



INSTRUMENT # 9448362  
 OFFICIAL RECORDS OF  
 YAVAPAI COUNTY  
 MARGO W. CARSON

**INDEXED &  
 MICROFILMED**

REQUEST OF:  
 SILVER SPRINGS DEV CO INC  
 DATE: 08/15/94 TIME: 11:20  
 FEE: 27.00 SC: 4.00 PT: 1.00  
 BOOK 2880 PAGE 408 PAGES: 027

BK	FEE
	27
MAP	\$4
PCL	\$5
	\$1
32	

WHEN RECORDED MAIL TO:

SILVER SPRINGS DEVELOPMENT CO. INC.  
 P.O. BOX 789  
 COTTONWOOD, AZ 86326

DECLARATION OF  
 COVENANTS, CONDITIONS, AND RESTRICTIONS  
 FOR  
 SILVER SPRINGS GARDEN HOMES



INSTRUMENT # 9457818  
 OFFICIAL RECORDS OF  
 YAVAPAI COUNTY  
 MARGO W. CARSON

**INDEXED &  
 MICROFILMED**

REQUEST OF:  
 SILVER SPRINGS DEV CO INC  
 DATE: 09/30/94 TIME: 09:10  
 FEE: 28.00 SC: 4.00 PT: 1.00  
 BOOK 2905 PAGE 002 PAGES: 028

BK	FEE
	28
MAP	\$4
PCL	\$5
	\$1
33	

REASON FOR RE RECORRING -  
 EXHIBIT A NOT INCLUDED IN  
 FIRST RECORDING.

*K. Bab*

BOOK ~~2880~~ PAGE 408

DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

SILVER SPRINGS GARDEN HOMES

THIS DECLARATION is made on the 11<sup>th</sup> day of AUGUST, 1994, by SILVER SPRINGS DEVELOPMENT CO. INC, hereinafter referred to as the "DECLARANT".

WITNESSETH:

WHEREAS, the DECLARANT is the owner of the real property located in Yavapai County, Arizona, which is described on Exhibit A attached hereto:

NOW, THEREFORE, the undersigned hereby declares that all of said real property shall be held, sold and conveyed subject to the easements, restrictions, covenants, and conditions contained in this DECLARATION which are for the purpose of protecting the value and desirability of and which shall run with said real property and be binding on all parties having any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, shall inure to the benefit of each OWNER thereof.

ARTICLE 1  
DEFINITIONS

Section 1.1 "ARCHITECTURAL COMMITTEE" shall mean the committee established by the BOARD pursuant to Section 2.5 of this DECLARATION.

Section 1.2 "ARCHITECTURAL COMMITTEE RULES" shall mean the rules adopted by the ARCHITECTURAL COMMITTEE, as said rules may be amended from time to time.

Section 1.3 "ARTICLES" shall mean the Articles of Incorporation of the ASSOCIATION which have been or will be filed in the office of the Corporation Commission of the State of Arizona, as said Articles may be amended from time to time.

Section 1.4 "ASSOCIATION" shall mean SILVER SPRINGS HOMEOWNERS ASSOCIATION, an Arizona non-profit corporation, its successors and assigns.

Section 1.5 "ASSOCIATION RULES" shall mean the rules and regulations adopted by the ASSOCIATION, as the same may be amended from time to time.

Section 1.6 "BOARD" shall mean the Board of Directors of the ASSOCIATION.

Section 1.7 "BYLAWS" shall mean the bylaws of the ASSOCIATION, as such bylaws may be amended from time to time.

Section 1.8 "COMMON AREA" shall mean all real property, and all IMPROVEMENTS located thereon, owned by the ASSOCIATION for the common use and enjoyment of the OWNERS. The COMMON AREA to be owned by the ASSOCIATION at the time of the conveyance of the first LOT to a PURCHASER is described as follows:

SEE EXHIBIT A ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF

Section 1.9 "DECLARANT" shall mean SILVER SPRINGS DEVELOPMENT COMPANY, its successors and assigns.

Section 1.10 "DECLARATION" shall mean the covenants, conditions and restrictions herein set forth in this entire document, as same may from time to time be amended.

Section 1.11 "FIRST MORTGAGE" shall mean and refer to any mortgage or deed of trust with first priority over any other mortgage or deed of trust.

Section 1.12 "IMPROVEMENT" shall mean the buildings, roads, drive-ways, parking areas, fences, walls, rocks, hedges, plantings, planted trees and shrubs, and/or sewer system which may exist upon the COMMON AREA, and all other structures or landscaping improvements of every type and kind.

Section 1.13 "LOT" shall mean any parcel of real property designated as a LOT on any recorded subdivision map of the property.

Section 1.14 "MEMBER" shall mean any person, corporation, partnership, joint venture or other legal entity who is a member of the ASSOCIATION.

Section 1.15 "OWNER" shall mean the record owner, whether one or more persons or entities, of legal title to the fee simple interest in a LOT. OWNER shall not include the purchaser of a LOT under a recorded agreement for sale, installment land sale contract or other recorded executory contract for sale of real property. OWNER shall not include persons or entities having an interest in a LOT merely as security for the performance of an obligation. OWNER shall not include a lessee or tenant of a LOT. In the case of LOTS, the fee simple title to which is vested in a trustee pursuant to a deed of trust, the trustor under the deed of trust shall be deemed to be the OWNER. In the case of LOTS, the fee simple title to which is vested in a trustee under a

subdivision trust agreement or similar agreement, the beneficiary of the trust shall be deemed the OWNER.

Section 1.16 "PLAT" shall mean the plat of survey of the real property described on Exhibit A attached to this DECLARATION and of all LOTS included therein, which plat has been recorded with the County Recorder of Yavapai County, Arizona, in Book 31 of Maps, Page 24, and all amendments thereto.

Section 1.17 "PROJECT DOCUMENTS" shall mean this DECLARATION and the ARTICLES, BYLAWS, ASSOCIATION RULES, and ARCHITECTURAL COMMITTEE RULES.

Section 1.18 "PROPERTY" or "PROJECT" shall mean the real property described on Exhibit A attached to this DECLARATION together with all buildings and other IMPROVEMENTS located thereon, and all easements, rights and appurtenances belonging thereto.

Section 1.19 "PURCHASER" shall mean any person other than the DECLARANT who by means of a voluntary transfer acquires a legal or equitable interest in a LOT other than (a) a leasehold interest (including renewable options) of less than five years or (b) as security for an obligation.

Section 1.20 "SINGLE FAMILY" shall mean a group of one or more persons each related to the other by blood, marriage, or legal adoption, or a group of not more than three persons not all so related, together with their domestic servants, who maintain a common household in a dwelling.

Section 1.21 "SINGLE FAMILY RESIDENTIAL USE" shall mean the occupation or use of a SINGLE FAMILY RESIDENCE in conformity with this DECLARATION and the requirements imposed by applicable zoning laws or other state, county or municipal rules and regulations.

Section 1.22 "VISIBLE FROM NEIGHBORING PROPERTY" shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

Section 1.23 "YARD" shall mean open and unoccupied space on a lot or parcel.

"SETBACK, FRONT" shall mean a yard, the depth of which is the minimum required horizontal distance between the front line and a line parallel thereto on the lot as shown on the plat of record, which yard extends across the full width of the lot.

"SETBACK, SIDE" shall mean a yard, the width of which is the minimum required horizontal distance between the side lot line and a line parallel thereto on the lot, not including any portion of required front yard or required rear yard.

"SETBACK, REAR (LOTS 1 THROUGH 11 AND LOTS 23 THROUGH 26 INCLUSIVE)" shall mean a yard, the depth of which is the minimum required horizontal distance between the rear line and a line parallel thereto on the lot as shown on the plat of record, which yard extends across the full width of the lot.

"SETBACK, REAR (LOTS 12 THROUGH 22 INCLUSIVE)" shall mean a yard equivalent in area to the width of the lot in feet multiplied by a constant of fifteen feet. Such rear yard area shall be provided in all conditions and shall not include any portion of the required side yard. A minimum distance from the residential unit to the rear lot line of such lots is not required if the above rear yard equivalent condition is met.

## ARTICLE II THE ASSOCIATION

Section 2.1 RIGHTS, POWERS AND DUTIES. The ASSOCIATION is a non-profit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the ARTICLES, BYLAW, and this DECLARATION together with such rights, powers and duties as may be reasonably necessary to effectuate the objectives and purposed of the ASSOCIATION as set forth in this DECLARATION.

Section 2.2 BOARD OF DIRECTORS AND OFFICERS. The affairs of the ASSOCIATION SHALL BE CONDUCTED BY A BOARD OF DIRECTORS AND SUCH OFFICERS AND COMMITTEES AS THE BOARD MAY ELECT OR APPOINT, IN ACCORDANCE WITH THE ARTICLES AND THE BYLAWS, as same may be amended from time to time.

Section 2.3 ASSOCIATION RULES. By a majority vote of the BOARD, the ASSOCIATION may, from time to time and subject to the provisions of this DECLARATION, adopt, amend and repeal rules and regulations. The ASSOCIATION RULES may restrict and govern the use of any area by any OWNER, by the family of such OWNER, or by any invitee, licensee or lessee of such OWNER's provided, however, that the ASSOCIATION RULES may not discriminate among OWNERS and shall not be inconsistent with this DECLARATION, the ARTICLES or BYLAWS. A copy of the ASSOCIATION RULES as they may from time to time be adopted, amended or repealed, shall be available for inspection by the MEMBERS at reasonable times. Upon adoption and recordation with the County Recorder of Yavapai County, Arizona, the ASSOCIATION RULES shall have the same force and effect as if they were set forth in and were a part of this DECLARATION.

Section 2.4 PERSONAL LIABILITY. No member of the BOARD or any committee of the ASSOCIATION, or any officer, agent or employee of the ASSOCIATION shall be personally liable to any OWNER, or any other party, including the ASSOCIATION, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the ASSOCIATION, the BOARD or any representative or employee of the ASSOCIATION, or the ARCHITECTURAL COMMITTEE, or any other committee, or any office of the ASSOCIATION, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

Section 2.5 ARCHITECTURAL COMMITTEE. The BOARD shall establish an ARCHITECTURAL COMMITTEE consisting of not less than three (3) members appointed by the BOARD to regulate the external design, appearance and use of the property and to perform such other functions and duties as may be imposed upon it by this DECLARATION, the BYLAWS or the BOARD. The initial ARCHITECTURAL COMMITTEE shall consist solely of the DECLARANT herein until such time as the Class B membership in the ASSOCIATION ceases to exist and is converted to Class A membership.

### ARTICLE III MEMBERSHIP

Section 3.1 IDENTITY OF MEMBERS. Membership in the ASSOCIATION shall be limited to OWNERS of LOTS. An OWNER of a LOT shall automatically, upon becoming the OWNER thereof, be a member of the ASSOCIATION and shall remain a member of the ASSOCIATION until such time as his ownership ceases for any reason, at which time his membership in the ASSOCIATION shall automatically cease.

Section 3.2 TRANSFER OF MEMBERSHIP. Membership in the ASSOCIATION shall be appurtenant to each LOT and a membership in the ASSOCIATION shall not be transferred, pledged or alienated in any way, except upon the sale of a LOT and then only to such PURCHASER, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the ASSOCIATION.

### ARTICLE IV VOTING RIGHTS

Section 4.1 CLASSES OF MEMBERS. The ASSOCIATION shall have two classes of voting membership:

CLASS A. Class A members shall be all OWNERS, with the exception of the DECLARANT, of LOTS. Each Class A member shall be entitled to one (1) vote for each LOT owned.

CLASS B. The Class B member shall be the DECLARANT. The Class B member shall be entitled to three (3) votes for each LOT owned. The Class B membership shall cease and be converted to Class A membership, as the case may be, on the happening of either of the following events, whichever occurs earlier:

- (a) when seventy-five percent (75%) of the LOTS have been conveyed to PURCHASERS; or
- (b) seven years after the conveyance of the first LOT to a PURCHASER; or
- (c) when the DECLARANT notifies the ASSOCIATION in writing that it relinquishes its Class B membership.

Section 4.2 JOINT OWNERSHIP. When more than one person is the OWNER of any 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 ballot be cast with respect to any LOT. The vote or votes for each such LOT must be cast as a unit, and fractional votes shall not be allowed. In the event that JOINT OWNERS are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any OWNER casts a ballot representing a certain LOT, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other OWNERS OF THE SAME LOT. In the event more than one ballot is cast for a particular LOT, none of said votes shall be counted and said votes shall be deemed void.

Section 4.3 CORPORATE OWNERSHIP. In the event any LOT is owned by a corporation, partnership or association, the corporation, partnership or association shall be a MEMBER and shall designate in writing at the time of acquisition of the LOT an individual who shall have the power to vote said membership, and in the absence of such designation and until such designation is made, the chief executive officer, if any, of such corporation, partnership, or association shall have the power to vote the membership, and if there is no chief executive officer, then the board of directors or general partner of such corporation, partnership or association shall designate who shall have the power to vote the membership.

Section 4.4 SUSPENSION OF VOTING RIGHTS. In the event any OWNER is in arrears in the payment of any assessments or other amounts due under any of the provisions of the PROJECT DOCUMENTS for a period of fifteen (15) days, said OWNER's right to vote as a MEMBER of the ASSOCIATION shall be suspended until all payments, including accrued interest and attorneys' fees, are brought current, and for a period not to exceed sixty (60) days for any infractions of the PROJECT DOCUMENTS.

ARTICLE V  
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The DECLARANT, for each LOT owned by it, hereby covenants, subject to the provisions of Section 5.9 hereof, and each OWNER of any LOT, by acceptance of a deed therefor, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay to the ASSOCIATION: (1) ANNUAL ASSESSMENT, (2) SUPPLEMENTAL ASSESSMENTS, and (3) SPECIAL ASSESSMENTS for capital improvements. The ANNUAL, SUPPLEMENTAL and SPECIAL ASSESSMENTS, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the LOT against which each such assessment is made. Each such assessment, together with interest at three (3) points above the highest Valley National Bank of Arizona Prime Lending Rate occurring during the term of the delinquent assessment together with costs and reasonable attorneys' fees, shall also be the personal obligation for delinquent assessments shall not pass to the OWNER's successors in title unless expressly assumed by them.

Section 5.2 PURPOSE OF THE ASSESSMENTS. The assessments levied by the ASSOCIATION shall be used exclusively for the upkeep, maintenance and improvement of the COMMON AREA and such portions of the LOTS, and such improvements located thereon as the ASSOCIATION is obligated to maintain under the provisions of the PROJECT DOCUMENTS and for promoting the recreation, health, safety and welfare of the OWNERS and residents of LOTS within the property.

Section 5.3 MAXIMUM ANNUAL ASSESSMENT.

(a) Until January 1 of the first year immediately following the conveyance of the first LOT to a PURCHASER, the MAXIMUM ANNUAL ASSESSMENT for each LOT shall be Six Hundred Dollars (\$600.00) for each TOWNHOUSE LOT.

(b) From and after January 1 of the year immediately following the conveyance of the first LOT to a PURCHASER, the BOARD may, without a vote of the membership, increase the MAXIMUM ANNUAL ASSESSMENT during each fiscal year of the ASSOCIATION by an amount proportional to the amount of increase during the prior fiscal year in the Consumer Price Index for All Urban Consumers (all items), U.S. City average, published by the United States Department of Labor, Bureau of Labor Statistics (1967-100), or in the event said index ceases to be published, by any successor index recommended as a substitute therefor by the United States government.

(c) From and after January 1 of the year immediately following the conveyance of the first LOT to a PURCHASER, the MAXIMUM ANNUAL ASSESSMENT may be increased by an amount greater than the maximum increase allowed pursuant to (a) above, only by a vote of

MEMBERS entitled to cast at least two-thirds (2/3) of the votes entitled to be cast by MEMBERS who are voting in person or by proxy at a meeting duly called for such purpose.

(d) The BOARD may fix the annual assessment in any amount not in excess of the MAXIMUM ANNUAL ASSESSMENT.

Section 5.4 SUPPLEMENTAL ASSESSMENTS. In the event the BOARD shall determine that its funds budgeted available in any fiscal year are, or will become, inadequate to meet all expenses of the ASSOCIATION, for any reason, including, without limitation, non-payment of assessments by the MEMBERS, it shall immediately determine the approximate amount of such inadequacies for such fiscal year and levy a SUPPLEMENTAL ASSESSMENT against each LOT in such amount as the BOARD deems necessary in order to obtain the amount of such inadequacies. Notice of any such SUPPLEMENTAL ASSESSMENT shall be given to each OWNER. The SUPPLEMENTAL ASSESSMENT shall be paid on such dates and in such installments as may be determined by the BOARD. No SUPPLEMENTAL ASSESSMENT shall be levied by the BOARD until such assessment has been approved by MEMBERS entitled to cast at least two-thirds (2/3) of the votes entitled to be cast by MEMBERS who are voting in person or by proxy at a meeting duly called for such purpose.

Section 5.5 SPECIAL ASSESSMENTS. In addition to the ANNUAL ASSESSMENTS authorized above, the ASSOCIATION may levy, in any assessment year, a SPECIAL ASSESSMENT applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the COMMON AREA, including fixtures and personal property related thereto, or for any other lawful ASSOCIATION purpose, provided that any such assessment shall have the assent of MEMBERS having at least two (2/3) of the votes entitled to be cast by MEMBERS who are voting in person or by proxy at a meeting duly called for such purpose.

Section 5.6 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 5.3, 5.4, and 5.5. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.3, 5.4, or 5.5 shall be sent to all MEMBERS not less than thirty (30) 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 percent (60%) of all the votes of each class of MEMBERS 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 5.7 UNIFORM RATE OF ASSESSMENT. ANNUAL, SUPPLEMENTAL, and SPECIAL ASSESSMENTS must be fixed at a uniform rate for all.

Section 5.8 DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS, DUE DATES. The ANNUAL ASSESSMENTS provided for herein shall commence as to each LOT on the first day of the month following the conveyance of the first LOT to a PURCHASER. The first ANNUAL ASSESSMENT shall be adjusted according to the number of months remaining in the fiscal year of the ASSOCIATION. The BOARD shall fix the amount of the ANNUAL ASSESSMENT against each LOT at least thirty (30) days in advance of each ANNUAL ASSESSMENT period. Written notice of the ANNUAL ASSESSMENT shall be sent to every OWNER subject thereto. The BOARD may require that the ANNUAL ASSESSMENT be paid in installments and in such event the BOARD shall establish the due dates for each installment. The ASSOCIATION shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the ASSOCIATION setting forth whether the assessments on a specified LOT have been paid.

Section 5.9 REDUCED ASSESSMENT FOR DECLARANT. Notwithstanding the provisions of Section 5.7 of the DECLARATION the ANNUAL, SPECIAL and SUPPLEMENTAL ASSESSMENTS for LOTS owned by the DECLARANT shall be a sum equal to twenty-five percent (25%) of the ANNUAL, SPECIAL and SUPPLEMENTAL ASSESSMENTS established by the BOARD pursuant to this ARTICLE. LOTS owned by this DECLARANT shall be entitled to the reduced assessment provided for in this Section until the earlier of (a) the date on which the LOT is conveyed to a PURCHASER or (b) the date on which any residential structure constructed on such LOT is first occupied. Once a LOT ceases to qualify for the reduced assessment in accordance with this Section, the assessment for such LOT shall automatically increase to the assessment fixed by the BOARD pursuant to this ARTICLE for all LOTS not owned by the DECLARANT.

Section 5.10 EFFECTS OF NON-PAYMENT OF ASSESSMENTS, REMEDIES OF THE ASSOCIATION. Any assessment, or any installment of an assessment, not paid within thirty (30) days after the assessment, or the installment of the assessment, first became due shall bear interest from the due date at the rate of twelve percent (12%) per annum or the three (3) points above the Valley National Bank of Arizona Prime Lending Rate at its highest level occurring from date of assessment until paid-in-full. Each OWNER shall also pay a late charge of ten percent (10%) of each assessment or installment of an assessment. Any assessment or any installment which is delinquent shall become a continuing lien on the LOT against which such assessment was made. The lien shall be perfected by the recordation of a "Notice of Claim of Lien" which shall set forth (1) the name of the delinquent OWNER as shown on the records of the ASSOCIATION, (2) the legal description, street address and number of the LOT against which the claim of lien is made, (3) the amount claimed as of the date of the recording of the notice including interest, collection costs, late charges, lien recording fees and reasonable attorneys' fees, (4) the name and address of the ASSOCIATION, (5) the Claim of Lien may further state that "this lien is a continuing lien for all assessments of the ASSOCIATION which become due after the recording of this Claim of Lien". The ASSOCIATION'S lien shall have priority over all liens or claims created subsequent to the recordation of the Notice of Claim of Lien except for

tax liens for real property taxes on the LOT, assessments on any LOT in favor of any municipal or other governmental body and the liens which are specifically described in Section 5.11 of this DECLARATION.

Before recording a lien against any LOT the ASSOCIATION shall make a written demand to the defaulting OWNER for payment of the delinquent assessments together with interest, late charges and reasonable attorneys' fees, if any. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or Claim of Lien, but any number of defaults may be included within a single demand or Claim of Lien. If such delinquency is not paid within ten (10) days after delivery of such demand, the ASSOCIATION may proceed with recording a Notice of Claim of Lien against the LOT of the defaulting OWNER. The ASSOCIATION shall not be obligated to release any lien recorded pursuant to this Section until all delinquent assessments, interest, lien fees, late charges and reasonable attorneys' fees have been paid in full whether or not all of such amounts are set forth in the Notice of Claim of Lien.

The ASSOCIATION shall have the right, at its option, to enforce collection of any delinquent assessments together with interest, lien fees, late charges, reasonable attorneys' fees and any other sums due to the ASSOCIATION in any manner allowed by law including, but not limited to, (a) bringing an action at law against the OWNER personally obligated to pay the delinquent assessments and such action may be brought without waiving any lien securing any such delinquent assessments or (b) bringing an action to foreclose its lien against the LOT in the manner provided by law for the foreclosure of a realty mortgage. The ASSOCIATION shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all LOTS purchased at such sale.

Section 5.11 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for in his DECLARATION shall be subordinate to the lien of any FIRST MORTGAGE. Sale or transfer of any LOT shall not affect the assessment lien. However, the sale or transfer of any LOT pursuant to judicial or non-judicial foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment 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.

Section 5.12 EXEMPTION OF OWNER. No OWNER of a LOT may exempt himself from liability for ANNUAL, SUPPLEMENTAL and SPECIAL ASSESSMENT levied against his LOT or for other amounts which he may owe to the ASSOCIATION under the PROJECT DOCUMENTS by waiver and nonuse of any of the COMMON AREA and facilities or by the abandonment of his LOT.

Section 5.13 MAINTENANCE OF RESERVE FUND. Out of the ANNUAL ASSESSMENTS, the ASSOCIATION shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of

improvements to the COMMON AREA and such improvements on the LOTS as the ASSOCIATION is obligated to maintain under the provisions of the PROJECT DOCUMENTS.

ARTICLE VI  
PERMITTED USES AND RESTRICTIONS

Section 6.1 SCOPE. Except as otherwise specified, the provisions of this ARTICLE shall apply to all of the property.

Section 6.2 RESIDENTIAL USE. All LOTS shall be used, improved and devoted exclusively to SINGLE FAMILY RESIDENTIAL USE. No gainful occupation, profession, trade or other nonresidential use shall be conducted on any LOT. Nothing herein shall be deemed to prevent the leasing of a LOT to a SINGLE FAMILY from time to time by the OWNER thereof, subject to all of the provisions of the PROJECT DOCUMENTS. Any OWNER who leases his LOT shall promptly notify the ASSOCIATION and shall advise the ASSOCIATION of the term of the lease and the name of each lessee. No buildings or structures shall be moved from other locations onto the PROPERTY.

Section 6.3 ANIMALS. No animals, birds, fowl, poultry, or livestock, other than a reasonable number of generally recognized house or yard pets, shall be maintained on any property and then only if they are kept, bred or raised thereon solely as domestic pets and not for commercial purposes. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance. No structure for the care, housing or confinement of any animal shall be maintained so as to be VISIBLE FROM NEIGHBORING PROPERTY. Upon the written request of any OWNER, the BOARD shall determine whether, for the purpose of this Section, a particular animal is a generally recognized house or yard pet, or a nuisance, or whether the number of animals on any such PROPERTY is reasonable.

Any decision rendered by the BOARD shall be enforceable, as other restrictions contained in this DECLARATION.

Section 6.4 ANTENNAE. No antenna or other device for the transmission or reception of television or radio signals or other form of electromagnetic radiation shall be erected, used or maintained outdoors on any property, whether attached to a building or structure or otherwise, unless approved by the ARCHITECTURAL COMMITTEE.

Section 6.5 UTILITY SERVICE. Except as approved in writing by the ARCHITECTURAL COMMITTEE, no lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be erected, placed or maintained anywhere in or upon any property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the ARCHITECTURAL COMMITTEE. No provisions hereof shall be deemed to

forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the ARCHITECTURAL COMMITTEE.

Section 6.6 IMPROVEMENTS AND ALTERATIONS. No improvements, alterations, repairs, excavations, landscaping (except for such planting and landscaping as is installed in accordance with the initial construction of buildings on a LOT or such planting or landscaping as is enclosed by a fence or wall or in an area not maintained by the ASSOCIATION) or other work which in any way alters the exterior appearance of any PROPERTY or the IMPROVEMENTS located thereon from its natural or improved state existing on the date such property was first conveyed in fee by DECLARANT to a PURCHASER, whichever is the later, shall be made or done without the prior written approval of the ARCHITECTURAL COMMITTEE, except as otherwise expressly provided in this DECLARATION. No building, fence, wall, landscaping, residence or other structure shall be commenced, erected, maintained, improved, altered, made or done without the additions to or changes or alterations in any landscaping, building, fence, wall or other structure, including exterior color scheme, shall be subject to the prior approval of the ARCHITECTURAL COMMITTEE. All decisions of the ARCHITECTURAL COMMITTEE SHALL BE FINAL AND NO OWNER or other parties shall have recourse against the ARCHITECTURAL COMMITTEE for its refusal to approve any such plans and specifications or plot plan, including lawn area and landscaping.

Section 6.7 TEMPORARY OCCUPANCY. No trailer, basement of any incomplete building, tent shack, garage or barn, and no temporary buildings or structures of any kind shall be used at any time on any portion of the PROPERTY for a residence, either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling on any such PROPERTY shall be removed immediately after the completion of construction.

Section 6.8 TRAILERS AND MOTOR VEHICLES. Except with the prior written approval of the ARCHITECTURAL COMMITTEE, no mobile home, motor home, trailer, or truck of any kind, camper, truck with a camper shell, boat or permanent tent or similar structure shall be kept, placed, maintained, constructed, reconstructed or repaired, upon any PROPERTY or street (public or private) in such a manner as will be VISIBLE FROM NEIGHBORING PROPERTY, provided, however, that a truck with a camper shell may be kept, ON a LOT if it is parked in a garage or in any area within the PROJECT designated by the BOARD as an area available for the parking of recreational vehicles, and provided, further that the provisions of this Section shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any IMPROVEMENT approved by the ARCHITECTURAL COMMITTEE.

Section 6.9 NUISANCES. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any PROPERTY and no odors shall be permitted to arise therefrom, so as to render any

such PROPERTY or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No nuisance shall be permitted to exist or operate upon any such PROPERTY so as to be offensive to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices except security devices used exclusively for security purposes, shall be located, used or placed on any such PROPERTY. The BOARD in its sole discretion shall have the right to determine the existence of any such nuisance.

Section 6.10 TRASH CONTAINERS AND COLLECTION. No garbage or trash shall be placed or kept on any property 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 the shortest time reasonably necessary to effect such collection. The BOARD shall have the right, in its sole discretion, to require all OWNERS to place their garbage or trash containers in a specific location for collection or to require all OWNERS to subscribe to a trash collection service. All rubbish, trash and garbage shall be removed from the LOTS and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any LOT. No garbage or trash containers shall be kept or placed on any grass or other landscaped area.

Section 6.11 CLOTHES DRYING FACILITIES. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any PROPERTY so as to be VISIBLE FROM NEIGHBORING PROPERTY and all clotheslines shall be confined to fenced yard areas.

Section 6.12 ENCROACHMENTS. No tree, shrub, or planting of any kind on any PROPERTY 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 twelve (12) feet, without the prior approval of the ARCHITECTURAL COMMITTEE.

Section 6.13 MACHINERY AND EQUIPMENT. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any property except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of a residence, appurtenant structure or other improvements, and except that which DECLARANT or the ASSOCIATION may require for the operation and maintenance of the PROPERTY.

Section 6.14 RESTRICTION ON FURTHER SUBDIVISION AND TIME SHARES. No LOT shall be further subdivided or separated into smaller lots or parcels by any OWNER, and no portion less than all of any such LOT shall be conveyed or transferred by any OWNER without the prior written approval of the BOARD. Neither the ownership nor occupancy of any LOT shall be in time shares. No OWNER shall transfer, sell, assign or convey any time share in his LOT and any such transaction shall be

void. "Time share" as used in this Section shall mean the right to occupy a LOT or any one of several LOTS during five (5) or more separated time periods of less than thirty (30) days per period over a period of at least five (5) years, including renewable options, whether or not coupled with an estate or interest in a LOT or a specified portion of a LOT.

Section 6.15 SIGNS. No signs whatsoever (including, but not limited to, commercial, advertising, political and similar signs) shall be erected or maintained anywhere on the PROPERTY including but not limited to, the inside or outside of windows in any building located on the PROPERTY, except:

- (a) such signs as may be required by legal proceedings;
- (b) not more than one (1) residential identification sign with a combined total face area of thirty-six (36) square inches or less for each LOT; and,
- (c) one (1) "for rent" or "for sale" sign not larger than five (5) square feet for each LOT.

Section 6.16 DECLARANT'S EXEMPTION. Notwithstanding any other provisions of the PROJECT DOCUMENTS, it shall be expressly permissible for the DECLARANT or its duly authorized agents, employees and representatives to maintain during the period of construction and sale of LOTS such facilities, structures and signs as are necessary or convenient, in the sole opinion of the DECLARANT, to the sale of the LOTS, including, but without limitation, a business office, storage area, construction yards, model units or homes and sales offices, provided, however, that such use of the COMMON AREA by the DECLARANT must be reasonable and must not interfere with any OWNER's use and enjoyment of the COMMON AREA.

Section 6.17 PLANTING AND LANDSCAPING. Except for such planting and landscaping as is enclosed by a fence or wall, or in an area not maintained by the ASSOCIATION, no planting or landscaping shall be done and no fences, hedges or walls shall be erected or maintained on any LOT without the prior written approval of the ARCHITECTURAL COMMITTEE.

Section 6.18 DISEASES AND INSECTS. No OWNER shall permit any thing or condition to exist upon any property which shall induce, breed or harbor infectious plant diseases or noxious insects.

## ARTICLE VII EASEMENTS

Section 7.1 UTILITY EASEMENTS. There is hereby created a blanket easement upon, across, over and under the COMMON AREA for ingress, egress, installation, replacing, repairing and maintaining all

utilities, including, but not limited to, water, sewers, gas, telephones, electricity and a cable television system. By virtue of the easement, it shall be expressly permissible for the providing utility to erect and maintain the necessary poles and other necessary facilities and equipment on the COMMON AREA. This easement shall in no way affect any other recorded easements on the COMMON AREA.

Section 7.2 EASEMENT FOR ENCROACHMENTS. Each LOT and the COMMON AREA shall be subject to an easement for encroachments created by the construction, settling and overhangs as designed or constructed by DECLARANT. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event a building is partially or totally destroyed, and then rebuilt, the OWNERS agree that minor encroachments of parts of the adjacent LOT due to construction shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist. Notwithstanding any provision in this Section to the contrary, any encroachment permitted by this Section shall not exceed five (5) feet.

Section 7.3 EASEMENTS FOR INGRESS AND EGRESS. Easements for ingress and egress are hereby reserved to the DECLARANT, the OWNERS, and their family, guests, tenants and invitees for pedestrian traffic over, through, and across sidewalks, paths, walks and lanes as the same from time to time any exist upon the COMMON AREA, and for vehicular traffic over, through and across such portions of the COMMON AREA as from time to time may be paved and intended for such purposes, and for such other purposes reasonably necessary to the use and enjoyment of a LOT or the COMMON AREA.

Section 7.4 ASSOCIATION'S RIGHT OF ENTRY. During reasonable hours, the ASSOCIATION, any member of the ARCHITECTURAL COMMITTEE, any member of the BOARD or any authorized representative of them, shall have the right to enter upon and inspect any LOT, excluding the interior of any residence located thereon, for the purpose of making inspections to determine whether the provisions of this DECLARATION, the ASSOCIATION RULES and the ARCHITECTURAL COMMITTEE RULES are being complied with by the OWNER of said LOT.

Section 7.5 ASSOCIATION'S EASEMENT FOR PERFORMING MAINTENANCE RESPONSIBILITIES. The ASSOCIATION shall have an easement above, across, over and under the COMMON AREA and the LOTS for the purpose of repairing, maintaining and replacing the COMMON AREA and those portions of the LOTS which the ASSOCIATION is obligated to maintain under ARTICLE IX of this DECLARATION.

Section 7.6 EASEMENT FOR USE AND BENEFIT. Each LOT may be entitled to a USE AND BENEFIT EASEMENT which is granted to an adjacent lot for ingress and egress for the purpose of repair, maintenance, drainage and improvement of any of the abutting LOT OWNER'S PROPERTY

which is contiguous to the easement area. No structure and/or other permanent improvement of any nature shall be placed, maintained or permitted to remain on or within the easement area.

## ARTICLE VIII PROPERTY RIGHTS

Section 8.1 OWNER'S EASEMENT OF ENJOYMENT. Every OWNER shall have a right and easement of enjoyment in and to the COMMON AREA. Said easement shall be appurtenant to and shall pass with the title to every LOT subject to the following provisions:

(a) the right of the ASSOCIATION to adopt reasonable rules and regulations governing the use of the COMMON AREA and all facilities located thereon;

(b) the right of the ASSOCIATION to charge reasonable admission and other fees for the use of any clubhouse or recreational facility situated upon the COMMON AREA;

(c) the right of the ASSOCIATION to suspend the voting rights and the rights to the use of the recreational facilities of an OWNER for any period which an assessment against his LOT remains unpaid and for a period not to exceed sixty (60) days for any infraction of the PROJECT DOCUMENTS;

(d) the right of the ASSOCIATION to dedicate or transfer all or any part of the COMMON AREA to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the MEMBERS, provided, however, that no such dedication or transfer shall be effective unless evidenced by an instrument signed by at least two-thirds (2/3) of each class of MEMBERS;

(e) the right of the DECLARANT and its agents and representatives, in addition to the rights set forth elsewhere in this DECLARATION, to the non-exclusive use, without charge, of the COMMON AREA for maintenance of sales facilities, and display and exhibit purposes.

Section 8.2 DELEGATION OF USE. Any OWNER may delegate, subject to this DECLARATION and the ASSOCIATION RULES, his right of enjoyment to the COMMON AREA and facilities to the members of his family, his tenants, his guests or invitees, provided such delegation is for a reasonable number of persons and at reasonable times.

Section 8.3 LIMITATIONS. An OWNER's right and easement of enjoyment in and to the COMMON AREA shall not be conveyed, transferred, alienated or encumbered separate and apart from an OWNER's LOT. Such right and easement of enjoyment in and to the COMMON AREA shall be deemed to be conveyed, transferred, alienated or encumbered upon the

sale of any OWNER's LOT notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to the COMMON AREA.

## ARTICLE IX MAINTENANCE

Section 9.1 MAINTENANCE OF COMMON AREA BY THE ASSOCIATION. The ASSOCIATION shall be responsible for the maintenance, repair and replacement of the COMMON AREA and may, without any approval of the OWNERS being required, do any of the following:

(a) reconstruct, repair, replace or refinish any IMPROVEMENT or portion thereof upon any such area (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area);

(b) construct, reconstruct, repair, replace or refinish any portion of the COMMON AREA used as a road, street, walk, driveway and parking area;

(c) place and maintain upon any such area such signs as the BOARD deems necessary for the conservation of water and soil and for aesthetic purposes;

(d) place and maintain upon any such area such signs as the BOARD may deem appropriate for the proper identification, use and regulation thereof;

(e) do all such other and further acts which the BOARD deems necessary to preserve and protect the COMMON AREA and the beauty thereof, in accordance with the general purpose specified in this DECLARATION.

Section 9.2 EXTERIOR MAINTENANCE OF LOTS BY THE ASSOCIATION. In addition to the maintenance, repair and replacement of the COMMON AREA, and IMPROVEMENTS located thereon, the ASSOCIATION shall maintain, repair and replace the landscaping on the LOTS except for such landscaping as is located within individual patio areas or enclosed by a fence or wall. In the event the need for maintenance, repair or replacement of any portion of the LOTS which are to be maintained by the ASSOCIATION pursuant to this Section is caused by the willful or negligent act of an OWNER, his family, guests, invitees or animals for whom he is legally responsible under Arizona law, the ASSOCIATION shall cause the maintenance or repair to be performed, and the cost of such maintenance or repair shall be paid by said OWNER and the ASSOCIATION may enforce collection of such amounts in the same manner and to the same extent as provided elsewhere in this DECLARATION for the collection and enforcement of assessments.

Section 9.3 MAINTENANCE OF LOTS BY OWNERS. Each OWNER of a LOT shall be solely responsible for the maintenance, repair and replacement of the structure on his LOT and any landscaping that is not maintained by the ASSOCIATION as provided elsewhere in this DECLARATION.

(a) No OWNER shall construct any buildings on a LOT without the written consent and approval of the ARCHITECTURAL COMMITTEE;

(b) no OWNER shall perform any maintenance or repair work on the exterior of his LOT which would alter the exterior appearance of the LOT without the prior written approval of the BOARD;

(c) no OWNER shall do any work which will impair the structural integrity of the LOT, or will adversely affect any other LOT or the COMMON AREA.

Section 9.4 NONPERFORMANCE BY OWNERS. If any OWNER fails to maintain any portion of his LOT, and the IMPROVEMENTS located thereon, which he is obligated to maintain under the provisions of the PROJECT DOCUMENTS, the ASSOCIATION shall have the right but not the obligation, to enter upon such OWNER's LOT to perform the maintenance and repairs not performed by the OWNER, and the cost of any such work performed by or at the request of the ASSOCIATION shall be paid for by the OWNER of the LOT, upon demand from the ASSOCIATION, and such amounts shall be a lien upon the OWNER's LOT and the ASSOCIATION may enforce collection of such amounts in the same manner and to the same extent as provided elsewhere in this DECLARATION for the collection and enforcement of assessments.

#### ARTICLE X PARTY WALLS

Section 10.1 RIGHTS AND DUTIES OF ADJOINING OWNERS. The rights and duties of OWNERS of any LOTS with respect to party walls shall be governed by the following provisions:

(a) each wall which is placed on the dividing line between separate LOTS, including a wall dividing separate townhouses, shall constitute a party wall. With respect to any such wall, each of the adjoining OWNERS shall assume the burden and be entitled to the benefit of the restrictive covenants contained in this DECLARATION, and to the extent not inconsistent with this DECLARATION, the general rules of law regarding party walls shall be applied;

(b) the cost of reasonable repair and maintenance of a party wall shall be shared by the adjoining OWNERS of such wall in proportion to the use thereof, without prejudice, however, to the right of any OWNER to call for a larger contribution from the adjoining OWNER under any rule of law regarding liability for negligent or willful acts or omissions;

(c) in the event such party wall is damaged or destroyed by some cause other than the act of one of the adjoining OWNERS, his agents, tenants, licensees, guests or family (including ordinary wear and tear and deterioration from lapse of time) then, in such event, both such adjoining OWNERS shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense;

(d) notwithstanding any other provision of this ARTICLE an OWNER who, by his negligent or willful act, causes any party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements;

(e) the right of any OWNER to contribution from any other OWNER under this ARTICLE shall be appurtenant to the land and shall pass to such OWNERS and their successors in title;

(f) in addition to meeting the other requirements of this DECLARATION and of any other building code or similar regulations or ordinances, any OWNER proposing to modify, make additions or to rebuild his townhouse in any manner which requires the extension or other alteration of a party wall, shall first obtain the written consent of the adjoining OWNER;

(g) in the event of a dispute between OWNERS with respect to the repair or the rebuilding of a party wall or with respect to sharing of the cost thereof, then, upon written request of one of such OWNERS addressed to the ASSOCIATION, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the ASSOCIATION. If no such rules have been adopted, then the matter shall be submitted to three (3) arbitrators, one chosen by each of the OWNERS, and the third by the two so chosen, or if the arbitrators do not agree as to the selection of the third arbitrator within five (5) days then by a Judge of the Superior Court of Yavapai County, Arizona. A determination of the matter signed by any two of the arbitrators shall be binding upon the OWNERS who shall share the cost of the arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after personal receipt or request in writing for arbitration from the other party, then said other party shall have the right and power to choose both arbitrators;

(h) the provisions of this ARTICLE shall be binding upon the heirs and assigns of any OWNERS, but no person shall be liable for any act or omission respecting the party wall except such as took place while he was an OWNER.

#### ARTICLE XI INSURANCE

Section 11.1 SCOPE OF COVERAGE. Commencing not later than the time of the first conveyance of a LOT to a person other than the

DECLARANT, the ASSOCIATION shall maintain, to the extent reasonable, the following insurance coverage:

(a) property insurance on the COMMON AREA insuring against all risk of direct physical loss, insured against in an amount equal to the maximum insurable replacement value of the COMMON AREA, as determined by the BOARD, provided, however, that the total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement cost of the insured property, exclusive of land, excavations, foundations and other items normally excluded from a property policy;

(b) comprehensive general liability insurance, including medical payments insurance, in an amount determined by the BOARD, but not less than \$1,000,000.00. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the COMMON AREA and all other portions of the PROPERTY which the ASSOCIATION is obligated to maintain under this DECLARATION, and shall also include hired automobile and non-owned automobile coverages with cost liability endorsements to cover liabilities of the OWNERS as a group to an OWNER;

(c) workmen's compensation insurance to the extent necessary to meet the requirements of the laws of Arizona;

(d) such other insurance as the ASSOCIATION shall determine from time to time to be appropriate to protect the ASSOCIATION or the OWNERS;

(e) the insurance policies purchased by the ASSOCIATION shall, to the extent reasonably available, contain the following provisions:

(1) that there shall be no subrogation with respect to the ASSOCIATION, its agent, servants, and employees, with respect to OWNERS and members of their household;

(2) no act or omission by any OWNER, unless acting within the scope of his authority on behalf of the ASSOCIATION, will void the policy or be a condition to recovery on the policy;

(3) that the coverage afforded by such policy shall not be brought into contribution or proration with any insurance which may be purchased by OWNERS or their mortgages or beneficiaries under deeds of trust;

(4) a severability of interest endorsement which shall preclude the insurer from denying the claim of an OWNER because of the negligent acts of the ASSOCIATION or other OWNERS;

(5) statement of the name of the insured as SILVER SPRINGS HOMEOWNERS ASSOCIATION;

(6) for policies of hazard insurance, a standard mortgage clause providing that the insurance carrier shall notify the first mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial modification, reduction or cancellation of the policy;

(7) if the PROPERTY is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a policy of flood insurance on the COMMON AREA must be maintained in the lesser of one hundred percent (100%) of the current replacement cost of the maximum limit of coverage available under the National Insurance Act of 1968, as amended;

(8) "Agreed Amount" and "Inflation Guard" endorsements.

Section 11.2 CERTIFICATES OF INSURANCE. An Insurer that has issued an insurance policy under this ARTICLE shall issue certificates or a memorandum of insurance to the ASSOCIATION and upon request, to any OWNER, mortgagee or beneficiary under a deed of trust. Any insurance obtained pursuant to this ARTICLE may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the ASSOCIATION, each OWNER, and each mortgagee or beneficiary under deed of trust to whom certificates of insurance have been issued.

Section 11.3 FIDELITY BONDS. The ASSOCIATION shall maintain blanket fidelity bonds for all officers, directors, trustees and employees of the ASSOCIATION and all other persons handling or responsible for funds of or administered by the ASSOCIATION, including, without limitation any management agent to whom the ASSOCIATION has delegated some or all of the responsibility for the handling of such funds. The total amount of fidelity bond coverage shall be based upon the best business judgment of the BOARD, and shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the ASSOCIATION or the management agent, as the case may be, at any given time during the term of each bond. In no event shall the aggregate amount of such fidelity bonds be less than a sum equal to three (3) months assessments on all LOTS plus adequate reserve funds. Fidelity bonds obtained by the ASSOCIATION must also meet the following requirements:

(a) the fidelity bonds shall name the ASSOCIATION as an obligee;

(b) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions;

(c) the bonds shall provide that they may not be cancelled or substantially modified (including cancellation from non-payment of premium) without at least ten (10) days prior written notice to the ASSOCIATION and each FIRST MORTGAGEE.

Section 11.4 PAYMENT OF PREMIUMS. The premiums for any insurance obtained by the ASSOCIATION pursuant to Sections 11.1 and 11.3 of this ARTICLE shall be included in the budget of the ASSOCIATION and shall be paid by the ASSOCIATION.

Section 11.5 INSURANCE OBTAINED BY OWNERS. Each OWNER shall be responsible for obtaining insurance for his own benefit and at his own expense, covering his LOT and all IMPROVEMENTS located thereon, and his personal property and personal liability coverage to the extent such insurance is not obtained by the ASSOCIATION.

Section 11.6 PAYMENT OF INSURANCE PROCEEDS. With respect to any loss to the COMMON AREA covered by property insurance obtained by the ASSOCIATION in accordance with this ARTICLE the loss shall be adjusted with the ASSOCIATION and the insurance proceeds shall be payable to the ASSOCIATION and not to any mortgagee or beneficiary under a deed of trust. Subject to the provision of Section 11.7 of this ARTICLE, the proceeds shall be disbursed for the repair or restoration of the damage to COMMON AREA. With respect to any loss to any LOT or the IMPROVEMENTS located thereon, which is covered by property insurance obtained by the ASSOCIATION, the loss shall be adjusted with the OWNER of said LOT and the proceeds shall be payable to said OWNER and any holder of liens on said LOT as their interest may appear.

Section 11.7 REPAIR AND REPLACEMENT OF DAMAGED OR DESTROYED PROPERTY. Any portion of the COMMON AREA damaged or destroyed shall be repaired or replaced promptly by the ASSOCIATION unless (a) repair or replacement would be illegal under any State or Local health or safety statute or ordinance, or (b) OWNERS owning at least eighty percent (80%) of the LOTS vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the ASSOCIATION. If the entire COMMON AREA is not repaired or replaced, insurance proceeds attributable to the damaged COMMON AREA shall be used to restore the damaged area to a condition which is not in violation of any State or Local health or safety statute or ordinance and the remainder of the proceeds shall be distributed to all OWNERS prorata based upon the proportion which the ANNUAL ASSESSMENT for each LOT bears to the ANNUAL ASSESSMENT for all of the LOTS within the PROJECT.

## ARTICLE XII GENERAL PROVISIONS

Section 12.1 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.

Section 12.2 SEVERABILITY. Invalidation of any one of those covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 12.3 AMENDMENT. The covenants and restrictions of this DECLARATION shall run with and bind the PROPERTY for a term of twenty (20) years from the date this DECLARATION is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This DECLARATION may be amended at any time by an instrument signed by the OWNERS of more than seventy-five percent (75%) of the LOTS. Any Amendment must be recorded.

Section 12.4 VIOLATIONS AND NUISANCE. Every act or omission whereby any provision of this DECLARATION is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by DECLARANT, the ASSOCIATION or any OWNER.

Section 12.5 VIOLATION OF LAW. Any violation of any State, Municipal, or Local law, ordinance or regulation, pertaining to the ownership, occupation or use of any property within the PROPERTY is hereby declared to be a violation of this DECLARATION and subject to any or all of the enforcement procedures set forth herein.

Section 12.6 REMEDIES CUMULATIVE. Each remedy provided herein is cumulative and not exclusive.

Section 12.7 DELIVERY OF NOTICES AND DOCUMENTS. Any written notice or other documents relating to or required by this DECLARATION may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage pre-paid, addressed as follows: If to the ASSOCIATION, at \_\_\_\_\_; if to the ARCHITECTURAL COMMITTEE, at \_\_\_\_\_; if to an OWNER, to the address of his LOT or to any other address last furnished by the OWNER to the ASSOCIATION; and if to DECLARANT, at \_\_\_\_\_; provided, however, that any such address may be changed at any time by the party concerned by recording a written notice of change of address and delivering a copy thereof to the ASSOCIATION.

Each OWNER of a LOT shall file the correct mailing address of such OWNER with the ASSOCIATION and shall promptly notify the ASSOCIATION in writing of any subsequent change of address.

Section 12.8 BINDING EFFECT. By acceptance of a deed or by acquiring any ownership interest in any of the property subject to this DECLARATION, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this DECLARATION and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this DECLARATION sets forth a general scheme for the improvement and development of the PROPERTY and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained in this DECLARATION shall run with the land and be binding on all subsequent and future OWNERS, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this DECLARATION shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future OWNERS, DECLARATION, its successors, assigns and grantees, covenants and agrees that the LOTS and the membership in the ASSOCIATION and the other rights created by this DECLARATION shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective LOT even though the description in the instrument of conveyance may refer only to the LOT.

Section 12.9 MANAGEMENT AGREEMENTS. Any agreement for the professional management of the ASSOCIATION must by its terms be terminable by the ASSOCIATION with or without cause upon sixty (60) days written notice thereof, and the terms of any such management agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods.

Section 12.10 GENDER. The singular, wherever used in this DECLARATION, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions of this DECLARATION apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 12.11 TOPIC HEADINGS. The marginal or topical headings of the Sections contained in this DECLARATION are for convenience only and do not define, limit or construe the contents of the Sections or this DECLARATION.

Section 12.12 SURVIVAL OF LIABILITY. The termination of membership in the ASSOCIATION shall not relieve or release any such former MEMBER from any liability or obligation incurred under or in any way connected with the ASSOCIATION during the period of such membership, or impair any rights or remedies which the ASSOCIATION may

have against such former MEMBER arising out of, or in any way connected with such membership and the covenants and obligations incident thereto.

Section 12.13 CONSTRUCTION. In the event of any discrepancies, inconsistencies or conflicts between the provisions of this DECLARATION and the ARTICLES, BYLAWS, ASSOCIATION RULES or ARCHITECTURAL COMMITTEE RULES, the provisions of this DECLARATION shall prevail.

Section 12.14 JOINT AND SEVERAL LIABILITY. In the case of JOINT OWNERSHIP of a LOT, the liabilities and obligations of each of the JOINT OWNERS set forth in or imposed by this DECLARATION, shall be joint and several.

Section 12.15 ATTORNEY'S FEES. In the event the ASSOCIATION employs an attorney to enforce any lien granted to it under the terms of this DECLARATION or to collect any assessments or other amounts due from an OWNER or to enforce compliance with or recover damages for any violation of non-compliance with the PROJECT DOCUMENTS, the prevailing party in any such situation shall be entitled to recover from the other party its reasonable attorneys' fees incurred in any such action.

Section 12.16 DECLARANT'S RIGHT TO USE SIMILAR NAME. The ASSOCIATION hereby irrevocable consents to the use by any other non-profit corporation which may be formed or incorporated by DECLARANT of a corporate name which is the same or deceptively similar to the name of the ASSOCIATION provided one or more words are added to the name of such other corporation to make the name of the ASSOCIATION distinguishable from the name of such other corporation. Within five (5) days after being requested to do so by the DECLARANT, the ASSOCIATION shall sign such letters, documents or other writings as may be required by the Arizona Corporation Commission in order for any other corporation formed or incorporated by the DECLARANT to use a corporate name which is the same or deceptively similar to the name of the ASSOCIATION.

IN WITNESS WHEREOF, the undersigned, being the DECLARANT herein, has hereunto set its hand and seal this 11<sup>th</sup> day of AUGUST, 1994.

SILVER SPRINGS DEVELOPMENT CO. INC.,  
an Arizona Corporation

By: K. H. Back  
President

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BOOK 2880 PAGE 433

SEAL

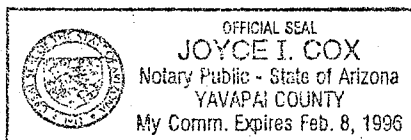
STATE OF ARIZONA )  
 ) ss.  
COUNTY OF YAVAPAI )

SUBSCRIBED AND SWORN before me this 11<sup>th</sup> day of August, 1994, by Kent R. Backus who acknowledged himself to be the President of Silver Springs Development Co. Inc., and that he, as such officer being authorized so to do, executed the above instrument for an on behalf of the Company for the purposes therein set forth.

  
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Notary Public

My Commission Expires:

2-8-96



BOOK 2905 PAGE 28

*KFB*  
EXHIBIT  
SCHEDULE A

Order No. (251) 121312

Effective Date: August 15, 1994 at 7:30 a. m.

Type of Report:

SUBDIVISION REPORT

The interest in the land covered by this report is fee.

Fee title is vested in:

SILVER SPRINGS DEVELOPMENT CO.  
an Arizona corporation

The land referred to in this Report is located in Yavapai County, Arizona, and is described as:

Lots 1 through 26 and Tract "A", SILVER SPRINGS GARDEN HOMES, according to the plat of record in the office of the County Recorder of Yavapai County, Arizona, recorded in Book 31 of Maps, Page 24.

EXCEPTING THEREFROM all oil, minerals, ores, metals of every kind and character in instrument recorded October 17, 1947 in Book 187 of Deeds, Pages 331-333.

BOOK 2905 PAGE 29

FIRST AMERICAN TITLE INSURANCE COMPANY

*Kevin McManus*  
By: Kevin McManus/llh.  
Title Examiner



Ronald N. Baird, President  
Silver Springs Garden Homeowner's Association  
631 Silver Springs Circle  
Cottonwood, AZ 86326

Yavapai County Office of the Recorder  
1015 Fair Street  
Prescott, AZ 86305

Effective December 1, 2021

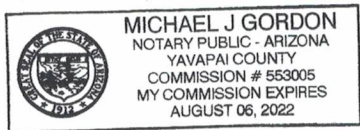
AMENDMENT TO CC&Rs

Page 14, Section 6.14

Section 6.14 RESTRICTIONS ON FURTHER SUBDIVISION, TIME SHARES, AND LEASES. No LOT shall be further subdivided or separated into smaller lots or parcels by any OWNER, and no portion less than all of any such LOT shall be conveyed or transferred by any OWNER without the prior written approval of the BOARD. Neither the ownership nor occupancy of any LOT shall be in time shares. No OWNER shall transfer, sell, assign or convey any time share in his or her LOT and any such transaction shall be void. "Time share" as used in this Section shall mean any arrangement whereby several joint owners have the right to use or occupy a LOT or any one of several LOTS under a time-sharing agreement. An OWNER may lease his or her LOT subject to the restrictions set forth herein. All leases must have a minimum term of one hundred and eighty (180) days. All leases shall be in writing and shall provide that the term of the lease shall be subject in all respects to the provisions of this DECLARATION. Short-term rentals are expressly prohibited. As used in this Section, "short-term rental" shall mean any lease or rental of any LOT (or portion of any LOT) for a period of less than one hundred and eighty (180) days.

Ronald Nelson Baird  
President

Acknowledged before me this 1st day of  
December, 2021.

  
Notary Public

FF  
\$ 6  
\$1  
\$5  
\$1  
\$1403

Ana Mayman-Trujillo, Recorder  
OFFICIAL RECORDS OF YAVAPAI COUNTY  
SILVER SPRING AVE  
PRESCOTT

B-4627 P-793  
10/17/2008 12:24P  
14.00 4272954



B-4627 P-793  
Page: 1 of 1  
REC: 4272954

Judy Haslow, Bookkeeper  
Susan Grace, President  
Silver Springs Gardens Homeowner's Association  
640 Silver Springs Circle  
Cottonwood AZ 86326

Yavapai County Office of the Recorder  
1015 Fair Street  
Prescott AZ 86305

Effective: September 20, 2008

AMENDMENT TO CC&Rs

Page 14, Section 6.10

"The BOARD shall have the right, in its sole discretion, to require all OWNERS to place their garbage or trash containers in a specific location for collection or to require all owners to subscribe to a trash collection service."

As having received approval of more than 75% of the OWNERS shall read:

"The BOARD shall have the right, in its sole discretion, to require all OWNERS to place their garbage or trash containers in a specific location for collection and/or to require all owners to subscribe to one trash collection service as specified by the BOARD."

*Susan Grace*  
Susan Grace  
President

Notary  
STATE OF ARIZONA }  
COUNTY OF YAVAPAI } SE:

Subscribed, read to and acknowledged before me by  
*Susan Grace* on this 17th day of Sept 2008

My commission expires 11/01/10  
*Valerie Carter*  
Notary Signature

*Previous Book 2905 pg 2*  
*Page 17 Sec 10*

