

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
Amended November 20, 2008
Revised January 13, 2011**

KNOW ALL MEN BY THESE PRESENTS:

That Palm Lakes Village, Incorporated, hereinafter referred to as "PLV, INC." is incorporated under the laws of the State of Arizona, as a nonprofit corporation for the purpose of exercising functions hereinafter set forth.

WHEREAS, in accordance with Declaration Article XIII-F, PLV, Inc., does hereby supersede all previous Declarations and Amendments thereto, as herein referenced, with this Declaration of Covenants, Conditions and Restrictions.

Ref. 1. Declaration re Unit # 1, dkt. #8708. pages #855 thru #860.

Ref. 2. Amendment to Declaration re Unit #1, dkt. # 8791, page #135.

Ref. 3. Declaration re Unit #2, dkt. #9105, pages #92 thru #103.

Ref. 4. Declaration re Unit #3, dkt. #10429, pages #43 thru #52.

Ref. 5. Declaration re Unit #4, dkt. #10429, pages #53 thru #57.

Ref. 6. Amendment to Declaration re Units #1, 2, 3 and 4, dkt. #13417, pages #1519 and #1520.

WHEREAS, PLV, INC., is a private community of three Hundred Sixty three (363) residential lots and certain common properties intended to be devoted to the common use and enjoyment of the lot owners of PLV, INC. The common and cul-de-sacs, parking areas, certain common utilities, recreational buildings, facilities, security walls and gates and other common areas.

WHEREAS, PLV, INC., does hereby certify and declare that it is the owner of said common properties and shall provide for the preservation of the values and amenities of the community and common properties and for the maintenance of the common properties, all as hereinafter specifically provided for in the Declaration of Covenants, Conditions and Restrictions.

WHEREAS, PLV, INC., provides for a Board of Directors, as elected by the residents, to be delegated and assigned the powers of maintaining and administering the community properties and facilities, administering and enforcing the Declaration of Covenants, Conditions and Restrictions, collecting and disbursing the assessments and charges hereinafter created.

WHEREAS, PLV, INC., declares that the real property described in Article II is and shall be held subject to the covenants, conditions and restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I. DEFINITIONS: The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

- A) "PLV, INC." shall mean and refer to PALM LAKES VILLAGE INC., the name of Palm Lakes Village owners association, a nonprofit Arizona corporation.
- B) "Owner" shall mean and refer to person or persons who purchase one or more lots for either cash or on contract, and their heirs, executors, administrators, successors, and assigns, whether one or more persons share in the ownership or buyer's interest in said purchase, but notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgage or beneficiary under a deed of trust unless and until such mortgage or beneficiary has acquired title pursuant to foreclosure, any proceeding in lieu of foreclosure, or through exercise of a power of sale, as the case may be.
- C) "The Properties" shall mean and refer to all such properties as are subject to this Declaration under the provision of Article II, hereof.
- D) "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties and intended to be devoted to the common use and enjoyment of the owners of the Properties. Common properties include buildings, recreational facilities, etc., located on the common land.
- E) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties intended to be devoted to the sole use of the owner for residential use, and specifically excludes Common Properties as here above described.
- F) "Member" shall mean and refer to all those owners who are members of PLV, INC., as provided in Article IX hereof.
- G) "Qualified Member" shall mean and refer to all those members of PLV, INC., who are qualified to cast a vote in the affairs of PLV. INC. on the basis of one vote per lot. No more than one owner from each lot or unit may serve as a Director on the Board of Directors at any one time.

ARTICLE II. PROPERTIES SUBJECT TO THIS DECLARATION ARE HEREIN DESCRIBED: The real property which is, and shall be (except as hereinafter specifically provided) held, transferred, sold, conveyed, an occupied subject to this Declaration is described as being Lots One (1) through Three Hundred Sixty-Three (363) inclusive, and all common Properties pertaining thereto, in Palm Lakes Village, a subdivision of Maricopa County, Arizona, according to the maps thereof of record in the Office of the Maricopa County Recorder in Book 138 at page 15, Book 143 at page 22, Book 162 at page 25 and Book 164 at page 28.

ARTICLE III. USES PERMITTED: The said lots in Palm Lakes Village are for, and may be used only for the following residential use, and only one single story dwelling unit is permitted on each lot.

- A) Single Family Mobile Home and/or manufactured home. Commercial, professional and business activities are permitted only when conducted entirely within the home or attached buildings, and no signs related thereto shall be permitted on any lot or residence in Palm Lake Village, and provided further that such business does not result in a noticeable increase of vehicular traffic or in any way disturb the residential environment through unsightly, noisy or other intrusive activity as determined by the Architectural Committee and/or the Board of Trustees.
- B) Residency in Palm Lakes Village is specifically limited to adults; each mobile home and/or manufactured home shall be occupied by at least one member or owner not less than 55 years of age, and no person less than 19 years of age shall reside permanently in Palm Lakes Village.
- C) The Board of Directors shall establish rules and regulations with respect to visitor's rights, including use of the common facilities in Palm Lakes Village and the maximum duration of visit. No visitor of less than 19 years of age may stay in Palm Lakes Village for more than seven days during any month without written consent of PLV, INC., and in no event shall such a visit exceed 30 days.
- D) No lot (including the living unit thereon) shall be rented or leased. At least one person who is an owner or family member of an owner shall occupy the lot. This restriction shall not apply under the following circumstances:
 - 1. Regarding a lot which was a rental at the time this restriction was adopted, such lot shall be exempt from this restriction until the lot is sold or the owner(s) die or 10 years expire, from the time that this restriction was adopted, whichever first occurs. To enjoy this exemption, the owner(s) of the lot in question must submit an application with a copy of the existing lease on the lot or a copy of a lease on the lot which expired within one year prior to the adoption of the restriction. Such application must be submitted to the association within two (2), months after the adoption of this Restriction. If the Board determines that the lease is authentic, the President shall issue a letter of exemption to the owner(s), a copy of which shall also be signed by the owner(s) agreeing to be bound by this restriction.
 - 2. In case of extreme hardship, the owner(s) suffering the extreme hardship may apply to the Board of Directors for a one-year exemption from this restriction. If the Board determines in its sole and absolute discretion that an extreme hardship exists, an exemption shall be granted to the owner(s) by the Board permitting a one-year lease of the lot. If the extreme hardship continues beyond one year, new applications may be submitted for additional one-year exemption (s).

3. If no consideration of any kind is being paid or otherwise transferred in any manner by the occupants to the owner(s), then said occupancy shall not be considered a rental or lease hereunder. However, it shall be presumed that occupants are paying or otherwise transferring consideration to the owner(s), and the burden of proof shall be on the owner(s) to explain to the Board why the occupant (s) are not paying rent.

Article III, D Amended July 23, 1999

- E) No vacant lot may be used for the parking of any type vehicle or any other parking or storage uses.
- F) In the event that a home is removed from a lot in PLV, the resulting hole on said lot must be filled in or another home placed over said hole within thirty (30) days from the date of removal. Also, the lot must be maintained in the condition specified in Article VII, Paragraph (A) and Article XI, Paragraph (A).

ARTICLE IV. SANITARY REQUIREMENTS: All mobile homes and/or manufactured home shall be equipped with standard plumbing facilities, including toilet, bath or shower and kitchen sink, and all sewage and waste water produced on the premises shall be disposed of by adequate waste disposal systems connected to City of Phoenix sewage facilities.

ARTICLE V. SET BACK LINES: No mobile home and/or manufactured home, including additions or appurtenances, will be placed on any lot except within the maximum land area for mobile home and/or modular home units which is described as being that area which is contained within the minimum set back lines for lots over 95 feet in depth, and for lots up to 95 feet in depth, as Follows:

	Over 95' in depth	Up to 95' in depth
A) Front set back line	20 ft.	12 ft.
B) Rear set back line	10 ft.	10 ft.
C) Side set back line	5 ft.	5 ft.

But subject to the following exceptions: The side set back line for all lots lying parallel to the perimeter wall shall be ten (10) feet on that side of said lots which is adjacent to the perimeter wall. The set back for the opposite side shall remain five (5) feet.

ARTICLE VI. SIZE, CONDITION, APPEARANCE AND SITING OF MOBILE HOMES AND/OR MANUFACTURED HOMES AND OTHER STRUCTURES IN PALM LAKES VILLAGE:

- A) No mobile home and/or manufactured home having less than seven hundred and fifty (750) square feet of living space, or less than fourteen (14) feet in width, exclusive of Cabanas, Ramadas, Porches and carports shall be permitted on any lot. All single wide mobile homes and/or manufactured home shall be installed with two (2) concrete slabs of minimum width of ten (10) feet each. One such slab must be full length from

the curb to the rear of the mobile home and/or manufactured home. The other such slab must be not less than one-half the length of the mobile home. Patio covers must be full length on the driveway side of the mobile home and/or manufactured home. The opposite side patio cover must be a minimum of one-half the length of the mobile home, and must run from the front of the mobile home and/or manufactured home. The restrictions contained in this Paragraph (A) shall pertain only to homes installed in Palm Lakes Village on and after April 15, 1984.

- B) All mobile homes and/or manufactured home placed on lots in Palm Lakes Village shall be sunken so as to hide the wheels or undercarriage used for transport so that the unit sits in compliance with the City of Phoenix mobile home installation code.
- C) Mobile homes and/or manufactured home, double-wide and triple-wide shall be permitted on any lot as long as they comply with Article V. These mobile homes and/or manufactured home shall be installed with a minimum of one concrete covered vehicle parking area.
- D) All mobile homes and/or manufactured home shall be new, effective as of April 15, 1984. The appearance of all mobile homes and/or manufactured home and other structures and buildings shall be approved in writing by PLV, INC., prior to placement or erection on any lot. The approval of this permit is intended to be in addition to, and not in lieu of, any required municipal and county building codes and building permits, if applicable.
 - (1) Prior to the removal of a mobile home and or the installation of a new mobile home and/or manufactured home, the owner shall pay to PLV. INC. a performance deposit in the amount of not less than seven hundred and fifty (\$750). Payment of the performance deposit shall be made at the time of submission of the construction permit to PLV. INC.
 - (2) Patios, and porches may or may not be covered. A garage or covered carport shall be installed on all lots and shall comply with the applicable provisions of the City of Phoenix Building code
 - (3) Such appurtenances shall be attached directly to the dwelling unit unless PLV, INC. should consent in writing to the installation or erection of detached structures. All said structures and buildings including said appurtenances and including all storage sheds and utility buildings whether attached or detached, shall be of a style or design that is complimentary in style, colors and materials with those of the dwelling unit, which determination shall be within the sole discretion of PLV, INC. All materials used for the construction of said appurtenances and other structures shall be "new material" and must be approved in writing by PLV, INC.
- E) There shall be no wall, fence or hedge higher than thirty (30) inches constructed or maintained on any lot more than sixty (60) feet from the rear lot line. No fence or hedge shall be more than six (6) feet in height and no chain link or other wire mesh

type fencing material or snow fence type fencing shall be used for any fences. Any variance as to height and locations of walls, fences or hedges and/or materials used in all fences or walls shall be approved in writing by PLV, INC., prior to installation. At the discretion of PLV, INC., and with its approval in writing, adjacent lot owners may install a wall, fence or hedge on a common property line.

- F) Any exterior lighting erected on any lot shall be shaded so as to not create a nuisance to the owners of adjacent lots, as determined by PLV, INC.

ARTICLE VII. UTILITY DRAINAGE AND ACCESS EASEMENTS: No structures of any kind or nature shall be placed, erected, permitted or maintained on, over or across the set backs or easements or reservations for utilities, drainage or access as shown by the subdivision map; nor shall any planting of trees or shrubs within the recorded easement areas be made except by written consent of PLV, INC. The area within the easement areas of each lot and all improvements in said areas shall be maintained continuously by the owner of said lot.

ARTICLE VIII. SPECIFIC PROVISIONS:

- A) It shall be the responsibility of the owners to keep their lot neat and clean, free of weeds and trash, lawn mowed, or landscaped in naturally colored rock, or dust free_desert landscaping, or other types of landscaping deemed reasonable and compatible to surrounding lots by PLV, INC., and the improvements on their lot in a state of repair in such a way as not to destroy or impair the esthetic qualities of Palm Lakes Village.
- B) All lot owners shall complete all construction as approved on the original New Home Construction Permit, including dust free ground cover, within 90 days from the date of approval for occupancy.
- C) PLV, INC., shall not be liable for any loss or damage to a mobile home and/or manufactured home or personal property while located or situated within Palm Lakes Village by fire, accident, theft, or any cause whatsoever.
- D) PLV, Inc., prohibits all soliciting and specifically reserves the right to control delivering and pedestrian and vehicular traffic within Palm Lakes Village on commonly owned streets, cul-de-sacs and other areas. At the discretion of the Board of Directors of PLV, INC., gatehouses may be installed at the main entrance into Palm Lakes Village and manned or staffed with competent security officers.
- E) Electricity, gas and water serving each lot shall be individually metered and/or served by the public or city utilities, and shall be payable by the lot owner, as shall be the cost of connections to these utilities and to the City of Phoenix sewage facilities from any location within the lot boundary to the proper utility and sewer mains provided by the developers.
- F) All exterior antennas shall be mounted on the rear of mobile homes and/or manufactured home and they shall extend no higher than thirty-six (36) inches above the highest point of the mobile home.

- G) Maintenance and other cost-type work, as authorized by the Board of Directors, shall be covered by written contracts with licensed contractors that have adequate insurance for accident liability, etc. Maintenance and other type work, as authorized by the Board of Directors, performed by volunteer residents shall be on a non-paid basis to avoid an employer and employee relationship and the reporting requirements related thereto. Examples: payroll withholding taxes, employee insurance, etc.
- H) There shall be no "For Sale" signs of any size, type or shape displayed on any lot within Palm Lakes Village without written permission from PLV, INC.
- I) There shall be no new or additional construction of buildings, fences, or other structures or modifications to existing building, fences, or other structures without written approval of the PLV, INC., and such written approval may be withheld, within the sole discretion of PLV, INC., upon its determination that said proposed construction or modification is not complimentary in size, style, design, color or materials with in the dwelling unit or that the proposed size, style, design or material is not complimentary to neighboring dwelling units or structures, or that said construction or modification would otherwise impair the esthetic quality of Palm Lakes Village. In addition, any such written approval which is granted may be specifically conditioned upon the actual construction or modification of any building, fence or other structure of a particular size, style, design, color, and/or with use of particular building materials, as specified therein
- J) No storage of any kind will be permitted around the mobile home and/or manufactured home or within the lot boundaries except in utility building(s) approved by PLV, INC., in writing.
- K) No drying lines for the drying of wash will be permitted on any lot. No laundering will be permitted on the lot except inside the mobile home and/or manufactured home, or other structure, provided city-approved plumbing facilities are installed.
- L) A mail box showing the owner's name sign will be permitted under common specifications to be determined by PLV, INC. No other signs or advertisements will be permitted on the mail box or its support.
- M) All garbage and trash shall be placed in containers meeting the specifications of the City of Phoenix.
- N) All personal vehicles, to include, but not limited to, cars, trucks, golf carts, motorcycles, and motor scooters, must be fully parked on the owner's lot and in the carport or on a driveway or *on a patio*. No in-street and cul-de-sac parking will be permitted at any time other than for approved deliveries, pick-ups, short-time parking, and short-time visitors-except in established parking spaces. All other vehicles including, but not limited to dune buggies, boats, boat trailers, utility trailers, pickup campers, travel trailers, and motor homes shall be fully parked under the carport cover, not to exceed the heights of a single vehicle. However, the parking of oversized vehicles, such as

motor homes, boats and travel trailers under the carport that necessitates the carport's roof to be raised from its normal height to accommodate such vehicle, shall require the installation of side awnings or shields on the outside and end of the carport, as approved by the Board of Directors.

- O) No lot or lots shall be re-subdivided except for the purpose of combining two or more lots into one home-site, providing, however, that no additional or smaller lot is created thereby.
- P) No animals, fowl or reptiles shall be kept within the confines of Palm Lakes Village except household dog, cat or bird pets owned by the owner of the lot on which they are kept; no animal shall be allowed off the lot of the owner except on a hand held tethered leash, and no dog, cat or bird pet shall be kept on any lot by anyone if, in the discretion of PLV, INC., that pet is or becomes a nuisance, threat or otherwise is objectionable to surrounding property owners. It is the owner's specific responsibility to clean up after their pet.
- Q) Members of Palm Lakes Village shall be responsible for the conduct of their guests who are visiting Palm Lakes Village. The members shall also be financially liable for any property damage inflicted by their guests to PLV, INC. properties as may be determined justified by the Board of Directors.
- R) Three lots from the common grounds of Palm Lakes Village shall be set aside as a storage area for parking oversized, (defined as not fitting under the owners, carport) recreational conveyances such as motor homes, travel trailers, fifth wheels and boats. Usage assignments shall be made by the Board of Directors on a first-come request basis. Recreational vehicle owners who cannot be accommodated in the storage compound shall park such vehicles under carports on their own lots or outside of Palm Lakes Village. A storage fee as determined by the Board of Directors may be charged to owners using this facility.

ARTICLE IX. PROPERTY OWNERS' ASSOCIATION: The owner of each lot in Palm Lakes Village, by right of buyer's interest, shall automatically become a member of an owners' association, PALM LAKES VILLAGE, INC., a nonprofit Arizona Corporation, hereinafter referred to a PLV, INC., and each owner of any lot by acceptance of a deed or other instrument conveying a buyer's interest and/or ownership, whether or not it shall be so expressed in such deed or other conveyance, is deemed to covenant and agree as follows:

- A) To be obligated to maintain said membership in PLV, INC. and abide by the rules and regulations and to pay all assessments as provided for in this Declaration and the Articles of Incorporation and Bylaws of PLV, INC., until such time as his ownership for any reason ceases. Membership in PLV, INC., shall entitle the member to the use of all commonly owned social and recreational buildings, facilities, areas, streets and cul-de-sacs subject to the rules and/or policies established by PLV, INC., and so long as the member complies with all provisions stated in this Declaration and the Articles of

Incorporation of PLV, INC., and its Bylaws and all rules and regulations adopted there under and subject to the right of PLV, INC., to charge reasonable admission and other fees for the use of any recreational facility. Any lot owner may delegate the right of enjoyment to the common areas and facilities to family members, or to other persons who reside in the dwelling on said owner's lot or lots, providing, however, said family members, and other persons shall agree to abide by the same rules and regulations applicable to regular members of PLV, INC., and providing the owner of said lot is not in violation of this Declaration regarding said lot.

- B) A member of PLV, INC., shall receive one (1) additional membership for each additional lot owned of record or being purchased by contract, and shall be entitled to one vote in PLV, INC., affairs for each lot so owned.
- C) The term qualified member shall refer to members who are not in violation of the Declaration of Covenants, Conditions and Restrictions.
- D) PLV, INC., will hold title to all permanent common grounds, including recreational buildings, facilities, lakes, parks, streets and cul-de-sacs as a single and inseparable property.

ARTICLE X. PROPERTY OWNER ASSESSMENTS: All residential lots in Palm Lakes Village shall be subject to regular and special annual assessment charges in such amount and commencing at such date as shall be determined by PLV, INC. Assessments are due and payable in advance of the first of each month and are delinquent 15 days thereafter.

- A) Regular Annual Assessments. Said annual charges shall be in payment to PLV, INC., or its designee for the specific services and utilities provided or contracted for by PLV, INC., for:
 - 1) The acquisition, management and maintenance of streets, utilities, lakes, social and recreational buildings and facilities, landscaping and landscape irrigation of commonly owned areas.
 - 2) The payment of real and personal property taxes on commonly owned property, and fire, casualty and public liability insurance premiums covering all commonly owned property.
 - 3) The establishment and maintenance of reserve funds for repair, maintenance, taxes, insurance, management, administrative and other charges that PLV, INC., shall deem prudent in the best interest of the owners. Reserves sufficient to maintain the common property of PLV. INC. shall be set aside annually by the Board of Directors. These reserve amounts shall be included as specific reserve allocations in the budget each year.
 - 4) Any other service and facilities as may be made available by PLV, INC., in serving the best interest of the owners.

5) The regular annual assessment charges shall be forty dollars and eighty cents (\$40.80) per month per lot. Said charges may be increased from time to time, as cost factors dictate, by the affirmative vote of sixty (60) percent of the qualified members of PLV, INC., casting ballots. Notwithstanding the foregoing, the annual assessment may be increased at the beginning of each fiscal year by the amount of the most recent annual cost of living percentage used by the United States government in determining Social Security increases, so long as the board of Directors shall, on an annual basis, ratify such increase.

Voter Approved February 7, 2002

- B) Special Annual Assessments. said special annual assessments charges shall be in payments to PLV, INC., or its designee for the specific services and utilities provided or contracted for by PLV, INC., for:
- 1) The construction of additional recreational or other commonly owned buildings, facilities and areas, or the alteration, modification, demolition, or removal of existing recreational or other commonly owned facilities, from time to time, at the discretion of PLV, INC., when it appears in the best interest of the owners.
 - 2) The full one-time cost, or the total annual amortized cost, of any special annual assessments (including interest expense based on a maximum loan term of ten (10) years) shall not exceed ten (10) percent of the regular annual charge assessed the lot owners during the preceding twelve-month period.
- C) The pro rata share for each lot of the total regular annual assessment charge, or the total special annual assessment charge, if any (exclusive of any individual assessments provided for in Article XI) determined by PLV, INC., shall cover the actual cost incurred by PLV, INC., in discharging its duties as authorized by the Articles of Incorporation and described herein. Each lot's pro rata share of regular and/or special assessments shall be that portion of the total cost incurred by PLV, INC., which is in a ratio that one lot bears to the total number of lots three hundred and sixty three (363), not including the storage compound lots shown on the recorded subdivision maps. The amount of such annual assessments shall be established annually by the Board of Directors of PLV, INC., who shall also establish a fiscal year as being twelve (12) months ending October 31.
- D) Each owner for himself, his heirs, executors, administrators, successors and assigns, covenants and agrees that any assessments, including individual assessments per Article XI, not paid when due shall be deemed delinquent and shall bear penalty, at the rate of five dollars (\$5.00) a month per month, and the owner shall be personally liable for the assessment and penalty thereon together with all cost incurred by Palm Lakes Village, Inc. in collecting the same, including reasonable attorney's fees. The assessment lien provided for in Paragraph XII herein shall secure the amount of such penalty, cost and attorney's fee.

ARTICLE XI. INDIVIDUAL ASSESSMENTS: Any owner of a lot in Palm Lakes Village shall be individually assessed in such amount, and shall be personally liable for payment thereof, as shall be determined by PLV, INC., in recovering its total costs incurred by enforcing any condition, restriction or covenant contained in this Declaration.

- A) Individual assessment for violation of Restrictions. In the event the owner of a residential lot fails to maintain his lot (including the exterior of the improvements thereon and the yard and landscaping) in a neat, clean and reasonable state of repair, PLV, INC., through its agents, employees and/or independent contractors, shall have the right and each owner expressly grants and assigns PLV, INC., the right (subject to prior notices hereinafter set forth) to enter upon said owner's lot and maintain, repair, rehabilitate and restore the lawn, landscaping, patio and exterior of any and all buildings and/or other structures, including any appurtenances attached thereto, located thereon to the condition deemed satisfactory to the Board of Directors of PLV, INC. The cost thereof shall be charged against and collected from the owner of the lot, the amount thereof to be paid by the owner within thirty (30) days from the date of the invoice sent to the owner, and said amount further shall be secured by and subject to all provisions regarding the assessment lien as provided in Article XII.
- B) Prior to exercising the aforesaid right of restoration, PLV, INC., shall give written notice to the owner of said lot specifying the necessary repairs, maintenance, rehabilitation or restoration to be undertaken and granting the owner thirty (30) days to accomplish the same. If, at the end of said period, the work required to be performed has not been completed, or not completed in a manner that is satisfactory to PLV, INC., then PLV, INC., shall have the right as set forth hereinbefore to make such repairs, maintenance, rehabilitation or restoration. Nothing contained herein shall be construed granting to PLV, INC., any right to enter into or inside any building or mobile home located on a lot without the owner's consent.

ARTICLE XII. ASSESSMENT LIEN PROVISION: All lot owners, for themselves, their heirs, executors, administrators, successors and assigns, covenant and agree and any owner of any lot by acceptance of a deed or other instrument therefore, whether or not it shall be so expressed in such deed or other conveyance are deemed to covenant and agree as follows:

- A) To pay PLV, INC., regular annual assessment charges and/or special annual assessment charges as provided for in Article X, and individual assessments as provided for in Article XI herein. Any Annual, special or individual assessment, together with interest thereon and costs of collection thereof (including reasonable attorney's fees) as hereinafter provided, shall be a charge on the land and shall be continuing lien (which herein may be referred to as Assessment Lien) upon the lot against which such assessment is made. Each such assessment, together with such interest, cost and reasonable attorney's fees, shall be the personal obligation of the person who was the owner of said lot at the time when the assessment fell due, but such personal obligation and liability of the owner shall not be deemed to limit or discharge the charge on the land and continuing lien upon the lot against which such assessment is made. No owner shall escape liability for the assessment which fell due

while he was the owner by non-use of the lot or transfer or abandonment of his lot. The owner's personal obligation for assessments which fell due while he was the owner shall not pass to a successor owner unless expressly assumed by the successor owner.

- B) The assessment lien as herein provided for shall be junior and subordinate to the lien of any first realty mortgage, first deed of trust or sale contract rights against the lot, and foreclosure of the assessment lien shall not affect or impair the lien of any such first realty mortgage, first deed of trust or sale contract. The foreclosure of a first realty mortgage against a lot, the acceptance of a deed in lieu of foreclosure, or the exercise of power of sale under a first deed of trust shall not affect or impair assessment lien. Any first mortgage foreclosure purchaser, grantee taking by deed in lieu of foreclosure, or purchaser pursuant to the exercise of a power of sale under a first deed of trust, shall take the lot free of the assessment lien for all charges that have accrued up to date of issuance of a sheriff's deed, deed given in lieu of foreclosure, or trust sale deed, but shall take subject to the assessment lien for all assessments and charges accruing subsequent to the issuance of a sheriff's deed, deed given in lieu of foreclosure, or trust sale deed.

ARTICLE XIII. GENERAL PROVISIONS: These restrictions shall be enforced by Palm Lakes Village, Inc. through its Board of Directors, Trustee and any owner of any lot within Palm Lakes Village subdivision. Violations of any one or more of the restrictions may be restrained or enforced by any court of competent jurisdiction and/or damages may be awarded against such violator, provided that during the course of developing construction and selling the lots within the subdivision Trustee and/or its designee shall be exempt from said enforcement. Nothing herein shall be construed as meaning that damages are adequate remedy where equitable relief is sought. If, in the discretion of Palm Lakes Village, Inc. and/or Trustee, it is deemed necessary to retain the services of an attorney or attorneys to enforce or seek damages for violations of any of these restrictions, including, but not limited to, enforcement through legal or equitable proceeding, Palm Lakes Village, Inc. and/or Trustee, shall be entitled to recover from the owner or owners against whom enforcement or damages are sought, a reasonable sum for attorney's fees. Such attorney's fees shall constitute an additional individual assessment, against said owner or owners, as defined in Article XI hereof, subject to the assessment lien provisions of Article XII hereof.

If the owner of any lot fails to pay any assessment when due, PLV, INC., may enforce the payment of the assessment, or enforce the lien against the lot, by taking any or all of the following actions, concurrently or separately (and exercising any one of the remedies hereinafter set forth). PLV, INC., does not prejudice or waive its right to exercise the other remedies:

- A) Bring an action at law against the owner personally obligated to pay the assessment.
- B) Filing an affidavit in the office of the County Recorder of Maricopa County, Arizona of non-payment of any assessment in the form of a materialmen's lien and posting a copy of same upon the lot involved.
- C) Foreclose the assessment lien against the lot in accordance with the then prevailing

Arizona law relating to the foreclosure of realty mortgages(including the right to recover any deficiency) and the lot may be redeemed after foreclosure sale as provided by law. PLV, INC., acting on behalf of the membership shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

- D) Anything hereinabove to the contrary notwithstanding, the remedies above set forth for PLV, INC., may take any and all other remedies available to it at law or in equity.
- E) These restrictions shall run with, bind and burden the properties, and said restrictions shall be binding upon each property owner and his heirs, executors, administrators, successors and assigns, and all other persons claiming an interest in and to said properties. All instruments of conveyance or transfer of any interest in all or any part of the properties may contain the Restrictions herein set forth by reference to this Declaration. However, the restrictions herein shall be binding upon all persons affected by the terms of this Declaration, regardless of whether any reference is made to this instrument in the deed or other instrument of conveyance.
- F) These restrictions may be amended at any time during the initial term by concurrence of sixty percent (60%) of the returned ballots of qualified voting members of Palm Lakes Village, Inc. During the term of any extensions, these restrictions may be amended by concurrence of sixty percent (60%) of the returned ballots of qualified voting members of Palm Lakes Village, Inc. All amendments shall be effected by recording in the office of the County Recorder of Maricopa County, Arizona, an instrument in writing reciting said amendments bearing concurrence of the requisite percentage of described, provided, however, that these restrictions shall not be amended in such manner as to discharge, nullify, or otherwise remove the lot owner's joint obligation through PLV, INC., as their agent unless a public authority has agreed to assume the maintenance of all common areas.
- G) The waiver of, at the discretion of PLV, INC., or any failure to enforce any breach or violation of any restriction herein contained shall not be deemed to be a permanent waiver of the right to enforce any subsequent breach of violation of such restriction or any of the restrictions. The foregoing shall apply regardless of whether any person affected hereby (or having the right to enforce these restrictions) had knowledge of the breach or violation. No restrictions contained herein shall be deemed to have been abandoned or the right to enforce waived, unless this Declaration is amended to delete such restrictions. The invalidity of any declaration, covenant or restriction contained herein shall not affect the validity of any other declaration, covenant and restriction contained herein.
- H) The Board of Directors of PLV, INC., shall have the right to adopt rules and regulations, and amend, cancel and adopt new rules and regulations from time to time with respect to all aspects of PLV, INC.'s rights, activities, and duties in promoting the general benefit, recreation, health, safety security and welfare of the owners of the properties, provided said rules and regulations are not inconsistent with the provisions of this

Declaration, or the Articles of Incorporation or Bylaws of Palm Lakes Village, Inc.

(I) VARIANCE

The Palm Lakes Village Inc. Board of Directors shall have the authority to grant or deny all requests for a variance from these declarations. The request for a variance shall not be authorized unless the request for a variance has been reviewed by the Architectural Committee, and approved by the Palm Lakes Village Inc. Board of Directors. The variance shall not be authorized unless the Board of Directors shall find upon sufficient evidence;

a. That there are special circumstances or conditions applying to the land, building or use referred to in the application and which do not apply to other properties in PLV and

b. That the authorizing of the variance is necessary for the preservation and enjoyment of substantial property rights and

c. That the authorizing of the application will not be materially detrimental to persons residing to adjacent property or to the members of Palm Lakes Village Inc.

(J) The Board of Directors shall have the authority to record a “ Notice of Violation” with the County Records Office.