signed consents
6 are attached.

7
8 VACATION VILLAGE OWNERS' ASSOCIATION,
9 an Arizona non-profit corporation

10
11
12
13 By _____ President

14
15
16 ATTEST:
17
18
19
20 By _____ Secretary

21
22
23
24
25
26 STATE OF ARIZONA)
27) ss.
28 County of Cochise)

29
30 The foregoing instrument was acknowledged before me this _____ day of
31 _____, 2017, by Bill Blomgren as President of the Vacation Village Owners'
32 Association, an Arizona non-profit corporation, on behalf of the corporation.

33
34
35
36
37 _____
38 NOTARY PUBLIC

39
40
41
42
43

1 STATE OF ARIZONA)
2) ss.
3 County of Cochise)
4

5 The foregoing instrument was acknowledged before me this _____ day of
6 _____, 2017, by Larilyn Blomgren as Secretary of Vacation Village Owners'
7 Association, an Arizona non-profit corporation, on behalf of the corporation.
8
9

10
11
12

NOTARY PUBLIC

EXHIBIT A: LEGAL DESCRIPTION OF THE PROPERTIES

PARCEL 1 - LOTS

The following Lots, as recorded in the records of Cochise County, Arizona, at Book 13 of Maps and Plats, Page 76-76C, and revised in Book 13 of Maps and Plats, Page 81, and as recorded in Book 16 of Maps and Plats, Pages 4-4C, and as revised as to Lots 19, 21 and 120 only by Survey recorded in Book 48 of Maps of Surveys, Pages 54-54A:

Lots 1-19, 21-98, 100-113, 120-179, 181, 184-186 & 189-200.

PARCEL 2 – COMMON AREA

Parcel “A”, according to the Survey recorded in Book 48 of Maps of Surveys, Pages 54-54A, records of Cochise County, Arizona.

EXHIBIT B: ARBITRATION PROCEDURES

a) Initiation of Arbitration. The arbitration shall be initiated by either party delivering to the other a Notice of Intention to Arbitrate as provided for in the American Arbitration Association ("AAA") Commercial Arbitration Rules, as amended from time to time (the "AAA Rules").

b) Governing Procedures. The arbitration shall be conducted in accordance with the AAA Rules and A.R.S. § 12-1501, *et seq.* In the event of a conflict between the AAA Rules and this Exhibit "B", the provisions of this Exhibit "B" shall govern.

c) Appointment of Arbitrator. The parties shall appoint a single Arbitrator by mutual agreement. If the parties have not agreed within ten (10) days of the date of the Notice of Intention to Arbitrate on the selection of an arbitrator willing to serve, the AAA shall appoint a qualified Arbitrator to serve. Any arbitrator chosen in accordance with this Subsection (c) is referred to in this Exhibit "B" as the "Arbitrator".

d) Qualification of Arbitrator. The Arbitrator shall be neutral and impartial. The Arbitrator shall be a licensed attorney specializing in real estate or construction law (whichever is more applicable), knowledgeable as to the subject matter involved in the dispute, and experienced in arbitration proceedings. The foregoing shall not preclude otherwise qualified retired lawyers or judges from acting as the Arbitrator.

e) Disclosure. Any candidate for the role of Arbitrator shall promptly disclose to the parties all actual or perceived conflicts of interest involving the dispute or the parties. No Arbitrator may serve if such person has a conflict of interest involving the subject matter of the dispute or the parties. If an Arbitrator resigns or becomes unwilling to continue to serve as an Arbitrator, a replacement shall be selected in accordance with the procedure set forth in Subsection (c) above.

f) Compensation. The Arbitrator shall be fully compensated for all time spent in connection with the arbitration proceedings in accordance with the Arbitrator's usual hourly rate, unless otherwise agreed to by the parties, for all time spent by the Arbitrator in connection with the arbitration proceeding. Pending the final award, the Arbitrator's compensation and expenses shall be advanced equally by the Parties.

g) Preliminary Hearing. Within thirty (30) days after the Arbitrator has been appointed, a preliminary hearing among the Arbitrator and counsel for the parties to the arbitration shall be held for the purpose of developing a plan for the management of the arbitration, which shall then be memorialized in an appropriate order. The matters which may be addressed include, in addition to those set forth in the AAA Rules, the following: (1) definition of issues; (2) scope, timing and types of discovery, if any; (3) schedule and place(s) of hearings; (4) setting of other timetables; (5) submission of motions and briefs; (6) whether and to what extent expert testimony will be required, whether the Arbitrator should engage one or more neutral experts

and whether, if this is done, engagement of experts by the Parties can be obviated or minimized; (7) whether and to what extent the direct testimony of witnesses will be received by affidavit or written witness statement; and (8) any other matters which may promote the efficient, expeditious, and cost-effective conduct of the proceeding.

h) Management of the Arbitration. The Arbitrator shall actively manage the proceedings as the Arbitrator deems best so as to make the proceedings expeditious, economical and less burdensome than litigation.

i) Confidentiality. All papers, documents, briefs, written communication, testimony and transcripts as well as any and all arbitration decisions shall be confidential and not disclosed to anyone other than the Arbitrator, the parties or the parties' attorneys and expert witnesses (where applicable to their testimony), except that upon prior written consent of all parties, such information may be divulged to additional third parties. All third parties shall agree in writing to keep such information confidential.

j) Hearings. Hearings may be held at any place within Cochise County, Arizona designated by the Arbitrator.

k) Final Award. The Arbitrator shall promptly [within sixty (60) days of the conclusion of the proceedings or such longer period as the parties mutually agree] determine the claims of the parties and render a final award in writing. The Arbitrator may award the prevailing party in the proceeding all or a part of such party's reasonable attorneys' fees and expert witness fees, taking into account the final result of arbitration, the conduct of the parties and their counsel in the course of the arbitration, and other relevant factors. The Arbitrator shall not award any punitive damages. The Arbitrator shall not award indirect, consequential or special damages regardless of whether the possibility of such damage or loss was disclosed to, or reasonably foreseen by the party against whom the claim is made; provided, however, that such damages may be deemed by the Arbitrator to be direct damages in an award reimbursing payments made by a party to a third party. The Arbitrator shall assess the costs of the proceedings (including, without limitation, the fees of the Arbitrator) against the non-prevailing party. The decision of the Arbitrator shall be final and binding.

l) Statute of Limitations. All statutes of limitation and repose applicable to claims which are subject to binding arbitration pursuant to this Exhibit "B" shall apply to the commencement of dispute resolution proceedings hereunder. If dispute resolution proceedings are not initiated within the applicable period, the Claim shall forever be barred.

m) Right to Enter, Inspect, Repair and/or Replace. Following the receipt by a Bound Party of a Notice of Intention to Arbitrate or other notice of a Claim with respect to an alleged defect or deficiency in the planning, design, engineering, grading, construction or development of the Properties or Improvements thereon (the "Alleged Defect"), the Respondent and its employees, agents, contractors and consultants shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, the involved

portion of the Properties and any Improvements thereon, for the purposes of inspecting and/or conducting testing to determine the validity of the Claim and, if deemed necessary by the Respondent, to correct, repair and/or replace the Alleged Defect. In conducting such inspection, testing, repairs and/or replacement, the Respondent shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances. Nothing set forth in this Subsection (m) shall be construed to impose any obligation on any Respondent to inspect, test, repair, or replace any item or Alleged Defect for which the Respondent is not otherwise obligated under applicable law or any warranty provided by Respondent in connection with the sale of the subject Lots. The right of a Respondent and its employees, agents, contractors and consultants to enter, inspect, test, repair and/or replace reserved hereby shall be irrevocable and may not be waived or otherwise terminated except by a writing, in recordable form, executed and recorded by the Respondent. In no event shall any statutes of limitations be tolled during the period in which a Respondent conducts any inspection, testing, repair or replacement of any Alleged Defects.

n) Use of Funds. Any judgment, award or settlement received by a Claimant in connection with a claim involving an Alleged Defect shall first be used to correct and/or repair such Alleged Defect or to reimburse the Claimant for any costs actually incurred by such Claimant in correcting and/or repairing the Alleged Defect. Any excess funds remaining after repair of such Alleged Defect shall be paid to the Claimant, and if the Claimant is the Association, any excess funds shall be paid into the Association's reserve fund.

o) Conflicts. In the event of any conflict between this Exhibit "B" and any other provision of the Community Documents, this Exhibit "B" shall control.

p) Severability. If any provision of this Exhibit "B" is found by a court or arbitrator to be invalid or unenforceable for any reason, such provision shall be severed from this Exhibit B, and the remaining provisions of this Exhibit "B" shall remain unaffected and in full force and effect.

EXHIBIT C: RECREATIONAL VEHICLES IN VACATION VILLAGE

I. IN GENERAL:

All Recreational Vehicles must be well-maintained. Their initial acceptance into Vacation Village and the Association is subject to the approval of the ARC, based on the condition and appearance of the exterior of the Recreational Vehicle. Upon the 10th anniversary of the model year, and every year thereafter, the ARC will review the exterior condition of such Recreational Vehicle and document in writing whether the ARC has granted approval for such Recreational Vehicle to remain within the Properties.

II. CLASSES OF QUALIFYING RECREATIONAL VEHICLES (RVs):

The following may be placed as long-term, short-term, or temporary residences in the Properties:

Class A Motorhome – constructed on either a commercial truck chassis, a specially designed motor-vehicle chassis, or a commercial bus chassis. This self-contained unit is licensed as a recreational vehicle for highway use by a state motor vehicle department.

Bus Conversion – A commercial passenger bus that has been converted into an RV. This self-contained unit is licensed as a recreational vehicle for highway use by a state motor vehicle department.

Class C Motorhome – Built on truck chassis with an attached cab section, which is usually van based, but may also be pickup truck based or even medium-duty or semi-tractor truck based. This self-contained unit is licensed as a recreational vehicle for highway use by a state motor vehicle department.

Travel trailer – A unit with rigid sides designed to be towed by some larger vehicle with a bumper or frame hitch. This self-contained unit is licensed as a recreational vehicle for highway use by a state motor vehicle department.

Fifth-wheel trailer – Designed to be towed by a pickup, medium duty, or semi-tractor truck equipped with a special hitch called a fifth-wheel coupling, located on the truck bed. Part of the trailer body extends over the truck bed. This self-contained unit is licensed as a recreational vehicle for highway use by a state motor vehicle department.

Recreational Park Trailer/Model – There are basically two (2) types of units in this category, although both are certified by the same entity, the RPTIA (**Recreational Park Trailer Industry Association**), as distinguished from the RVIA (**Recreational Vehicle Industry Association**). Both types are limited to an enclosed area minimum of **320** and maximum of **400** square feet. Legally, a recreational park model may be as wide as **12'** to **14'** – **subject to limitations determined by lot-size, applicable City, County or other municipal Codes, and provisions in all of the applicable CC&Rs and other Community Documents** and – although still subject to the **400** square foot space limit – and, if over **8 ½** feet wide, will require a special permit in order to be transported on public streets. Park Models may resemble small houses in design, rather than traditional trailers.

A Park “Trailer” (a type of Park Model) is limited to **8 ½** feet in width, and is licensed and registered in the same manner and means as a standard travel trailer. That is, this unit is licensed as a recreational vehicle *as if for* highway use by a state motor vehicle department.

There are other vehicles, trailers and/or items which in some jurisdictions may qualify as recreational vehicles but which DO NOT qualify as Improvements or Recreational Vehicles on Vacation Village Lots.

Among these are:

- A. truck campers,**
- B. folding campers/ trailers,**
- C. teardrop trailers (small, compact lightweight units designed for traveling and short term camping, usually not self-contained),**
- D. hybrid trailers (a blend between a travel trailer and a folding [tent] trailer, and**
- E. toy haulers and certain horse trailers (designed to be part living space and part garage for storing things such as motorcycles, ATVs, or horses).**