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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF MISSION RIDGE

(Lots 306 thru 467)

THIS DECLARATION, made: this ~ day of ~ 1984, by the PIONEER TRUST COMPANY OF ARIZONA, an Arizona corporation, as Trustee under Trust No. 11,504, and U.S. HOME CORPORATION, a Delaware Corporation, as Beneficiary, its successors and assigns, hereinafter referred to as Declarant.-

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in the County of Pima, State of Arizona, described on Exhibit A attached hereto and incorporated by reference herein, which shall hereinafter be referred to as the 'property' and

WHEREAS, said Plat designates the areas and dimension for each Lot on the property, which Lot areas are numbered 306 through 461, boundary line, and easements;

and

WHEREAS, Declarant proposes to construct individual Dwelling Units upon the subdivided portion of the property and to sell and convey the same, subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens, hereinafter set forth, each of which is for the benefit of the property and the subsequent owners thereof.

NOW, THEREFORE, Declarant hereby declares that the property is and shall be held, conveyed, encumbered, leased and used subject to the following covenants, conditions, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the property. The covenants, conditions, restrictions, uses, limitations, obligations, easements and equitable servitudes, charges and liens set forth herein shall run with the property; shall be binding upon all persons having or acquiring any interests in the property or any part thereof; shall inure to the benefit of and be binding upon Declarant, its successors in interest, and may be enforced by Declarant or its successors in interest, by an owner or his successors in interest or by any entity having an interest in their enforcement.

No provision contained herein shall be construed to prevent or limit Developer's right to complete development of the Property and construction of improvements thereon, or to modify the design of the homes or Dwelling units to be built upon said property, nor Developer's right to maintain model homes, construction, sales or leasing offices or Similar facilities on the property, nor Developer's right to post signs incidental to construction, sales or leasing, nor Developer's right to do anything that it may, in its sole discretion, deem necessary and proper for the full development of the Property.

ARTICLE I

DEFINITIONS

Unless the context otherwise specifies, or requires, the following words and phrases when used herein shall have the meanings hereinafter assigned.

Section 1.01. 'Articles' shall mean the Articles of Incorporation of the P.G.C.C.A. and amendments thereto which are, or shall be filed in the office of the Arizona Corporation Commission.

Section 1.02. 'Board' shall mean the Board of Directors of the Presidio Gardens Community Club Association.

Section 1.03. 'Bylaws' shall mean the code of rules adopted for the regulation and management of the affairs of Presidio Gardens Community Club Association, together with any amendments thereto.

Section 1.04. 'Declarant' means PIONEER TRUST COMPANY OF ARIZONA, as Trustee under Trust No. 11,504 and U.S. HOME CORPORATION, as Beneficiary, its successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 1.05. 'Declaration of Restrictions' shall mean this instrument and any amendments thereto.

Section 1.06. 'Developer' shall mean U.S. HOME CORPORATION, a Delaware

corporation authorized to do business. in Arizona, and its successors in interest pursuant to an instrument duly recorded conveying its interest as Developer.

Section 1.07. 'Dwelling unit' shall mean all of that permanent physical structure located on the property of the Owner, including but not limited to, the single-family residential dwelling and carport.

Section 1.08. 'Lot' shall mean any of the Lots 306 thru 467 shown upon the recorded Plat of the Subdivision and all improvements thereon which are conveyed or to be conveyed by Declarant or Developer.

Section 1.09. 'Member' or 'Club Member' shall mean and refer to every person and/or entity who holds membership in the Presidio Gardens Community Club Association or who has use privileges of the Club Property arising out of Lot Ownership.

Section 1.10. 'Membership Assessments' shall mean those assessments to be paid by each Owner to the administration of the Club Property or to the P.G.C.C.A. for the use and enjoyment of the Club Property and for the purpose of maintaining a fund for the operation, maintenance, management, administration and improvement of the Club Property.

Section 1.11. 'Owner(s)' or 'Lot Owner' shall mean and refer to (1) the record owner, whether one or more persons or entities, or (2) the holder of equitable or beneficial title (or 1.9.1 title, if same has merged) of any Lot under an executory contract for the sale of real property. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation, or a lessee or tenant of an Owner as defined above.

Section 1.12. 'Person' shall mean a natural individual or any other entity with the legal right to hold title to real property.

Section 1.13. 'Plat' shall mean the Subdivision Plat covering the Property.

Section 1.14. 'Presidio Gardens Community Club' or 'Club Property' shall mean all that real property described on Exhibit B attached hereto and incorporated by reference herein, and the improvements located thereon.

Section 1.15. 'Presidio Gardens Community Club Association' or 'P.G.C.C.A.' shall mean a nonprofit corporation or association or other business entity which is formed or to be formed for the operation, maintenance, management, administration and improvement of the Presidio Gardens Community Club, its successors and assigns.

Section 1.16. 'Property' or 'Subdivision' shall mean all that real property which is identified in the Plat, except for: and excluding Lots 1 thru 305 and Lots 731 thru 788. The legal description of said property is set forth on Exhibit A attached hereto and incorporated by reference herein.

Section 1.17. The 'Rules' shall mean the rules adopted by the Board pursuant to the Bylaws.

ARTICLE II GENERAL RESTRICTIONS

All property within the Subdivision shall be held, used and enjoyed subject to the following limitations and restrictions.

Section 2.01. Insurance Rates. Nothing shall be done or kept on any Lot which will increase the rate of or which will result in the cancellation of insurance on any such property or which would be in violation of any law.

Section 2.02. Signs. No signs of any kind shall be displayed which are visible from neighboring property without the approval of the Declarant, so long as the Declarant is an Owner of any Lot within the Property, except:

A. Such signs as may be required by legal proceedings:

B. Such signs as may be used by Developer in connection with the development of the Subdivision and sale of the Lots; and

C. Such signs indicating a Lot is for sale or lease not exceeding eight (8) square feet.

Section 2.03. Animals. No animals of any kind shall be raised, bred, or kept, except that a reasonable number of generally recognized house or yard pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. No animal shall be allowed to become a nuisance. A "reasonable number" as used in this Section shall mean no more than two pets per household.

Section 2.04. Trash Containers. No garbage or trash shall be placed or kept on any property within the Subdivision, except in covered containers. All rubbish, trash or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be allowed.

Section 2.05. Mail Boxes. All mail and paper delivery boxes Within the Property shall comply with standards promulgated by the United States Postal Service.

Section 2.06. Backboards. No basketball backboards of any kind shall be erected or attached, by either a permanent or temporary method, to any Dwelling Unit.

Section 2.07. Garage Doors. All garage doors of Dwelling Units shall remain fully lowered and closed at all times unless the door is being used for purposes of ingress and egress.

Section 2.08. Aerials. No aerial, for use of TV, radio or other form of communication reception, of a temporary or permanent character, which exceeds five feet (5') in height, shall be erected on any Lot or attached to the principal residence located upon any Lot in this Subdivision.

Section 2.09. Nuisances. After completion of construction of any Dwelling Units and landscaping of the Lots, no rubbish or debris of any kind shall be placed or permitted to arise there from 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 noise or other nuisance shall be permitted to exist or operate upon such property so as to be offensive or detrimental to its occupants.

Section 2.10. Unsightly Articles. No unsightly articles shall be permitted to remain so as to be visible from adjoining Lots or from the street or public way. At no time shall there be any outside storage of commercial vehicles, boats, trailers, campers, motor vehicles, mobile homes or house trailers of any type on the Property and adjacent thereto. At no time shall there be any outside storage of motor vehicles in stages of construction, reconstruction, modification or rebuilding of parts of motor vehicles such as frames, bodies, engines or other parts or accessories. Any and all items stored in a carport or garage area shall be stored so as to conceal the same from view from adjoining property or from the street or public way. Grass, shrub or tree clippings and all clotheslines, machinery, storage piles, wood piles, garbage or trash containers shall be

kept within an enclosed structure or appropriately screened from view of adjoining property or from streets or public way except when necessary to make available for collection and then, only the shortest time reasonably necessary to effect such collection.

Section 2.11. Diseases and Insect. No Owner shall permit any thing or condition to exist upon any property within the Subdivision which shall induce, breed or harbor infectious plant diseases or noxious insects.

Section 2.12. Drainage. There shall be no interference with the established drainage pattern over any property within the Subdivision unless adequate provision is made for proper drainage conforming to applicable city and county rules, regulations, ordinances, and drainage criteria, and is approved by Pima as any Lot or Dwelling Unit therein remains unsold, or to use any structure in the Subdivision as a model home or real estate sales or leasing office. The rights of Developer hereunder or elsewhere in the Restrictions may be assigned.

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ARTICLE III OWNERS' PERMITTED USES, RESTRICTIONS AND RIGHTS OF DWELLING UNITS AND LOTS

Section 3.01. Private Residential Purposes. Lots and the Dwelling Units thereon shall be occupied and used by the respective Owners solely for private residential use for the Owner, his family, tenants and social guests and for no other purpose. No gainful occupation, profession, trade, or nonresidential use shall be conducted on any such property except that Developer may maintain sales or construction offices and sales models on the Property.

Section 3.0-2. Renting. Owner shall have the right to lease or rent his Dwelling Unit provided, however, that any lease agreement, verbal or written with a tenant or lessee shall provide that any such tenant or lessee shall abide by the Rules, Bylaws, Articles, and the provisions of this Declaration. In the event any such lease agreement does not contain the provisions as described in the preceding statement, such lease agreement shall, at the option of the Declarant, be null and void.

Section 3.03. Easement for Encroachments. Each Lot shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the Developer. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event Dwelling Units are partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of the adjacent Dwelling Units due to construction shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist.

Section 3.04. Architectural Control. Following the original construction and buildout of the Property by Developer, or its assigns and successors in interest, no building, fence, wall, or other structure shall be commenced, erected or maintained upon a Lot, nor shall any exterior addition to, or change in, or alteration of a Dwelling Unit or the exterior color scheme thereof be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to

surrounding structures and topography by an architectural committee composed of three (3) or more representatives appointed by the then record owners of a majority of the Lot Owners. The appointment of the committee shall become effective through a duly recorded written instrument. Such an instrument shall also be recorded to change membership of the committee or to withdraw from the committee. In the event the committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Section will be deemed to have been fully complied with.

ARTICLE IV

PRESIDIO GARDENS COMMUNITY CLUB MEMBERSHIP AND USE PRIVILEGES

Section 4.0.1 .Club Membership. All Owners shall have privileges of the use and enjoyment of the Club Property. Such privileges shall be appurtenant to and may not be separated from ownership of any Lot. A nonprofit corporation or association or other business entity ("Presidio Gardens Community Club Association" or "P.G.C.C.A.") may be formed for the purpose of the operation, maintenance, management, administration and improvement of the Club Property. Each Owner of a Lot shall be a member of the P.G.C.C.A.

Section 4.02. Use Privileges. The Owner's membership to the Presidio Gardens Community Club shall carry with it the privilege for all members of the Owner's immediate family, if the same are residents of the Lot, to use and enjoy the facilities of the Club Property. The name of each Owner and the name of all persons in the Owner's immediate family who reside upon the Lot shall be registered by the Member with the administration of the Club Property or with the P.G.C.C.A.

If the Owner is not a resident of the Dwelling Unit located upon the Lot, then the privilege to use the Club Property shall be limited to one person for each bedroom in the Dwelling Unit and their names, likewise shall be registered with the administration of the Club Property or with the P.G.C.C.A. by the Owner.

Section 4.03. Conditional Use of Club Property. The use of the Club Property by the Owner, his family, guests, tenants or lessees is subject to the following conditions:

A. Guests. Those persons with use privileges of Club Property, by way of Lot ownership or by way of Dwelling Unit residency, may be allowed to have guests use the recreational facilities provided that such guests are accompanied by at least one (1) person holding use privileges by said ownership or residency. An additional guest fee may be charged in an amount and in a manner to be determined by the administration of the Club Property by the P.G.C.C.A.

B. Rules, Regulations, Articles, Bylaws and the Declaration. All persons and their guests using the facilities of the Club Property must abide by the rules and regulations promulgated by the administration of the Club Property or by the P.G.C.C.A., the P.G.C.C.A. Articles and Bylaws, and these Restrictions. Any person failing to abide by the foregoing may have their use privileges suspended as the administration of the Club Property or P.G.C.C.A. may see fit. In the event of a suspension of privileges pursuant to this section, there shall be no suspension or termination of the Owner's duty to pay those Membership Assessments provided for herein.

C. Security Deposit and Clean-Up Fee. The administration of the Club Property or the P.G.C.C.A. may charge a reasonable security deposit and clean-up fee for

the use of any recreational facility situated upon Club Property.

D. Special Assessment. The administration of the Club Property or the P.G.C.C.A. may impose a special assessment of not more than Fifty Dollars (\$50.00) upon an Owner for violation of the Rules by him or his family or any licensee, guest, tenant or invitee and/or to suspend the right of an Owner to use the Club Property for any period during which any assessment against his Lot remains unpaid, and, after notice and hearing by the Board, for a period not to exceed thirty (30) days for any infraction of these Restrictions, the P.G.C.C.A. Bylaws, Rules, Articles, and/or any other rules formally promulgated by the administration of the Club Property.

E. Easements. Such easements granted in favor of the general public over certain portions of the parking lots, roads and sidewalks conveyed to the P.G.C.C.A. for ingress and egress from any sales office or model home complex of Developer, or for parking incidental thereto, as may be recorded prior to conveyance of such parking lots, roads or sidewalks to the P.G.C.C.A., or as the P.G.C.C.A. may grant.

Section 4.04. Management. The Board shall control, maintain, manage and improve the Club Property as provided in this Declaration, the Articles and Bylaws. Such right and power of control and management shall be exclusive. In managing the Club Property, the P.G.C.C.A. hereby accepts all responsibility for the control, maintenance, safety and liability of such Club Property including but, not limited to, the operation and maintenance of the recreational facilities located upon the Club Property, the collection and payment of the taxes assessed by the County Assessor on Club Property and insurance coverage as provided in the Bylaws.

Section 4.05. Disclosure of Nonexclusive Use of Club Property. The use of the Club Property by the Lot Owner, the Owner's family, guests, tenants or lessees shall be nonexclusive. The Lot Owner's privilege of use and enjoyment of the Club Property may be subject to use privileges of those Lot Owners within those certain properties legally described on Exhibit C attached hereto and incorporated by reference herein.

Section 4.06. Damages. Each Owner shall be liable to the P.G.C.C.A. for any damage to the Club Property which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family and guests, both minor and adult. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several, except to the extent that the P.G.C.C.A. has previously contracted in writing with such joint Owners to the contrary. The amount of such damage shall be an assessment against the Lot and may be collected by the P.G.C.C.A. in the manner provided for the collection of other assessments.

ARTICLE V

COVENANTS FOR CLUB MEMBERSHIP ASSESSMENTS

Section 5.01. Creation of the Lien and Personal Obligation to Pay Assessments. Each Owner, by acceptance of a deed to any Lot, whether or not it shall be so expressed in such deed is deemed to covenant and agree to pay to the administration of the Club Property or, if the P.G.C.C.A. has been formed then to the P.G.C.C.A., the Membership Assessments provided for herein. The assessments provided for herein, together with interest, costs, and reasonable attorneys' fees, shall be a continuing lien upon the property against which each assessment is made, and shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment was levied. The

personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 5.02 Purpose Of .Membership Assessments. The assessments levied by the administration of the Club Property or the P.G.C.C.A. shall be used exclusively to promote the recreation, health, safety and welfare of the Members and their guests, for the improvement and maintenance of the Club Property including but not limited to the operation and maintenance of all recreational facilities located within the Club Property, and for all purposes set forth in the Articles and Bylaws of the P.G.C.C.A. and this Declaration.

Section 5.03. Uniform Rate of Assessment. Membership Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis. .

Section 5.04. Date of Commencement of Annual Membership Assessments: Due Dates. The annual, except as limited by Section 6.07 herein, Membership Assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a Lot to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors 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 in the event of its increase or decrease from the last annual assessment. The due dates of such assessments, partial payment for which may become due on a periodic basis, shall be established by the Board of Directors P.G.C.C.A. shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the P.G.C.C.A. board setting forth whether the assessment on a specified Lot has been paid. A properly executed certificate of the P.G.C.C.A. as to the status of assessments on a Lot is binding upon the P.G.C.C.A. as of the date of its issuance.

Section 5.05. Effect of Nonpayment of Assessments; Remedies of the P.G.C.C.A. Each Owner shall be deemed to covenant and agree to pay to the P.G.C.C.A. the assessments provided for herein, and agrees to the enforcement of the assessments in the manner herein specified. If an assessment is not paid within thirty (30) days after the due date, the assessment shall be deemed delinquent and shall bear interest at the rate of twelve percent (12%) per annum. Late payments shall first be credited toward interest due, then toward assessments first due. In the event the P.G.C.C.A. employs an attorney for collection of any assessments, whether by suit or otherwise, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In the event of a default in payment of any such assessment when due, and in addition to any other remedies herein or by law provided, the P.G.C.C.A. may enforce each such obligation in any manner provided by law or inequity, or without any limitation of the foregoing, by either or both of the following procedures.

A. Enforcement by Suit. The Board may cause a suit at law to be commenced and maintained in the name of the P.G.C.C.A. against an Owner to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of delinquency, together with interest thereon at the maximum rate permitted by law from the date of the delinquency until paid, court costs, and reasonable attorney's fees in such amount as the court may adjudge against the delinquent Owner or Member.

B. Enforcement by Lien There is hereby created a right of claim of lien, with power of sale, on each and every Lot to secure payment to the P.G.C.C.A. of any and all assessments levied against any and all Owners together with interest thereon at the maximum rate permitted by law per annum from the date of delinquency until paid, and costs of collection which may be paid or incurred by the P.G.C.C.A. in connection therewith, including reasonable attorneys' fees. At any time within ninety (90) days after the occurrence of any default in the payment of any such assessment, the P.G.C.C.A., or any authorized representative may, but shall not be required to, make a written demand for payment to the defaulting Owner, on behalf of the P.G.C.C.A. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for demand or claim or 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, or, even without such a written demand being made, the P.G.C.C.A. may elect to file such a claim of lien on behalf of the P.G.C.C.A. against the Lot of the defaulting Owner. Such a claim of lien shall be executed and acknowledged by an officer of the P.G.C.C.A., and shall contain substantially the following information:

- (1) The name of the delinquent Owner;
- (2) The legal description of the Lot against which claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of delinquency, interest thereon, collection costs, and reasonable attorneys' fees (with any proper offset allowed);
- (4) That the claim of lien is made by the P.G.C.C.A. pursuant to this Declaration: and,
- (5) That a lien is claimed against said Lot in an amount equal to the amount stated.

Upon recordation of a duly executed original or copy of such a claim of lien, and mailing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective in favor of the P.G.C.C.A. as a lien upon the Lot. Such a lien shall have priority over all claims of liens created subsequent to the recordation of the claims of lien thereof, except only tax liens for real property taxes on any Lot, assessments on any Lot in favor of any municipal or other governmental assessing unit, and the lien of any first mortgage. Any such lien may be foreclosed by appropriate action in Court or in the manner provided by law for the foreclosure of a realty mortgage or trust deed as set forth by the laws of the State of Arizona, as they may be changed or amended. The lien provided for herein shall be in favor of the P.G.C.C.A. and shall be for the benefit of all other Owners. The P.G.C.C.A. shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner hereby expressly waives any objection to the enforcement and foreclosure of this lien in this matter. Notwithstanding the foregoing, the failure by Owner to pay assessments provided for herein shall not constitute a default under any federally insured mortgage.

Section 5.06. No Exemption of Owner: No Owner is exempt from liability or payment of assessment by waiver of the use at enjoyment of the Club Property, or by

abandonment of his Lot except as specifically provided in Section 6.07.

Section 5.07. Subordination of the Lien to Mortgages. The lien of the assessment provided for: herein 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 mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer of a Lot shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 5.08. Mortgage Protection and Additional Assessment as Common Expense. Notwithstanding and prevailing over any other provision of this Declaration, or the P.G.C.C.A. Articles or Bylaws, or the Rules, the following provisions shall apply to and benefit each holder of a first mortgage upon a Lot (called the first mortgagee):

A. The first mortgagee shall not in any case or manner be personally liable for the payment of any assessment or charge, nor for the observation or performance of any covenant, restriction, regulation, rule, article or bylaw, except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, except as hereinafter provided.

B. During the pendency of any proceeding to foreclose the first mortgage, including any period of redemption, the first mortgagee (or receiver appointed in such action) may, but need not, exercise any or all of the rights and privileges of the Owner of the mortgaged Lot, including but not limited to the right to vote as a Member of the P.G.C.C.A. to the exclusion of the Owner's exercise of such rights and privileges.

C. At such time as the first mortgagee shall become record Owner of a Lot, said first mortgagee shall be subject to all of the terms and conditions of these Restrictions, including but not limited to the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any Owner.

D. The first mortgagee, or any other party acquiring title to a mortgaged Lot through foreclosure suit or through any equivalent proceeding such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title to the mortgaged Lot free and clear of any lien authorized by or arising out of any of the provisions of this Declaration or Bylaws which secures the payment of any assessment for charges accrued prior to the final conclusion of any such foreclosure suit or equivalent proceeding, including the expiration date of any period of redemption, except as follows: Any such unpaid assessment against the Lot foreclosed against may be treated as an expense common to all of the Lots, which expense may be collected by a pro rata assessment against each of the Lots, including the Lot foreclosed against and which pro rata assessment may be enforced as a lien against each Lot in the manner provided for other assessments.

Any such unpaid assessment shall nevertheless continue to exist as the personal obligation of the defaulting Owner of the respective Lot to the P.G.C.C.A., the Board shall use reasonable efforts to collect the same from the Owner even after he is no longer a Member of the P.G.C.C.A. There shall be a lien upon the interests of the first mortgagee or other party which acquires title to a mortgaged Lot by foreclosure suit or by equivalent procedures for all assessments authorized by these Restrictions which accrue and are assessed after the date the acquirer has acquired title to the Lot free and clear of any right of redemption.

ARTICLE VI
GENERAL PROVISIONS

Section 6.01. Term. The covenants, conditions, and restrictions of this declaration shall remain in full force and effect for a period of twenty (20) years from the date this Declaration is recorded. Thereafter, they shall be deemed to have been renewed and automatically extended for successive periods of ten (10) years each.

Section 6.02. Amendments. This Declaration may be amended by an instrument in writing signed and acknowledged by the President and Secretary of the P.G.C.C.A. certifying that such amendment has been approved by the vote or written consent of the then Owners of not less than two-thirds (2/3) of the Lots and such amendment shall be effective upon its recordation with the Pima County Recorder. Notwithstanding the above, as long as Declarant is the Owner of any Lot, then no amendment shall be made without Declarant's consent. Regardless of whether the Declarant is the Owner of any Lot, any amendment to the Declaration which affects the Owner's rights or obligations with respect to the Club Property or the P.G.C.C.A. shall require the prior approval of the Declarant. If the Subdivision is approved by the Federal Housing Administration or the Veterans Administration, then any amendment to this Declaration shall require the prior approval of the Federal Housing Administration or the Veterans Administration as long as there is a Class 13 membership in the P.G.C.C.A., or if the P.G.C.C.A. has not yet been formed, as long as the Developer holds a legal, equitable or beneficial interest in or title to the Club Property.

Section 6.03. Exercise of Declarant's Rights. U.S. Home Corporation, as beneficiary of Pioneer Trust No. 11,504, shall have the complete authority to exercise Declarant's rights arising out of this Declaration, the Articles or Bylaws, unless such exercise directly affects title to the Property or the Club Property.

Section 6.04. Enforcement and Non-Waiver.

A. Enforcement. Except as otherwise provided herein, the P.G.C.C.A., or any Owner, shall have the right to enforce by 'any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by provision of this Declaration.

B. Prerequisite to Litigation. In the event of a dispute between an Owner, the P.G.C.C.A., Declarant or Developer, the complainant, as an absolute condition precedent to instituting a legal action against respondent, must first serve notice in writing on respondent in the manner hereinafter provided, advising him of the alleged grievance, the action or results desired and a date and time convenient for a meeting; the respondent shall have a minimum of fifteen (15) days, but not to exceed thirty (30) days, from receipt of said notice, in which to schedule a meeting for the purpose of arriving at a settlement of the controversy with complainant.

C. Violation 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 Developer, the P.G.C.C.A. , or any Owner or group of Lot Owners within the Subdivision.

D. Violation of Law. Each and every provision of this Declaration

and any amendment hereto shall be subject to all applicable state, county, municipal or local ordinances and Sub-division regulations and any future amendments thereto. Any violation of any state, county, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Subdivision is hereby declared to be a violation of these Restrictions and subject to any or all of the enforcement procedures set forth herein or in the Bylaws.

E. Remedies Cumulative. Each remedy provided by these Restrictions is cumulative and not exclusive.

F. Non-Waiver. Failure by Declarant, the P.G.C.C.A. or by any Owner to enforce any of the provisions of these Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provisions of these Restrictions.

Section 6.05. Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat and render invalid the rights of the beneficiary under any Deed of Trust or mortgage upon a Lot made in good faith for value, and recorded prior to the recording of such amendment, provided that after the foreclosure of any such Deed of Trust or mortgage such Lot shall remain subject to this Declaration as amended.

Section 6.06. Construction.

A. Interpretation. The provisions of this Declaration shall be literally construed to effectuate their purpose of creating a uniform plat for the development and operation of the Subdivision. This Declaration shall be construed and governed by the laws of the State of Arizona.

B. Restriction Severable. Notwithstanding the provisions of the foregoing paragraph A, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

C. Rule Against Perpetuities. In the event the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for: which the same shall be effective, then in that event said periods of time shall be reduced to a period of time which shall not violate the rules against perpetuities as set forth in the laws of the State of Arizona.

D. Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

E. Captions. All captions and titles used in this Declaration are intended solely for convenience or reference purposes only and in no way define, limit, or describe the intent and meaning of the provisions hereof.

Section 6.07. Savings Clause and Obligation of Developer to Pay Assessments. Notwithstanding anything stated herein to the contrary, Developer shall have full and complete authority to perform such acts which it deems necessary for the development, and sale of Lots and Dwelling Units within the Subdivision. Developer shall only be responsible for payment of any assessments established pursuant to this Declaration or the Bylaws on Completed Lots owned by Developer, excepting Lots with improvements thereon used by Developer as models and sales office. For purposes of this Section 6.07

"Completed Lots" shall mean any Lot with a Dwelling Unit ready for occupancy as a home that is in the condition of any other Dwelling Unit sold to persons living in the Subdivision (e.g., carpet, kitchen countertops and cabinets, plumbing and lighting fixtures, etc., installed).

Although Developer may contribute to the maintenance of the Club Property, it is understood that Developer is not and shall not be held liable for the payment of any assessment provided for in this Declaration or Bylaws by virtue of its ownership of Lots within the Subdivision unless such ownership is of Completed Lots as herein defined, and that Developer's failure to pay said assessments shall not give rise to any right of imposing any lien or encumbrance upon Lots Owned by Developer as security for the payment of said assessment unless Developer has failed to pay said assessments on Completed Lots as herein defined.

Section 6.08. 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 seventy-two (72) hours after a copy of same has been deposited in the United States mail; postage prepaid, certified or registered mail addressed as follows: If to the P.G.C.C.A. to:

Presidio Gardens Community Club Association
C/o U.S. Home Corporation
5363 E. Pima Street, 2nd Floor
Tucson, Arizona 85712

If to an Owner, to the address of any Lot within the Subdivision owned, in whole or in part, by him or to any other address last furnished by an Owner to the P.G.C.C.A.; and if the Declarant:

U.S. Home Corporation
5363 E. Pima Street, 2nd Floor
Tucson, Arizona 85712

provided, however, that any such address may be changed at any time by the party concerned by delivering written notice of change of address to the P.G.C.C.A. Each Owner of a Lot shall file the current mailing address of such Owner with the P.G.C.C.A. and shall promptly notify the P.G.C.C.A. in writing of any subsequent change of address.

Section 6.09. Right to Change Project Name. For purposes of this Declaration and the Bylaws, the project has been named Mission Ridge. Declarant hereby reserves the right to change the name of the project to any other name of its choosing at any time in the future.

Section 6.10. FHA/VA Approval. As long as there is Class 9 membership in the P.G.C.C.A. as provided for in the Articles of Incorporation for the P.G.C.C.A., the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Club Property, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 6.11. Binding Effect. By acceptance of a deed or acquiring any ownership interest in any of the property included within 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, all of the provisions, restrictions, covenants, conditions, rules or regulations now or hereafter imposed by this Declaration and amendments thereof. In addition each such person by so

doing thereby acknowledges that this Declaration sets forth a general scheme for the Property and hereby evidences his interest that all restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, granters, purchasers, assignees, 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.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

IMPORTANT NOTICE: THIS DECLARATION AS PRESENTED HERE IS INTENDED FOR CONVENIENCE ONLY AND IS NOT LEGALLY BINDING IN ELECTRONIC OR PRINTED FORM. PLEASE REFER TO THE ORIGINAL DOCUMENTS, DENOTED BY THE CORPORATE SEAL OF PRESIDIO GARDENS COMMUNITY CLUB ASSOCIATION.