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**AMENDED AND RESTATED DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS**

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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter termed the "Declaration") is made this 8th day of July, 2021 by the Paseo Villas Improvement Association, Inc., an Arizona nonprofit corporation (the "Association").

WITNESSETH:

WHEREAS, Kaiser-Aetna, a partnership, caused to be recorded in the office of the County Recorder of Maricopa County, Arizona, on the 29th day of December, 1971, in Docket 9148 at Pages 706 through 756, a Declaration of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations and Easements (hereinafter sometimes termed "Master Declaration"), which said Master Declaration subjected the property described therein to the terms, conditions and covenants of said Master Declaration;

WHEREAS, Kaiser-Aetna, a partnership, caused to be conveyed to the Ellis Suggs Construction Co., Inc. (hereinafter, "Declarant") certain portions of the property subject to the Master Declaration by Deed recorded in the office of the County Recorder of Maricopa County, Arizona, on the 29th day of September, 1972 in Docket 9728 at Page 243-245;

WHEREAS, Declarant caused to be conveyed fee simple title to the property hereinafter described to Trustee;

WHEREAS, Trustee became the vested title holder for the benefit of Declarant of certain property in Maricopa County, State of Arizona, which is more particularly described as:

Lots 1 to 90 Inclusive; and Tracts A-A to A-N Inclusive; and Tract A-Q; PASEO VILLAS, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 154 of Maps, Page 20

(hereinafter the "Properties");

WHEREAS, Trustee resolved to convey the said properties subject to the Master Declaration, and the Declaration of Covenants, Conditions and Restrictions which was recorded on January 26, 1973 at Instrument No. 1973-0023224 in the Official Records of the of the County Recorder of Maricopa County, Arizona (the "Initial Declaration");

NOW, THEREFORE, the Association hereby declares that all of the properties described above shall be held, sold and conveyed subject to the Master Declaration, and subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the properties. These easements, restrictions, covenants and conditions shall run with the properties and shall be binding upon all parties having or acquiring any right, title or interest in the properties or any

part thereof and shall inure to the benefit of each owner thereof. This Amended and Restated Declaration supersedes and replaces, the Initial Declaration in its entirety.

ARTICLE I  
Definitions

Section 1. “Areas of Association Responsibility” shall mean and refer to: (a) all of the Common Area; (b) those designated portions of the land and the improvements situated thereon, located within the boundaries of a Lot, that the Association is expressly obligated to maintain, repair, and replace pursuant to Article VIII of this Declaration.

Section 2. “Articles” shall mean the Articles of Incorporation of the Association, as the same may be amended from time to time.

Section 3. “Assessment” shall mean and refer to any Regular Assessment, Special Assessment, Lot-Specific Assessment, Special Assessment for Reserves, or Capital Contribution Fee, as those terms are defined in Article V.

Section 4. “Association” shall mean and refer to PASEO VILLAS IMPROVEMENT ASSOCIATION, INC., an Arizona nonprofit corporation, its successors and assigns.

Section 5. “Board” shall mean the Board of Directors of the Association.

Section 6. “Bylaws” shall mean the Bylaws of the Association, as the same may be amended from time to time.

Section 7. “Common Area” shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association which consists of Tract A-A through A-Q, inclusive, of the property hereinbefore described.

Section 8. “Common Expenses” shall mean and refer to the actual and estimated expenses incurred or anticipated to be incurred by or on behalf of the Association including but not limited to any insurance premiums for policies maintained by the Association and any allocations to reserves determined by the Board to be necessary and appropriate, and all other financial liabilities of the Association.

Section 9. “Declarant” shall mean and refer to Ellis Suggs Construction Co., Inc.

Section 10. “Design Guidelines” shall mean and refer to those architectural and design guidelines and standards, if any, established by the Board and the Architectural Committee in accordance with Article IV.

Section 11. “Dwelling Unit” shall mean and refer to any building or portion of a building situated upon a Lot designed and intended for use and occupancy as a residence by a single family.

Section 12. “Lot” shall mean and refer to any numbered lots as shown upon any recorded subdivision map of the Properties.

Section 13. “Member” shall mean and refer to every person or entity who holds membership in the Association.

Section 14. “Owner” shall mean and refer to the record owner, whether one or more Persons or entities, of a fee simple title to any Lot which is a party of the Properties, including a purchaser under a Contract of Sale or Agreement of Purchase, but excluding those having such interest merely as security for the performance of an obligation.

Section 15. “Person” shall mean and refer to a natural person, corporation, partnership, limited liability company, trust or any other legal entity.

Section 16. “Properties” shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 17. “Visible from Neighboring Property” shall mean, with respect to any given object, that such object is, or would be, visible to a natural person six feet (6') tall, standing on the same plane as the object being viewed at a distance of one hundred feet (100') or less from the nearest boundary of the property being viewed. Notwithstanding the foregoing, the Architectural Committee shall have the right to determine the meaning of the term "Visible from Neighboring Property" as applied on a case by case basis, and the determination of the Architectural Committee shall be binding in that regard, subject to any appeal granted by the Board.

## ARTICLE II Membership

Every Person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including a purchaser under an Agreement for Sale or Contract of Purchase but excluding Trustee, shall be a Member of the Association. The foregoing is not intended to include Persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one Membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

## ARTICLE III Voting Rights

The Association shall have one class of membership. The Members shall be the Owners as defined in Article II. When more than one Person holds such interest in 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 vote be cast with respect to any Lot.

ARTICLE IV  
Property Rights

Section 1. Members' Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

(a) The right of the Association to limit the number of guests of Members through adoption of Rules and Regulations by the Board;

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area;

(c) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgage in said properties shall be subordinate to the rights of the homeowners hereunder;

(d) The right of the Association to suspend the voting rights and right to use of the recreational facilities by a Member for any period during which any Assessment, charge, monetary penalty or other amounts levied against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Declaration or any published rules and regulations;

(e) 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 a majority of the Members who are present and voting at a meeting at which quorum is present;

(f) The right of the Association to regulate the use of the Properties through adoption of Association Rules and Regulations which may include a schedule of monetary penalties for noncompliance. The Association Rules shall be intended, in the absolute discretion of the Board, to enhance the preservation of the Common Areas for the safety and convenience of the users thereof, and otherwise shall serve to promote the best interests of the Owners and residents.

Section 2. Delegation of Use. Any Member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family.

Section 3. Title to the Common Area. Fee simple title to the Common Area is vested in the Association.

ARTICLE V  
Covenant for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (i) Regular Annual Assessments or charges, which said assessments or charges shall be established annually and made payable in equal monthly installments; (ii) Special Assessments for capital improvements, with such assessments to be fixed, established and collected from time to time as hereinafter provided; (iii) Lot-Specific Assessments to cover the costs incurred by the Association (including but not limited to attorneys' fees) in relation to the Lot, as provided in Section 6, below; and (iv) Special Assessments for Reserves pursuant to Section 11, below. Each of the foregoing Assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made. Each such Assessment, together with such interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the Assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments – The Regular Annual and Special Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties, for Common Expenses, and in particular for the improvement and maintenance of the Properties, the Lots, Common Area, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area.

Section 3. Basis and Maximum of Regular Annual Assessments - The Board shall adopt a budget of the estimated Common Expenses for each fiscal year, including any contribution to be made to a reserve fund, which budget shall serve as the basis for determining the Regular Annual Assessments for the applicable fiscal year. In the event the Board fails to adopt a budget for any fiscal year prior to commencement of such fiscal year, then until and unless such budget is adopted, the budget (and the amount of the assessments provided for therein) for the year immediately preceding shall remain in effect. Except as provided in Section 4, below, neither the budget nor any Regular Annual Assessment levied pursuant thereto shall be required to be approved by the Owners. Subject to the limitations of Section 4, below, if the Board determines that the funds budgeted for the fiscal year are, or will, become inadequate to meet all Association expenses for any reason, including, without limitation, nonpayment of the Regular Assessment, the Board may amend the budget and increase the Regular Assessment for that fiscal year and the revised Regular Assessment shall commence on the date designated by the Board.

The Regular Annual Assessments provided for under this Section shall not at any time exceed the "Maximum Annual Assessment," as determined in accordance with this Section. Unless a greater Maximum Annual Assessment is approved by not less than a majority of the Members who are (i) eligible to vote; and (ii) present and voting, either in person or by absentee ballot, at a meeting duly called for this purpose, the Maximum Regular Annual Assessment for any fiscal year shall be equal to the Regular Annual Assessment levied in the immediately preceding fiscal year increased by the rise, if any, of the Consumer Price Index – All Items (published by the Department of Labor, Washington, D.C.) for the month of January of the

immediately preceding year, plus seven percent (CPI + 7%). Increases in Regular Assessments shall be subject to any limitations imposed by the applicable Arizona law.

Section 4. Special Assessments. In addition to the Regular Annual Assessments authorized above, the Association may levy in any fiscal year a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any unanticipated Common Expenses (including but not limited to expenses associated with Areas of Association Responsibility on individual Lots) construction or reconstruction, or unexpected repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such Special Assessment (other than a Special Assessment for Reserves pursuant to Article V, Section 11(a), below) shall be approved by not less than a majority of the Members who are (i) eligible to vote; and (ii) present and voting, either in person or by absentee ballot, at a meeting duly called for this purpose.

Section 5. Uniform Rate of Assessment. Both Regular Annual and Special Assessments must be fixed at a uniform rate for all Lots and shall be collected on a monthly basis.

Section 6. Lot-Specific Assessment. The Association may impose against an Owner as a Lot-Specific Assessment any of the following: (a) costs incurred by the Association in the performance of its obligations to repair, maintain and/or paint the exterior building surfaces of the Dwelling Unit on the Lot (which costs, if incurred in relation to multiple Lots at the same time, may be allocated equally amongst the benefitted Lots); (b) collection costs incurred by the Association in attempting to collect Assessments or other amounts payable to the Association by the Owner; (c) costs (including attorneys' fees) incurred in bringing the Lot into compliance with terms of the Declaration or any Rules and Regulations; (d) costs (including attorneys' fees) incurred as a consequence of the conduct of the Owner or resident of the Lot, including their families, invitees and guests. The Lot-Specific Assessment shall be automatically imposed against an Owner at such time as the costs or other amounts are incurred by the Association.

Section 7. Date of Commencement of Regular Annual Assessments. The Regular Annual Assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance thereof to an Owner. Said Regular Annual assessment shall be payable in equal monthly installments. The Association shall upon demand at any time furnish a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within five (5) days after the due date, the Assessment shall bear interest from the date of delinquency at the highest legal rate per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not extinguish the Assessment lien. However, the sale or transfer of any Lot which is subject to a first mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Assessments as to payments thereof, 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 10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (i) all properties dedicated to and accepted by a local public authority; and (ii) the Common Area.

Section 11. Reserves. The Board shall establish reserves for the future periodic maintenance, repair, or replacement of the major components of the Common Areas. The reserves may be funded from Regular Annual Assessments, Special Assessments for Reserves as set forth in Subsection (a) below, the Capital Contribution Fee paid pursuant to Section 12, below, or any other revenue of the Association. All amounts designated as reserves shall be held and used for the purposes for which they are collected. To assist the Board in determining the appropriate amount of reserves, the Board shall obtain a reserve study at least once every five years, which study shall at a minimum include (a) identification of the major components of the Property which the Association is obligated to repair, replace, restore, or maintain which, as of the date of the study, have a remaining useful life of less than thirty (30) years; (b) identification of the probable remaining useful life of the identified major components as of the date of the study; (c) an estimate of the cost of repair, replacement, restoration, or maintenance of the identified major components during and at the end of their useful life; (d) an estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the identified major components during and at the end of their useful life, after subtracting total reserve funds as of the date of the study.

(a) Special Assessment for Reserves. In addition to the other Assessments authorized in this Article, the Board of Directors, in its discretion and without the approval of any other person, may levy in any fiscal year a Special Assessment for Reserves, for the purpose of defraying, in whole or in part, the cost of periodic maintenance, repair, or replacement of the major components of the Common Areas, if the reserve study obtained by the Board in accordance with this Section 11 identifies a deficiency and/or suggests or recommends the need for such a Special Assessment to fund the Reserves. Any Special Assessment for Reserves levied in accordance with this Section 11(a) may not exceed the amount of one thousand dollars (\$1,000.00) per Lot, and may not be levied more than once in any fiscal year.

Section 12. Capital Contribution Fee. To ensure that the Association shall have adequate funds to meet its expenses or to purchase necessary equipment or services, each Person who purchases or obtains a Lot shall pay to the Association a fee equal to two (2) monthly installments of the Regular Annual Assessment for that fiscal year, or such other amount as determined by the Board from time to time (the "Capital Contribution Fee"). Such payment shall become due at the close of escrow or immediately upon the transfer of title to the Lot, whichever



occurs first, and shall be required upon each transfer of title to each Lot. Funds paid to the Association pursuant to this Section shall be kept in a separate account and may be used by the Association for payment of operating expenses related to the operation, maintenance, repair, and replacement of the Common Areas and for Common Expenses. Payments made pursuant to this Section shall be nonrefundable and shall not be offset or credited against or considered as advance payment of the Regular Annual Assessment or any other Assessments levied by the Association pursuant to this Declaration. No Capital Contribution Fee shall be payable with respect to: (a) the transfer or conveyance of a Lot by devise or intestate succession; (b) a transfer or conveyance of a Lot to a family member, family trust, family limited partnership or other Person for bona fide estate planning purposes; or (c) a transfer or conveyance of a Lot to a corporation, partnership or other entity in which the grantor owns a majority interest unless the Board determines, in its sole discretion, that a material purpose of the transfer or conveyance was to avoid payment of the Capital Contribution Fee in which event a Capital Contribution Fee shall be payable with respect to such transferor conveyance. The Capital Contribution Fee shall be due from the purchaser at closing, shall be secured by the lien for Assessments as set forth in Article V, Section 1, and shall burden the Lot after conveyance of ownership rights in the Lot.

## ARTICLE VI Architectural Control

Section 1. Approval Required. No Dwelling Unit, building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein 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 have been approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Association. The Board Directors of the Association may charter and appoint members of a committee, composed of three (3) or more representatives appointed by the Board, for purposes of reviewing applications for approval (the "Architectural Committee"). However, if the Board has not chartered an Architectural Committee, then all such applications shall be reviewed by the Board in accordance with the provisions of this Article VI.

Section 2. Design Guidelines. The Board or the Architectural Committee, if one has been chartered by the Board, may adopt, amend, and repeal architectural guidelines, standards and procedures to be used in rendering its decisions. Such guidelines, standards, and procedures ("Design Guidelines") may include, without limitation, provisions regarding (i) architectural design, with particular regard to the harmony of the design with the surrounding structures and topography, (ii) placement of improvements, (iii) landscape design, content and conformance with the character of the Properties and permitted and prohibited plants, and (iv) requirements concerning exterior color schemes, exterior finishes, and materials. Notwithstanding anything herein to the contrary, the Design Guidelines may not conflict with this Declaration and this Declaration will prevail in the case of any conflict with the Design Guidelines.

Section 3. Timeline for Review. If the Architectural Committee fails to approve or disapprove an application for approval within forty-five (45) days after an application meeting all of the requirements of this Declaration and of the Design Guidelines, together with any

additional information, plans, and specifications requested by the Architectural Committee, and any other requirements, have been submitted to the Architectural Committee, the application will be deemed to have been disapproved. The approval by the Architectural Committee of any construction, installation, addition, alteration, repair, change, or other work shall not be deemed a waiver of the Architectural Committee's right to withhold approval of any similar construction, installation, addition, alteration, repair, change, or other work subsequently submitted for approval.

Section 4. Decisions and Appeals. Except as provided herein, the decisions of the Architectural Committee shall be final on all matters submitted to it pursuant to this Declaration. An Owner who submitted a request for approval to the Architectural Committee may, in writing, appeal the Architectural Committee's decision to the Board. The Board shall have the right, but not the obligation, to review an appeal of any decision of the Architectural Committee and the decision of the Board in all cases shall be final and binding.

#### ARTICLE VII Use Restrictions

Section 1. All Properties. All Lots within the Properties are hereby restricted as follows:

(a) Antennas. No antenna, aerial, satellite dish or other device for the transmission or reception of television or radio (including amateur or ham radio) signals of any kind (collectively referred to herein as "Antennas") will be allowed outside any Dwelling Unit, except that a device covered by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, will be permitted. Any such permissible device shall comply with the applicable antenna installation rules of the Association and shall be mounted, to the extent reasonably possible, so as to not be Visible from Neighboring Property or the street. The devices governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule) as of the date of the recording of this Declaration are as follows:

(i) Direct Broadcast Satellite ("DBS") antennas one meter in diameter or less, and designed to receive direct broadcast satellite service, including direct-to-home satellite service, or receive or transmit fixed wireless signals via satellite.

(ii) Multi-point Distribution Service ("MDS") antennas one meter or less in diameter or diagonal measurement, designed to receive video programming services (wireless cable) or to receive or transmit fixed wireless signals other than via satellite.

(iii) Antennas designed to receive local television broadcast signals ("TVBS").

(iv) Antennas designed to receive and/or transmit data services, including Internet access.

If the FCC expands the types of antennas that fall under the FCC Rule, this Section 4.5 shall encompass those antennas as well. Subject to any limitations imposed by law, any transmission cable for a receiver to the house must be underground. The Board is hereby vested with the

broadest discretion to enact rules and regulations to implement this Article to conform to the law. The Board may enact rules and regulations that are more restrictive than this Section 1(a), if permissible by federal and state law.

(b) On Street Parking. No vehicle or equipment shall be parked or stored upon the Common Areas, including without limitation, any private streets, except as the Board may designate in such Rules and Regulations as the Board may adopt in its discretion. Deliveries, pickup or guests and invitees to a Lot shall be permitted to temporarily park on the Common Area streets subject to such reasonable rules and regulations as shall be adopted by the Association. Such rules and regulations may include a schedule of fines and penalties for failure to comply with this restriction.

(c) Storage. No exterior storage of any items of any kind shall be permitted, except with prior written approval and authorization of the Association. Any such storage as is approved and authorized shall be in areas attractively screened or concealed (subject to all required approvals as to architectural control) so as to not be Visible from Neighboring Property, Dwelling Units, pathways, streets, Common Areas and parking areas. This provision shall apply without limitation to woodpiles, construction dumpsters, camping trailers, boat trailers, travel trailers, boats, mobile homes and unmounted pickup camper units. Also, without limitation, no automobile, truck or other vehicle, regardless of ownership, age, condition or appearance, shall remain on any Lot in any manner which could be construed as being stored, neglected, abandoned or otherwise not in frequent use, except pursuant to written approval and authorization of the Association;

(d) Garbage. No garbage or trash shall be placed on the exterior of any building or Dwelling Unit, except in containers meeting the specifications of the City of Scottsdale and the Association, and the placement, maintenance and appearance of all such containers shall be subject to reasonable rules and regulations of the Association. All rubbish, trash and garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon;

(e) Outside Speakers and Amplifiers. No radio, stereo, broadcast or loudspeaker units and no amplifiers of any kind shall be placed upon or outside or be directed to the outside of any building or Dwelling Unit without prior written approval and authorization of the Association;

(f) Outside Lighting. No outside lighting, other than indirect lighting, shall be placed, allowed or maintained on any Lot without prior written approval and authorization of the Association:

(g) Animals. No animals, reptiles, fish or birds of any kind shall be raised, bred or kept on any Lot except pursuant to prior written approval of and in accordance with the Rules and Regulations promulgated by the Association; provided, however, that dogs, cats, birds or fish may be kept thereon as household pets so long as, in the discretion of the Association, such pet is not, or does not become, a nuisance, threat or otherwise objectionable to other Owners. All pets must be leashed at all times when within the Common Area, and all animal

waste must be cleaned up immediately and disposed of by the pet Owner at the Owner's residence. Failure to observe these directives may result in a fine being levied against the Owner;

(h) Resubdivision. No Lot shall be further subdivided and no portion less than all of any such Lot, or any easement or any other interest therein, shall be conveyed by any Owner without the prior written authorization and approval of the Association. Fractional Ownership is not permitted in regards to any Lot;

(i) Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed or harbor plant disease, noxious insects or other vermin. Citrus trees are prohibited from being planted within the Properties due to the likelihood of attracting rats and other vermin.

(j) Sidewalk Encroachments. No tree, shrub, or plant of any kind on any Lot shall be allowed to overhang or otherwise encroach upon any sidewalk or any other pedestrian way from ground level to a height of seven (7) feet without the prior written approval and authorization of the Association. To the extent the roots from any tree, shrub or plant on a Lot grow under walls or sidewalks and cause cracks or heaves, the Owner of the tree, shrub or plant, as applicable, shall be responsible for the cost of the root removal and for repairing any resulting damages;

(k) Machinery, Fixtures and Equipment. No machinery, fixtures or equipment of any type, including without limitation heating, air conditioning or refrigeration equipment and clotheslines, shall be placed, allowed or maintained upon the ground on any Lot, except with prior written approval and authorization of the Association in areas attractively screened or concealed (subject to all required approvals as to architectural control) so as to not be Visible from Neighboring Property, Dwelling Units, pathways and streets; and no such machinery, fixtures or equipment shall be placed, allowed or maintained anywhere other than on the ground (such as on the roof) except if screened or concealed (subject to all required approvals as to architectural control) in such manner that the screening or concealment thereof appears to be part of the integrated architectural design of the building or Dwelling Unit and does not have the appearance of a separate piece or pieces of machinery, fixtures or equipment;

(l) Utility and Service Lines. No gas, electric, power, telephone, water, sewer, cable television or other utility or service lines of any nature or kind shall be placed, allowed or maintained upon or above the ground on any Lot, except to the extent, if any, underground placement thereof may be prohibited by law or would prevent the subject line from being functional. The foregoing shall not prohibit service pedestals and above ground switch cabinets and transformers where required;

(m) Burning and Incinerators. No open fires, wood burning firepits or fireplaces or other burning shall be permitted on any Lot at any time and no incinerators or like equipment shall be placed, allowed or maintained upon any Lot. The foregoing shall not be deemed to preclude the use, in customary fashion, of outdoor residential barbecues, grills, or controllable propane fire features.

(n) Signs. No exterior signs or advertisements of any kind may be placed, allowed or maintained on any Lot without prior approval and authorization of the Association, except that signs which must be permitted by law, mailboxes, residential nameplates and "for sale" and "for rent" signs may be placed and maintained in conformity with such common specifications, including, without limitation, reasonable restrictions as to size as may be adopted by the Association in accordance with Arizona law;

(o) Repairs. No repairs of any detached machinery, equipment or fixtures, including without limitation motor vehicles, shall be made upon any portion of any Lot within view of neighboring property, Dwelling Units, pathways and streets, without prior written approval and authorization of the Association;

(p) Oil and Mineral Activity. No oil exploration, drilling, development or refining operations and no quarrying or mining operations of any kind, including oil wells, surface tanks, tunnels or mineral excavations or shafts shall be permitted upon or under any Lot; and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Lot;

(q) Change in Intended Use. No portion of the properties may be developed or redeveloped other than in accordance with its original intended use, without the prior written authorization and approval of the Association;

(r) Misuse and Mismaintenance. No Lot shall be maintained or utilized in such manner as to present an unsightly appearance (including but not limited to clothes drying in public view), or as to unreasonably offend the morale of or as to constitute a nuisance or unreasonable annoyance to, or as to endanger the health of, other Owners or residents of the Properties; and no noxious or otherwise offensive condition or activity shall be allowed to exist or conducted thereon;

(s) Violation of Statutes, Ordinances and Regulations. No Lot shall be maintained or utilized in such manner as to violate any applicable statute, ordinance or regulation of the United States of America, the state of Arizona, the County of Maricopa, the City of Scottsdale, or any other governmental agency or subdivision having jurisdiction in the premises:

(t) Violation of Association Rules or Covenants, Conditions or Restrictions. No Lot shall be maintained or utilized in violation of the rules and regulations of the Association or any covenants, conditions or restrictions applicable to and binding upon said Lot.

(u) Leases. The initial term of any lease must be for no less than thirty (30) days. Any Owner who leases his Lot, whether in its entirety or only a portion thereof, must provide the Lessee with copies of this Declaration, the Design Guidelines and the Rules. The Owner shall be liable for any violation of the Declaration, Design Guidelines, or the Rules by the Lessees or other persons residing in the Dwelling Unit and their guests or invitees and, in the event of any such violation, the Owner, upon demand of the Association, shall immediately take all necessary actions to correct any such violations; provided, however, that the Owner shall be

liable for any damage to the Common Area or the Lots caused by the Lessees or other persons residing in the Dwelling Unit, or by their guests or invitees. Upon execution of a lease, the Owner of the Lot shall provide to the Association the names and contact information for any adults occupying the Dwelling Unit, the time period of the lease, including the beginning and ending dates of the tenancy, and a description of the license plate numbers of the Lessee's vehicles.

Section 2. Residential Lots. Residential Lots shall be additionally restricted as follows:

(a) Motor Vehicles. Motor vehicles owned or in the custody of any Owner or resident may be parked only in the garage located upon or pertaining to such person's Lot or Dwelling Unit, or in parking areas designated by the Association, unless otherwise authorized by the Association in writing. No buses, vans or trucks having a carrying capacity in excess of three-fourths tons or designed for commercial purposes shall be placed, allowed or maintained upon any residential Lot except with prior approval and authorization of the Association in areas attractively screened or concealed (subject to all required approvals as to architectural control) view of neighboring property, Dwelling Units, pathways, and streets;

(b) Garages. The interiors of all garages shall be maintained by the Owners in a neat, clean and sightly condition. No garage shall be used for storage; and no power equipment, hobby shops or carpenter shops shall be maintained in any garage, nor automobile overhaul, repair or other major maintenance work conducted therein.

Section 3. Buildings. Dwelling Units and buildings shall be additionally restricted as follows:

(a) New and Permanent Construction. All Dwelling Units, buildings and other structures on the Properties shall be of new and permanent construction and no structure shall be moved from any location on or off the Properties onto any portion of the Properties; provided, however, that temporary structures may be placed and maintained on the Properties in connection with the construction of buildings, structures or improvements thereon if previously approved and authorized in writing by the Association. Any such temporary structure shall be promptly removed upon completion of the construction to which it relates;

(b) Prosecution of Construction, Maintenance and Repairs. All construction, maintenance and repair work shall be prosecuted diligently from commencement until completed. Construction debris dumpsters shall not be placed as to block traffic on streets; Dumpster use and placement authorization shall be obtained, in writing, and in advance of dumpster delivery, from the Architectural Committee

(c) Roofs - Mineral and composition roofs, and roofs made of corrugated plastic or sheet metal, are prohibited unless authorized and approved in writing by the Association. The Association is responsible for application and maintenance of Spray Polyurethane Foam roofing material on all Dwelling Units and garages;

(d) Garbage Disposals - Each and every separate Dwelling Unit shall have an electric garbage disposal unit installed and operable therein;

ARTICLE VIII  
Exterior Maintenance

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon the following areas of each Lot which shall constitute Areas of Association Responsibility: paint, repair, replace and care for roofs (the Association is responsible for application and maintenance of Spray Polyurethane Foam roofing material on all Dwelling Units and garages), gutters, downspouts, exterior building surfaces of the Dwelling Unit, and trees, shrubs, grass, walks, and other exterior improvements located outside the exterior ceramic walls constructed on a Lot. Such exterior maintenance shall not include glass surfaces. Each Lot Owner shall be responsible for all repair, maintenance, and replacement of the other portions of the Lot and Dwelling Unit not specifically identified as Areas of Association Responsibility. It shall be the responsibility of each Lot Owner to provide for insurance on the Lot Owner's Dwelling Unit, including but not limited to the roof and the structure of the Dwelling Unit, as well as any additions and improvements thereto, furnishings and personal property therein, and such other insurance which is not carried by the Association as such person desires.

In the event that the need for maintenance or repair of the Common Area or any Areas of Association Responsibility is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject as a Lot-Specific Assessment pursuant to Article V, Section 6.

There is hereby created a blanket easement upon, across, over and under each Lot described in this Declaration for ingress and egress for the purpose of replacing, repairing and maintaining the Areas of Association Responsibility and for the purpose of installing, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephone and electricity. In addition, there is hereby created an easement for encroachment in the event an improvement upon a Lot as constructed by the original builder encroaches upon any adjoining Lot or Lots.

ARTICLE IX  
Miscellaneous

Section 1. Construction and Interpretation. The Association, as the agent and representative of the Owners of the Properties, shall have the primary right to enforce the restrictions set forth in this Declaration; and, except for judicial construction, the Association shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all Persons and properties benefited or bound by the restrictions herein.

Section 2. Remedies and Enforcement. In the event of any default by any Owner, occupant or other Person under the provisions of this Declaration, the Articles, Bylaws, Association Rules or Design Guidelines, the Association, or its successors or assigns, or its agents, shall have each and all of the rights and remedies which may be provided for in this Declaration, the Articles, Bylaws, Association Rules or Design Guidelines, or which may be available at law or equity, and may prosecute any action or other proceedings against such defaulting Owner, occupant or other Persons for an injunction, whether affirmative or negative, or for enforcement or foreclosure of the lien herein provided, or for damages, or specific performance, or for judgment for payment of money and collection thereof, or for any combination of remedies or for any other relief.

Section 3. Legal Expenses. All expenses of the Association or other Person granted rights of enforcement hereunder, in connection with any action or proceeding described or permitted by this Declaration, including court costs and reasonable attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon until paid at the rate of ten percent (10%) per annum, shall be charged to and assessed against such defaulting Owner or other Person and shall be a Lot-Specific Assessment against such Owner or other Person, and the Association shall have a lien as provided in Article V, Sections 1 and 6. In the event of any such default by any Owner or other Person, the Association, and the manager or managing agent of the Association, if so authorized by the Board, shall have the authority to correct such default and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Owner or other Person as a Lot-Specific Assessment, which shall constitute a lien against the defaulting Owner's Lot as provided in Article V, Sections 1 and 6. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association.

In the event the Association incurs legal expenses and costs, including but not limited to, attorneys' fees, in bringing claims against Owners or defending claims brought by Owners in an administrative action or proceeding, including but not limited to, proceedings before an Administrative Law Judge, or any appeal thereof, the Association shall be entitled to recover its attorneys' fees and costs from the Owner involved in the administrative proceeding if the Association is the prevailing party.

Section 4. Non-Waiver. The Association shall not be obligated to take any enforcement action if the Board of Directors determines, in its sole discretion, that because of any facts deemed relevant by the Board of Directors, enforcement action would not be appropriate or in the best interests of the Association. Furthermore, the failure of the Association or an Owner to take enforcement action with respect to a violation of the Declaration, Articles, Bylaws, Association Rules or Design Guidelines shall not constitute or be deemed a waiver of the right of the Association or any Owner to enforce the provisions of the Declaration, Articles, Bylaws, Association Rules or Design Guidelines in the future.

Section 5. Variations. Any waiver of, or permission for, variance from any restriction granted by the Association must be in writing to be effective; and no such waiver or permission shall constitute a general waiver with reference to other or different occasions, Lots or activities. In granting authorization or approval for variations from the restrictions set forth herein, and



otherwise, the Association shall have the power to promulgate written rules and regulations and to make reasonable classification of the Properties on the basis of intended use, actual use, location, density and the overall plan for the development of McCormick Ranch. The Association shall have, and each Lot and Dwelling Unit shall be subject to, reasonable rights of entry and inspection for the purpose of determining compliance or verifying noncompliance with these restrictions.

Section 6. Relation to Architectural Control. Nothing contained in this Declaration of Covenants, Conditions and Restrictions is intended to limit the nature or extent of architectural control reserved to any Person or entity by any other document or instrument of record with reference to the Properties, or to waive or to suggest standards with reference to the requirements thereof.

Section 7. Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions hereof.

Section 8. Rules and Regulations. In addition to the right to adopt rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Association shall have the right to adopt rules and regulations with respect to all other aspects of the Association 's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions hereof.

Section 9. References to the Restrictions in Deeds. Deeds to any Lot or any part of the Properties may contain the Restrictions herein set forth by reference to this Declaration; but, regardless of whether any such reference is made in any Deed, each and all of the Restrictions shall be binding upon the grantee-Owner and his heirs, executors, administrators, successors and assigns.

Section 10. Successors and Assigns of Declarant. Any reference in this Declaration of Covenants, Conditions and Restrictions to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder.

Section 11. Gender and Number. wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

Section 12. Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration of Covenants, Conditions and Restrictions are for the purpose of reference and convenience only, and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.

Section 13. Amendment. Except as otherwise specifically provided above or elsewhere in the Declaration, this Declaration may be amended by the approval of not less than a majority of the Members who are (i) eligible to vote; and (ii) present and voting, either in person or by

absentee ballot, at a meeting duly called for this purpose. Notwithstanding the foregoing, the Board may amend this Declaration, without obtaining the approval or consent of any Owner, solely to conform this Declaration to the law. A certificate of amendment, setting forth the full amendment adopted, duly signed and acknowledged by the President or Vice-President of the Association shall be Recorded.

Section 14. Term; Method of Termination. This Declaration shall be effective upon the date of its Recordation and, as amended from time to time, shall continue in full force and effect, as amended from time to time, unless and until Members owning ninety percent (90%) of the total Lots in the Association vote to terminate this Declaration. If the necessary votes are obtained, the Board shall cause to be Recorded with the County Recorder of Maricopa County, Arizona, a Certificate of Termination, duly signed by the President or Vice President and attested to by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. Thereupon, these Covenants shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles.

Section 15. Severability. If any provision of this Declaration, the Articles, Bylaws, Association Rules or Design Guidelines, or any section, clause, sentence, phrase or word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration, the Articles, Bylaws, Association Rules or Design Guidelines, and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances, shall not be affected thereby, and the remainder of this Declaration, the Articles, Bylaws, Association Rules or Design Guidelines shall be construed as if such invalid part were never included therein.

IN WITNESS WHEREOF, the Association has executed this Amended and Restated Declaration as of the date first appearing above.

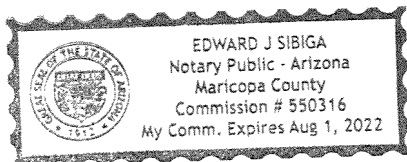
PASEO VILLAS IMPROVEMENT ASSOCIATION, an  
Arizona nonprofit corporation

By George Wilderboor

Its Board President

STATE OF ARIZONA        )  
  ) ss.  
County of Maricopa        )

The foregoing instrument was acknowledged before me this 13 day of JULY, 2021, by GEORGE WILDERBOOR, the BOARD PRESIDENT of Paseo Villas Improvement Association, an Arizona nonprofit corporation, for and on behalf thereof.



Edward Sibiga  
Notary Public

My commission expires: 8/1/2022