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When recorded, mail to:
Pratt Properties, Inc.
16838 East Palisades Boulevard
Mountain Hills, Arizona 85268 MOI
Attention: Legal Department

SUPPLEMENTAL

DECLARATION OF RESERVATIONS

GOLDFIELD RANCH - PHASE I

COUNTY OF MARICOPA, ARIZONA

Witness my hand and official
seal the day and year abovesaid.

Tom Fiestene

County Recorder

By Wally Dwyer
Deputy Recorder

TRUST NO. 5887

TRUST NO. 5888

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KNOW ALL MEN BY THESE PRESENTS:

THIS SUPPLEMENTAL DECLARATION made and entered into the last day, month and year hereafter written by PRATT PROPERTIES, INC., hereinafter called "Declarant", as present owner of the beneficial interest in Continental Service Corporation, Trust Nos. 5387 and 5888, being properly authorized so to act by terms of the Trust, and Continental Service Corporation, an Arizona corporation, Trustee thereunder, hereinafter called "Trustee", only as legal title holder and not personally, and acting at the proper direction of said Beneficiary - "Declarant", executes this Supplemental Declaration of Reservations, to run with the real property herein described for the purposes hereinafter set forth:

WHEREAS, the Declarant is the owner of the real property described as Goldfield - Phase I, County of Maricopa, Arizona, as per plat thereof recorded March 9, 1977 in Book 188 of Maps, Page 24 records of said County, which name was changed to Goldfield Ranch - Phase I by Affidavit of Name Change recorded on the records of the County Recorder, Maricopa County, Arizona, and

WHEREAS, McCulloch Properties, Inc., predecessor in interest to Declarant, executed and recorded a Declaration of Reservations for Goldfield - Phase I on March 9, 1977, in Docket 12109, Pages 643-650, of the records of said County, and

WHEREAS, the Declarant now desires to supplement said Declaration of Reservations by amending certain provisions thereof and for said Supplement to have the same force and effect as the original Declaration of Reservations.

NOW, THEREFORE, Declarant hereby amends said Declaration of Reservations as follows:

1. Section A. 5. on page 2 of said Declarations is hereby stricken and the following substituted in lieu thereof:

5. "Member" shall mean and refer to those owners of parcels within Goldfield Ranch who are members of the Association as provided in Section B. 1. hereof and the Bylaws of the GOLDFIELD PROPERTY OWNERS ASSOCIATION.

2. Section B. 1. and B. 2. on pages 2 and 3 of said Declarations are hereby stricken and the following substituted thereof:

1. Membership.

Every person or entity, including Declarant, who is a record owner of a fee or undivided fee interest in, or a contract purchaser of any parcel which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that

any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member. No Phase of Goldfield Ranch shall be subject to the rights, powers, privileges or benefits of the Association nor shall the interest (in that Phase) of Declarant or its successor or assigns be eligible for membership in the Association or eligible to vote under the Articles of Incorporation and Bylaws of the Association until there is a sale to a third party, who then shall be a member. Thereafter all purchasers in that Phase shall be members and all parcels owned by Declarant or its successors or assigns, shall be subject to the rights, powers, privileges and benefits of the Association and shall be eligible for membership in the Association, subject to assessments by the Association and eligible to vote under the Articles of Incorporation and Bylaws of the Association. Membership shall be appurtenant to and may not be separated from ownership or purchase of any such parcel, and transfer of such ownership shall automatically transfer membership in the Association.

2. Voting Rights.

Members, including Declarant, shall be entitled to one (1) vote for each Goldfield Ranch - Phase I parcel as shown on the recorded plat for Phase I in which they hold the interest ~~Unofficial Document~~ ed for membership by sub-paragraph 1. of this Section B. When more than one person holds such interest or interests in such parcel, all such persons shall be members, and the vote for such parcel shall be exercised as they among themselves deem, but in no event shall more than one (1) vote be cast with respect to any such Goldfield Ranch - Phase I parcel, as shown for Phase I. In the event a Goldfield Ranch parcel is re-subdivided, each Owner of a re-subdivided parcel shall also be entitled to one (1) vote for each parcel owned and each re-subdivided parcel shall be subject to the rights, powers, privileges and benefits of the Association including, but not limited to, annual and special assessments levied by the Association including, but not limited to, annual and special assessments levied by the Association.

3. Sections C. 1. and C. 2. on page 3 of said Declarations are hereby stricken and the following substituted in lieu thereof:

1. Members' Easements of Access.

Every member shall have a right and easement of access upon and across the roads, and such easement shall be appurtenant to and shall pass with the title to every Goldfield Ranch - Phase I, or as the same may be re-subdivided.

2. Extent of Membership Rights.

The rights created hereby shall be subject to the Association's right, in accordance with its Articles and Bylaws, to borrow money for the purposes stated in said Articles and Bylaws.

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4. Sections D. 1., 2., 3., 4. and 7. on pages 3 and 4 of said Declarations are hereby stricken and the following substituted in lieu thereof:

1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant for each parcel owned by it within Phase I, when said Phase has become subject to the rights, powers, privileges, and benefits of the Association as provided in Section B. 1. hereof, and each Owner of such parcel by acceptance of a deed therefor, or the execution of a Real Estate Purchase Agreement, or any other method of transferring title to real property, whether or not it shall be so expressed in any such deed, Real Estate Purchase Agreement, or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) Annual assessments or charges for maintenance of the roads and for the operation and maintenance of electrical utility lines and related facilities ("electrical facilities"); (2) Special assessments for capital improvements or major repairs to the roads and for construction of said electrical facilities. Such assessments are to be fixed, established, and collected from time to time as provided by the Board of Directors of the Association. The annual and special assessments, together with interest thereon and costs of collection thereof, 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 and cost of collection, shall also be the personal obligation of the Owner or contract purchaser of such property at the time when the assessment fell due.

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2. Purpose of Assessment.

The annual assessments levied by the Association shall be used for the purpose of maintaining the roads and related facilities devoted to access purposes, including, but not limited to, the construction of improvements thereon, the payment of taxes and insurance thereon, replacement, and additions thereto, and for the cost of labor, equipment, materials, management, and supervision thereof and for the purpose of operating and maintaining said electrical facilities. Special assessments may be levied for major construction or reconstruction of the roads, or emergency repair or replacement of all or a portion of the roads and construction of said electrical facilities. Notwithstanding the fact that the Association will not own title to the roads, the Owners of parcels in Goldfield Ranch - Phase I are hereby notified that the Association's Board of Directors shall have the power and authority, at any time, to dedicate the roads to Maricopa County or similar governmental agency or entity, for maintenance purposes. Upon official acceptance by such governmental body of the maintenance responsibilities for the roads, the Association shall cease levying assessments for road maintenance. The Association shall dissolve and wind up its affairs when: (1) The roads have been dedicated to Maricopa County or a similar government agency or entity for maintenance purposes; (2) The Association is no longer operating and maintaining the electrical facilities; and (3) No new activity or purpose is being conducted by the Association.

3. Basis and Amount of Annual Assessments.

The amount of the annual assessment shall be set by the Association's Board of Directors, annually, and shall be based upon an annual Budget of actual (or estimated if actual costs are not available) maintenance costs maintaining the roads to standards and specifications as adopted by the Association, and for operating and maintaining said electrical facilities.

4. Special Assessments for Major Improvements.

In addition to the annual assessments authorized by sub-paragraph 3 above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any major construction or reconstruction to the roads, or emergency repair or replacement of all or a portion of the roads, and construction of said electrical facilities. Collection remedies and procedures shall be the same as for the annual assessments.

7. Duties of the Board of Directors.

The Board of Directors of the Association shall fix the date of commencement and the amount of the annual or special assessment against each parcel for each assessment period. Notice of the assessment shall be sent to every Owner subject thereto. The Association shall, upon demand, furnish to any Owner liable for such assessment(s) a certificate in writing signed by an officer of the Association setting forth whether such ^{Unofficial Document} assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. The records of all assessments shall be open to inspection of any Owner during reasonable business hours. The amount of initial annual assessment levied against the parcels, whether for maintenance of the roads, operation and maintenance of the electrical facilities, or both, shall be determined by dividing the number of parcels subject to the initial annual assessment into the total budget set by the Board of Directors without regard to the size of the parcel. Thereafter the Board of Directors shall establish whatever formula or formulas it deems proper for determining the future annual assessment and any special assessments to be levied.

5. Section E. on page 5 of said Declarations is hereby stricken and the following substituted in lieu thereof:

E. FORMATION OF ASSOCIATION-MANAGEMENT.

The Association shall provide for the maintenance of the roads in Goldfield Ranch and may provide the operation and maintenance of said electrical facilities as determined by the Board of Directors elected by the Members, or a Management Agent appointed by the Board of Directors.

6. Section F. on page 5 of said Declarations is amended by the addition of the following paragraph:

8. Wells and Water Supply.

As agent for the Salt River Project Agricultural Improvement and Power District, the Salt River Valley Water Users' Association administers water rights in the Salt and Verde Rivers on behalf of its shareholder lands. Any development of a water supply, by the owner of the above described land, including ground-water pumping, which infringes upon those water rights may subject the owner to administrative or judicial action by the Salt River Valley Water Users' Association.

Salt River Valley Water Users' Association has been granted an easement in gross, pursuant to that certain document recorded in Docket 12744, Page 993, in the records of the County Recorder, Maricopa County, Arizona, to enter upon the within described property. Declarant makes no representation as to the rights of the Owners of parcels of Goldfield Ranch to the ownership or use of the water, if any, underlying Goldfield Ranch.

7. Section G. on page 7 of said Declarations is amended by the addition of a new paragraph 1. and each paragraph thereafter is renumbered accordingly:

1. County Ordinances and Decisions.

In the event ^{Unofficial Document} there is or becomes a conflict between any provision of these Declarations and any ordinances duly established by the Board of Supervisors of Maricopa County, Arizona, the ordinances shall prevail. Furthermore, in the event the Board of Supervisors should make any decision with respect to any Goldfield Ranch parcel which is contrary to any provision of these Declarations, then such decision shall prevail and supersede such provision.

8. Section G. 2. (as numbered on page 7 of said Declarations) is hereby stricken and the following substituted thereof:

3. Duration.

These Conditions shall run with the land and shall be binding upon all parties and all persons claiming under them until January 1, 1997, at which time said Conditions shall be automatically extended for successive periods of ten (10) years, unless by vote of the Owners of a majority of the parcels in Goldfield Ranch - Phase I it is agreed to change said Conditions in whole or in part. The Reservations, Conditions, Covenants and Restrictions contained herein may be amended at any time by a vote of the Owners of a majority of all of the parcels in all of the Phases of Goldfield Ranch, except for paragraphs A through E inclusive, which require a

