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Brookfield ASLD 8500 LLC  
14646 N. Kierland Boulevard  
Suite 165  
Scottsdale, AZ 85254  
Attention: Dea McDonald

**COMMUNITY RECREATION COVENANT  
FOR  
BLOSSOM ROCK RESIDENTIAL COMMUNITY**

(Governance by Blossom Rock Community Assembly, Inc.)

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**COMMUNITY RECREATION COVENANT  
FOR  
BLOSSOM ROCK RESIDENTIAL COMMUNITY**

THIS COMMUNITY RECREATION COVENANT FOR BLOSSOM ROCK RESIDENTIAL COMMUNITY (this "Covenant") is made as of June 24, 2022, by Brookfield ASLD 8500 LLC, a Delaware limited liability company ("Covenant Declarant").

**RECITALS**

A. Covenant Declarant is the developer of the real property located in the City of Apache Junction, Arizona, commonly known as "Blossom Rock" and legally described in Exhibit "A" attached hereto (the "Initial Property").

B. Concurrently with the execution of this Covenant, Covenant Declarant has executed the Declaration of Covenants, Conditions, Easements and Restrictions for Blossom Rock (the "Community Declaration") and the Declaration of Covenants, Conditions, Easements and Restrictions for Blossom Rock Residential Community (the "Residential Declaration"), and recorded such documents concurrently with the recording of this Covenant.

C. As outlined in the "Introduction to Community" section of the Community Declaration, this Covenant is part of a comprehensive plan to establish and foster within the residential portions of Blossom Rock various recreational programs, activities, and services for the benefit of residents of Blossom Rock, which plan will evolve over time.

D. Implementation of this comprehensive plan for recreational programs, activities, and services is primarily the responsibility of Blossom Rock Community Assembly, Inc., an Arizona nonprofit corporation (the "Assembly"), and is set forth in several documents, including this Covenant as well as the Articles of Incorporation of the Assembly (the "Articles"), the Bylaws of the Assembly (the "Bylaws"), and such resolutions and rules and regulations as the Assembly may adopt from time to time.

E. The foregoing documents, as they may be amended or supplemented from time to time, are referred to in this Covenant as the "Community Recreation Documents".

F. The purpose of the Assembly is to foster the development of a vibrant, connected and caring community, with a particular emphasis on sponsoring recreational activities.

G. Covenant Declarant desires to establish and impose certain covenants, conditions, easements, restrictions, rights, duties, obligations and responsibilities upon each Residential Owner, as part of a general plan of development and operation, in order to provide for the orderly development, conduct, operation and maintenance of the Residential Community and to enhance, protect and maintain the value, desirability and attractiveness of the Residential Community.

H. The Residential Community is subject to the rights and obligations of the Covenant Declarant (by and through Covenant Declarant's predecessor in interest, D.R. Horton, Inc.) under a Certificate of Purchase wherein the Covenant Declarant's predecessor in interest was the successful bidder at Public Auction Sale No. 53-120190 (the "Auction"). At the Auction, the State of Arizona, by and through the Arizona State Land Department ("ASLD"), caused certain property (the "Auction Property," along with associated Rights of Way) to be publicly sold on November 4, 2020 to the Covenant Declarant's predecessor in interest, and Certificate of Purchase No. 53-120190 (the "Certificate of Purchase") was issued for the Auction Property. The Certificate of Purchase contains terms and conditions related to the issuance of patents to the Auction Property under Applicable Law. The Residential Community is fully contained within the Auction Property. In conjunction with the Certificate of Purchase, Covenant Declarant's predecessor in interest also entered into a Participation and Infrastructure Contract Regarding ASLD Sale No. 53-120190 with the ASLD (the "Participation Contract"), which binds the Covenant Declarant and its predecessor in interest to certain terms and conditions, including terms related to the issuance of patents for portions of the Auction Property. Pursuant to the Certificate of Purchase, Participation Contract, and Applicable Law, upon the payment of certain funds and compliance with other terms of the Participation Contract and Applicable Law, the ASLD will issue patents over certain parts of the Auction Property (each a "Partial Patent"), with the remaining portions of the Auction Property designated as "Unpatented Property." Subject to the Certificate of Purchase, the Participation Contract, and Applicable Law, liens and other encumbrances cannot be placed on the Auction Property prior to the issuance of a patent. Thus, certain terms of this Covenant will not apply to Unpatented Property that is otherwise identified in this Covenant as Residential Community (that is, as Initial Property and Annexation Property). The terms of this Covenant will apply to the Initial Property (and any Annexation Property located within the Unpatented Property) when and only when the ASLD issues a Partial Patent for land including the Initial Property (or the relevant Annexation Property).

## **DECLARATION**

**NOW, THEREFORE**, Covenant Declarant hereby further declares that all and every portion of the Residential Community and all interests in the Residential Community, shall be owned, sold, leased, demised, encumbered, used, occupied, improved and conveyed subject to the covenants, conditions, easements, restrictions, rights, duties, obligations and responsibilities set forth in this Covenant, which are imposed as covenants running with the land, and as equitable servitudes, pursuant to a general plan for the development of the Residential Community, and which shall run with the land within the Residential Community and shall be binding on Covenant Declarant and its successors and assigns, and on all parties having or acquiring any right, title or interest in or to the Residential Community or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each Residential Owner.

## **ARTICLE 1 DEFINITIONS**

The following terms shall be defined as follows:

1.1 “Affiliate” – with reference to any Person in question, any other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person in question.

1.2 “Covenant Declarant” - Brookfield ASLD 8500 LLC, a Delaware limited liability company, and any successor or assign who is expressly designated by the Covenant Declarant as the successor Covenant Declarant in a Recorded document. Upon any such designation of a successor Covenant Declarant, the prior Covenant Declarant shall be relieved of the performance of any duty or obligation under this Covenant that accrues after such designation.

1.3 “Covenant Declarant Party” - each of the following: the Covenant Declarant, the current and future Affiliates of Covenant Declarant, and the respective current and future members, managers, trustees, trust beneficiaries, agents, and representatives, of Covenant Declarant and its current and future Affiliates (but not any natural person).

Capitalized terms that are used in this Covenant but not defined herein shall have the meaning set forth in the Community Declaration, or (if not defined in the Community Declaration) the meaning set forth in the Residential Declaration.

## **ARTICLE 2** **ASSEMBLY**

2.1 Assembly. The Assembly is a nonprofit Arizona corporation formed for the purposes of organizing, funding, and administering recreational programs, activities and services within the Community, enforcing this Covenant, and all other purposes contemplated by this Covenant.

2.2 Memberships. Each Residential Owner (other than any other Covenant Declarant Party) shall have one (1) Membership in the Assembly. Membership in the Assembly is appurtenant to ownership of a Residential Property. Upon transfer or encumbrance of a Residential Property, the Membership is automatically transferred or encumbered; no Membership may be transferred or encumbered in any way separately from the transfer or encumbrance of a Residential Property. Any attempt to make a transfer or encumbrance prohibited by the foregoing provision is void. An Owner cannot avoid any obligations or duties under this Covenant by resigning, waiving or failing to exercise its rights under any of the Community Recreation Documents. On all matters on which Owners are entitled to vote, each Owner shall be entitled to one (1) vote for each Membership allocated to the Owner.

If more than one Person owns a Property, those Persons shall designate one such Person as the voting representative for that Property, in a notice delivered to the Board. The designated Person shall cast all of the votes for such Property and shall be the Person entitled to receive notices relating to such Property under this Covenant. The Assembly shall be entitled to rely on such designation until and unless a subsequent notice signed by all of the Owners of such Property is delivered to the Board changing the voting representative.

2.3 Board of Directors. Except as to matters requiring the approval of Residential Owners as set forth in this Covenant or under Applicable Law, the affairs of the Assembly shall be conducted by the board of directors of the Assembly (the “Board”) and such officers as the

Board may elect or appoint in accordance with the Bylaws. Except as otherwise provided in this Covenant, the Board shall have authority to take all actions and perform all obligations on behalf of the Assembly, and all actions of the Board shall be determined by a majority vote of Board members.

**ARTICLE 3**  
**DUTIES AND POWERS OF THE ASSEMBLY**

3.1 Duties. In addition to the duties set forth elsewhere in this Covenant and the other Community Recreation Documents, the Assembly shall perform the following duties:

3.1.1 Insurance. The Assembly shall obtain and maintain such insurance as the Board may deem appropriate from time to time, including without limitation any insurance required by any contract or other arrangement with third parties.

3.1.2 Fees and Assessments. The Assembly shall determine, levy, collect and enforce the Fees and Other Charges set forth in Article 4 below (as well as any Assessments that may be levied in accordance with Article 4).

3.1.3 Payment of Expenses and Performance of Obligations. The Assembly shall pay all expenses and perform all obligations incurred by the Assembly in the conduct of its affairs including, without limitation, payment of all licenses, taxes or governmental charges levied or imposed against the Assembly or its property.

3.2 Powers. In addition to the powers set forth elsewhere in this Covenant or the other Community Recreation Documents, and without limiting the generality thereof, the Assembly shall have the following powers:

3.2.1 Recreational Programs. The recreational activities, services, and programs that the Assembly is to organize, fund, and administer may include, but are not limited to, the following:

- (a) general recreational programs (e.g., leagues, clubs and organizations for particular sports, hobbies and other recreational activities);
- (b) community events (e.g., celebrations, gatherings, parties, festivals, and similar events);
- (c) charter clubs and other volunteer organizations and activities;
- (d) environmental programs (e.g., community-wide recycling, tree planting, garden plots);
- (e) education, leadership and special interest programs;
- (f) cultural, artistic, and wellness programs;

- (g) data bank of Community residents who are interested in volunteering time within the Community for purposes related to the Assembly's programs, activities and services;
- (h) activities to publicize the Assembly's programs, activities and services; and
- (i) internet or intranet sites related to the Assembly's programs, activities and services.

The Assembly may contract with other entities to provide programs, activities and services, including Covenant Declarant and other Covenant Declarant Parties. Such programs, activities and services may be conducted in cooperation with governmental or non-profit entities where mutually beneficial.

3.2.2 Manager and Employees. The Assembly may employ or engage a professional manager or professional management company, which may be a Covenant Declarant Party, to perform various duties and responsibilities of the Assembly as may be delegated in writing. The Assembly may employ or engage other contractors, consultants and employees as the Board (or its designee) determines to be reasonable or appropriate to facilitate the Board's performance of all or any part of the duties and responsibilities of the Assembly. In all events, the Board shall retain ultimate authority over all matters delegated to the Manager.

3.2.3 Enforcement. The Assembly shall have the power to enforce this Covenant and the other Community Recreation Documents. Every Residential Owner must comply with the Community Recreation Documents, and each Residential Owner shall be responsible for compliance with the Community Recreation Documents by such Owner's Permittees and Occupants, and its Occupant's Permittees. In the event of any violation of the Community Recreation Documents (other than failure to pay an Assessment, Fee or Other Charge, which is addressed in Article 4 below), the Assembly shall be entitled to pursue the following rights and remedies, together with any other rights or remedies available to it at law or in equity, which the Board shall have the power to select and use in any order it shall determine reasonable and prudent, without exclusion, waiver or prejudice:

- (a) bring legal action to compel compliance,
- (b) take such action as is reasonable to cure any non-compliance if the relevant Owner or Neighborhood Association fails to do so, after notice and a hearing as provided in the Bylaws; and/or
- (c) impose reasonable fines, late charges, default interest or other charges against any Residential Owner for failure to pay Assessments, Fees or Other Charges; and/or
- (d) in the case of violations requiring the payment of money, levy one or more Reimbursement Assessments, and/or impose an Assembly Lien, as provided in Article 4 below.

Costs of enforcement, cure and collection against a defaulting Residential Owner (or its Permittees, Occupants or Occupant's Permittees), including any and all such late fees and interest, and including without limitation attorneys' fees and court costs, shall be assessed against the Residential Owner and, if collected from such Residential Owner, shall not be included in Operational Costs. The foregoing does not limit the power of the Assembly to impose an Assembly Lien under Article 4 below.

3.2.4 Loans. The Assembly shall have the power to borrow money on a reasonable and prudent basis to fund operations of the Assembly that cannot be readily funded from Fees and/or Assessments on a timely basis, including borrowing money from Covenant Declarant or a Covenant Declarant Party.

3.2.5 Contracts. The Assembly shall have the power to contract for goods and/or services as may be necessary or convenient for the Assembly to carry out its duties and powers, subject to limitations set forth in the Bylaws or this Covenant.

3.2.6 Establishment of Committees and Delegation of Responsibilities. From time to time, the Assembly may establish one or more committees for such purposes related to the duties and powers of the Assembly, as the Board may deem appropriate. The members of such committees may include Residents who are not Board members. The Board may delegate to any such committee such power and authority as the Board may deem appropriate; provided that any such delegation shall be in writing, shall specify the scope of responsibilities delegated, and shall be subject to (i) the Board's right to revoke all or any part of the committee's power and authority at any time, and (ii) the Board's right to veto any committee decision that it determines to be inappropriate or inadvisable. In all events, the Board shall retain ultimate authority over all matters delegated to any committee.

3.3 Limitation of Liability. To the fullest extent permitted by Applicable Law, the Assembly shall indemnify, defend and hold harmless each of the Board members, all officers, employees, volunteers, and committee members of the Assembly (collectively, "Board Representatives"), for, from and against any and all losses, claims, demands, judgments, liabilities, damages, costs and expenses (including, without limitation, court costs and reasonable attorneys' fees and expenses) sustained or threatened against a Board Representative that result from or arise out of any act or omission that the Board Representative reasonably believed to be within the scope of his or her duties on behalf of the Assembly, but excluding any act or omission constituting gross negligence or willful misconduct. The foregoing indemnification, defense and hold harmless provisions inure to the benefit of the estate of any Person entitled to such indemnification. The Assembly and the Board Representatives shall not be liable to any Owner or Occupant, for any failure of any services which are to be obtained or provided by the Assembly, or for injury or damage to person or property caused by the elements or by any Owner or any other Person, or resulting from electricity, water, ice or other elements which may leak or flow from or over any portion of the Residential Community or from any pipe, drain, conduit, appliance or equipment within the Residential Community.

3.4 Commencement of Assembly's Duties and Powers. The duties and powers of the Assembly as described in this Covenant shall commence upon the date of Recording of this Covenant.

**ARTICLE 4**  
**ASSEMBLY FINANCES**

4.1 Covenant to Pay Assessments, Fees and Other Charges. Each Residential Owner covenants and agrees to pay all ("Assessments") and fees ("Fees") and fines, penalties and other charges (collectively, "Other Charges") levied against such Owner or such Owner's Property in accordance with this Article 4, and each Owner acknowledges and agrees that its Property is subject to any Assembly Lien imposed in accordance with this Article 4. The Assembly may require advance payment of Assessments at the closing of the transfer of title to a Residential Property.

4.2 Regular Assessments. The Board shall levy "Regular Assessments", which shall be calculated, allocated and levied as follows:

4.2.1 Budget. The Board shall establish a budget for the operational costs expected to be incurred by the Assembly for each fiscal year ("Operational Costs"), including such reserves as the Board deems necessary (the "Budget"). The Board will endeavor to determine the total Budget amount and give notice thereof to the Owners at least thirty (30) days in advance of the beginning of each fiscal year, provided that failure to comply with the foregoing shall not affect the validity of any Assessment or Fee levied by the Board. The Regular Assessments levied by the Board will be in an amount sufficient to pay for such Operational Costs for the fiscal year reflected in the Budget, and the Budget will include a statement of the expected Regular Assessment. The Board will endeavor to give notice of the Budget and expected Regular Assessment amount to the Owners at least thirty (30) days in advance of the beginning of each fiscal year, but failure to timely give such notice shall not affect the validity of any Assessment levied by the Board. The Budget is not subject to Owner approval. The Board is not obligated to convene a special meeting of the Owners for the purpose of considering the Budget unless the requisite number of Owners petition the Board for such a special meeting in the manner set forth in the Bylaws. Any such petition must be presented to the Board within 20 days after the Board's approval of the Budget. If the Board fails for any reason to adopt the Budget for any fiscal year, then the Budget most recently adopted shall continue in effect, increased by 20% (unless Applicable Law mandates otherwise), until a new Budget is adopted.

4.2.2 Allocation. Except as set forth in Section 4.5 below, the Regular Assessment levied against each Owner shall be an amount equal to the total Operational Costs set forth in the Budget divided by the total number of Residential Properties (regardless of ownership) as of the date of the Budget. Residential Properties that are assessed at a discounted percentage in accordance with Section 4.5 below shall be counted at the same percentage. For example, if four Residential Properties were each assessed at a fifty percent (50%) discount, the foregoing calculation would count them as two Residential Properties.

4.2.3 Commencement of Regular Assessments. Board will commence the levy of Regular Assessments on such date as Covenant Declarant may determine in its sole and absolute discretion. The Board will commence the levy of Regular Assessments against the Owners of property annexed into the Residential Community as and when specified in the applicable Supplemental Residential Declaration.

4.2.4 Periodic Payments. Regular Assessments shall be due and payable in advance, on the first day of each fiscal year of the Assembly, unless the Board directs otherwise. The Board will encourage Owners to pay Regular Assessments through an automatic deduction from the Owner's bank account.

4.2.5 Collection through Associations. In its discretion, the Board may require that the Residential Association collect the Regular Assessments on behalf of the Assembly. The Board shall give the Residential Association written notice of such election at least sixty (60) days before the commencement of the fiscal year for which the Assessments are to be levied. In such case, the Residential Association shall have the authority and responsibility to levy such Regular Assessments from such Owners, in the same manner as assessments are levied under the Residential Declaration, and the Residential Association shall promptly pay the Regular Assessments collected to the Assembly. An Owner who pays a Regular Assessment to the Residential Association pursuant to the foregoing shall have fulfilled its obligation to the Assembly; an Owner who fails to do so remains directly liable to the Assembly for such failure.

4.3 Special Assessments. The Board may levy additional Assessments for unexpected Operational Costs, including insufficient operating or reserve funds, or for an unexpected expense that is required by an order or other directive of any court or other governmental authority ("Special Assessments"), which shall be calculated, allocated and levied as follows:

4.3.1 Allocation of Special Assessments. Special Assessments shall be allocated among all Residential Properties in the same manner as Regular Assessments, as set forth in Section 4.2.

4.3.2 Commencement of Special Assessments. The Board may levy a Special Assessments at any time after the date of the Recording of this Covenant.

4.3.3 Payment. Special Assessments may be due and payable in one payment or periodically as the Board shall direct at the time that the Special Assessment is levied; provided, however, that no installment of a Special Assessment shall be due from an Owner sooner than thirty (30) days after the Board has adopted its resolution authorizing such Special Assessment.

#### 4.4 Reimbursement Assessments.

4.4.1 General Provisions. The Board may levy "Reimbursement Assessments" against any Residential Owner to reimburse the Assembly for any and all direct and indirect costs incurred (a) to repair, restore or replace any Property for which the Residential Association has maintenance or repair responsibility, where the need for such repair, restoration or replacement is due to the willful misconduct or negligent acts or omissions of an Owner (or its Permittees, Occupants or Occupant's Permittees), (b) to enforce this Covenant against such Owner (or its Permittees, Occupants or Occupant's Permittees), or (c) for such other purposes as are expressly contemplated by this Covenant. Each Reimbursement Assessment shall bear interest at the rate of eighteen percent (18%) per annum, commencing upon the due date of such Assessment.

4.4.2 Notice. Before the Board levies a Reimbursement Assessment against an Owner, the Board shall give notice to such Owner and shall provide such Owner with an opportunity for a hearing before the Board in accordance with the Bylaws.

4.4.3 Payment. Reimbursement Assessments shall be due and payable thirty (30) days after the date of the notice of the levy given to the applicable Owner.

4.5 Adjustment of Assessments. Regular Assessments and Special Assessments may be levied progressively, in a manner consistent with the provisions of Section 4.5 of the Community Declaration.

4.6 Recreation Program Fees. Upon each transfer of title to any Residential Property, the Board shall levy a “Recreation Program Fee” payable by the transferring Residential Owner, unless the transfer is exempt as provided below. The Recreation Program Fee will be payable at the closing of the transfer and will be secured by the Assembly Lien (as defined in Section 4.12 below) against the Residential Property being transferred, all as provided in more detail below.

4.6.1 Amount of Recreation Program Fee. The Board has the sole discretion to determine the amount and method of calculating any Recreation Program Fee, provided that the such Fee shall not exceed one percent (1%) of the gross sales price of the real property transferred, or in the case of a transfer that is not a sale at fair market value, one percent (1%) of the full cash assessed value of the real property being transferred, as determined by the Maricopa County Assessor. Subject to the foregoing limitation, the Recreation Program Fee may be based upon a sliding scale, which varies according to the gross selling price of the relevant Property or such other factors as the Assembly deems appropriate. For purposes of this Section, the term “gross sales price” means the total amount paid by the transferee for the relevant Property.

4.6.2 Exempt Transfers. No Recreation Program Fee shall be levied upon any of the following transfers of title to any Property:

(a) by or to any Community Declarant Party, Residential Declarant Party or Covenant Declarant Party;

(b) by or to the Community Alliance, the Residential Association or the Assembly;

(c) by or to a Builder (as defined in the Residential Declaration) who takes or holds title solely for purposes of development and resale;

(d) by a co-Owner to any Person who was a co-Owner immediately prior to such transfer;

(e) to a family trust or a family limited partnership controlled by the transferring Owner, or to the transferring Owner’s estate, surviving spouse, or child upon the death of the transferring Owner;

(f) to a trust, partnership, corporation, or other entity if at the time of the transfer such entity is wholly-owned (directly or indirectly) by the transferor or by such transferor and his or her spouse and/or children;

(g) by any trust, partnership, corporation, or other entity to any Person that is the 100% (direct or indirect) equity owner of the transferor (including the spouse and/or children of such equity owner, if applicable); or

(h) to an institutional lender or other Person that makes loans secured by real property in the ordinary course of business, pursuant to the granting of a Mortgage or the foreclosure of a Mortgage (or trustee sale or deed-in-lieu of foreclosure);

provided that, in the case of a pending transfer described in subsections (e), (f) and (g), the exemption shall not apply if any preceding transfer of title to the Residential Property by or to the transferor or transferee in the pending transfer (or any Affiliate of either) was exempt pursuant to this Section 4.2.2.

4.7 Builder Recreation Program Fees. Because transfers described in Section 4.2.2(c) above are exempt from the Recreation Program Fee, the Assembly shall charge each such Builder a "Builder Recreation Program Fee", upon each transfer of title to any Residential Property by the Builder. The Builder Recreation Program Fee will be payable at the closing of the transfer and will be secured by an Assembly Lien against the Property being transferred, all as provided in more detail below. The Builder Recreation Program Fee shall always be a fixed amount. The amount of the initial fee shall be \$250. The Board has the sole discretion to increase such Fee annually, commencing at the beginning of each calendar year, but in no event may the Board increase the Builder Recreation Program Fee by more than ten percent (10%) per calendar year.

4.8 Administration Fees. The Board may impose fees to help defray administrative expenses, including without limitation (a) fees for the preparation or completion of estoppel certificates requested pursuant to Section 7.9 below (which may include an additional amount for an expedited request), (b) document preparation fees in connection with the transfer of a Property (which may include an additional amount for an expedited request), and (c) fees to reimburse the Board in instances where the Board is required to pay a fee to an outside management company.

4.9 Use and Consumption Fees. The Assembly may charge use and consumption fees to any Person who participates in its activities, services, and programs. The Assembly shall have the sole discretion to establish the amount and method of determining use or consumption fees.

4.10 Purpose of Fees and Assessments. All Fees and Assessments shall be used exclusively for the purposes for which the Assembly was created.

4.11 Personal Obligation for Assessments, Fees and Other Charges. Each Assessment, Fee and Other Charge payable with respect to a Residential Property, and all associated Delinquency Costs, are the personal obligation of the Owner(s) of such Residential Property at the time when the Assessment, Fee or Other Charge becomes due, and is also an obligation

secured by the Residential Property. Although an Assembly Lien is binding upon subsequent Owners of a Property, the personal obligation for delinquent Assessments, Fees or Other Charges is not binding on subsequent Owners of a Property unless expressly assumed by them. Notwithstanding any transfer of title, a delinquent Owner shall not be relieved of such personal obligation until such obligation is paid in full. No Owner shall be exempt from liability for payment of any Assessment, Fee or Other Charge by waiver of any right under any Residential Document, or by non-use of any of the Areas of Residential Responsibility, or by the abandonment of such Owner's interest.

4.12 Assembly Lien. Subject to the limitations of Applicable Law, Covenant Declarant hereby establishes, for the benefit of the Assembly, a lien against each Residential Property subject to this Covenant, to secure payment of all Assessments, Fees and Other Charges (including all Delinquency Costs) levied with respect to the Residential Property (each, an "Assembly Lien"). The priority of each Assembly Lien shall be fixed as of the date of the Recording of this Covenant; provided that it shall be subordinate to (a) the liens of all taxes, bonds, assessments, and other levies which by Applicable Law would be superior, and (b) the lien or charge of any First Mortgage.

## **ARTICLE 5** **EASEMENTS**

5.1 Recreational Use Easement. In conducting its activities, services, and programs, the Assembly shall have the right to use Areas of Community Responsibility and Areas of Residential Responsibility (as defined in the Residential Declaration) in the same manner and to the same extent as individual Residential Owners, including without limitation the right to reserve facilities for use in connection with such activities, services, and programs. If any Community Document, Residential Document or other rule or policy grants preferential rights to any group of Owners, then such preference also shall apply to the Assembly.

## **ARTICLE 6** **ANNEXATION AND WITHDRAWAL OF PROPERTY**

6.1 Annexation and Withdrawal. Whenever any real property is annexed into the Residential Declaration or withdrawn from the Residential Declaration, such real property is automatically annexed into or withdrawn from this Covenant (as applicable), whether or not the applicable Declaration of Annexation or Declaration of Withdrawal specifically provides for such annexation or withdrawal from this Covenant and without regard to any contrary action by the Board. Upon the Recording of a Declaration of Annexation, which may be a Supplemental Residential Declaration, the Annexed Property and its Residential Owner(s), shall have all of the rights, benefits and easements described in this Covenant, and shall be subject to all of the obligations, burdens and liabilities described in this Covenant. Upon the withdrawal of any real property from the terms and conditions of this Covenant, the Withdrawn Property and its Residential Owner(s) shall no longer have any of the rights, benefits and easements described in this Covenant, and shall no longer be subject to any of the obligations, burdens and liabilities described in this Covenant.

**ARTICLE 7**  
**GENERAL PROVISIONS**

7.1 Enforcement. The Board and the Covenant Declarant exclusively (and not any individual Owner, Permittee or Occupant) shall have the right to enforce the provisions of this Covenant. The Board or the Covenant Declarant (as applicable) shall be entitled to recover court costs and reasonable attorneys' fees as ordered by the court or other adjudicating body. Failure by the Board or the Covenant Declarant to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

7.2 Binding; Run With Land. The provisions of this Covenant shall constitute covenants running with the land and equitable servitudes, shall run with and bind the Residential Community and all interests therein, including, without limitation, the fee interest and any leasehold interests, and shall inure to the benefit of and shall be binding upon the Residential Owners, and each holder of any interest in any Property, and their grantees, Mortgagees, heirs, successors, assigns and personal representatives, with the same full force and effect as though set forth in full in every grant, conveyance or demise of the Residential Community, or any part thereof. All Residential Owners and Occupants are subject to and bound by the provisions of this Covenant (including without limitation any Residential Owner whose title is obtained through foreclosure, trustee sale, deed in lieu thereof, or other similar means). Residential Owners shall require their Occupants and Permittees to observe all applicable provisions of this Covenant. Notwithstanding any other provisions in this Covenant, the provisions of this Covenant shall only be applicable to those portions of the Residential Community that have been issued a Partial Patent and shall not run with, bind or have any effect on any Unpatented Property.

7.3 Invalidity of Any Provision. If any provision of this Covenant is declared by a court of competent jurisdiction to be invalid or in conflict with any Applicable Law, the validity of all other provisions of this Covenant shall remain unaffected and shall continue in full force and effect.

7.4 Term. This Covenant shall remain in effect for a term of fifty (50) years from the date this Covenant is Recorded, after which it shall be extended for successive periods of ten (10) years, unless a written instrument terminating this Covenant and signed by Residential Owners having not less than seventy-five percent (75%) of the Memberships and by such Residential Owners' First Mortgagees, has been Recorded within the one-year period preceding the end of the initial term or any extended term of beginning of this Covenant.

7.5 Amendments. This Covenant may be amended only by a written, Recorded instrument that has been approved in writing by no less than sixty-seven percent (67%) of the Memberships; provided, however that until the Turnover Date, no such amendment shall be valid until and unless such amendment is consented to and executed by the Covenant Declarant, and no amendment may increase or decrease the proportionate voting rights or financial obligations of any Residential Owner relative to other Residential Owners. Any amendment of this Covenant shall contain a certification in writing executed and acknowledged by an officer of the Assembly that the required written approvals set forth in this Section 7.5 have been obtained. Notwithstanding the foregoing, or any other provision of this Covenant, until the Turnover Date,

the Covenant Declarant may amend this Covenant in any manner that has no material adverse impact on any Residential Owner.

7.6 Mortgagee Rights and Protections.

7.6.1 Invalidity. No breach of any covenant and/or restriction, nor the enforcement of any lien provision contained in this Covenant, shall render invalid the lien of any Mortgage made in good faith and for value. Any Mortgagee or other purchaser who obtains title to a Property pursuant to the remedies provided in the Mortgage (including foreclosure of the Mortgage or trustee sale, or acceptance of deed in lieu thereof) shall take the Property free of any claims for unpaid Assessments, Fees and Other Charges under this Covenant which became due and payable prior to the date such Mortgagee or other purchaser acquired title. No such sale or transfer shall relieve the Property from any Assessments, Fees and Other Charges under this Covenant thereafter becoming due or from the lien of any subsequent levy of any Assessments, Fees and Other Charges under this Covenant.

7.6.2 Payment. Mortgagees may jointly or singly pay any Assessments, Fees and other charges under this Covenant which may be in default and take any action reasonably necessary to cure any other default under this Covenant of the Residential Owner who is subject to the Mortgage with the same effect as such cure by the Residential Owner itself.

7.6.3 Assignment of Voting Rights. Any Residential Owner may assign all, but not less than all, of its voting rights under this Covenant to its First Mortgagee, as security for the obligations secured by such First Mortgage. Prior to actual receipt by the Assembly of notice from the First Mortgagee of such First Mortgagee's right to exercise the voting rights appurtenant to any Property, the Assembly shall be entitled to rely, without further inquiry, on the oral or written statement of any Residential Owner that such Residential Owner is entitled to exercise the voting rights appurtenant to such Residential Owner's Property. Upon receipt of notice from a First Mortgagee, the Assembly shall be entitled to rely on the First Mortgagee's right to exercise the voting rights appurtenant to such Property, notwithstanding contrary instructions from the Residential Owner of such Property.

7.6.4 Miscellaneous Rights of First Mortgagee. Each First Mortgagee whose name and address has been furnished to the Assembly, whether by an Residential Owner or by such First Mortgagee, shall have the right to:

- (a) receive notice of all meetings of the Owners and of the Board upon written request to the Assembly;
- (b) be present at any meetings of the Board and participate therein to the same extent as a Residential Owner could participate;
- (c) furnish information to the Board concerning the status of any First Mortgage affecting any Property; and
- (d) receive copies of any or all of the financial statements concerning the Property subject to the First Mortgage sent to the Residential

Owner at the same time and in the same manner as the Residential Owner, upon written request to the Assembly.

7.6.5 Copies of Documents. The Assembly shall make available to Residential Owners and Mortgagees who request such items in writing, current copies of the Community Recreation Documents and the books, records and financial statements of the Assembly and operational records of the Residential Community. “Available”, as used in this Section 7.6.5, shall mean available for inspection and copying, upon request, during normal business hours or under other reasonable circumstances. The Board may impose a fee for providing the foregoing which may not exceed one hundred twenty percent (120%) of the reasonable cost to prepare and reproduce the requested documents.

7.6.6 Notice of Action. Upon written request to the Assembly, identifying the name and address of the First Mortgagee, and the number or address of the applicable Property, such First Mortgagee will be entitled to receive a copy of any notice of default given by the Assembly to the Residential Owner of the Property on which such First Mortgagee holds a First Mortgage under this Covenant or delinquency in the payment of Assessments, Fees or Other Charges owed by such Residential Owner, which notice shall be delivered to the First Mortgagee concurrently with delivery of the default notice to the applicable Residential Owner, and in such case the Assembly will accept any First Mortgagee cure of such default or delinquency.

7.7 Notices. Any notice permitted or required by this Covenant (a) shall be made in writing, (b) shall be delivered by courier, by a nationally recognized overnight delivery service, or by prepaid certified or registered mail, and (c) shall be addressed to the Person to be notified (i) in the case of a Residential Owner, Occupant or First Mortgagee, at the current address given by such Person to the Board, (ii) in the case of the Assembly, at the on-site office of the Assembly, if any, or at the principal place of business of the Assembly. If delivery is by courier or by nationally recognized overnight delivery service, the notice shall be deemed to have been given when the delivery is made; if delivery is by prepaid certified or registered mail, the notice shall be deemed to have been given three (3) business days after it has been deposited in the United States mail.

7.8 Not a Public Dedication. Nothing contained in this Covenant shall be deemed to be a gift or dedication of any portion of the Residential Community to the general public, for the general public or for any public use or purpose whatsoever, it being the intention and understanding of Covenant Declarant that this Covenant shall be strictly limited to and for the purposes herein expressed, for the solely for the benefit of Covenant Declarant, the Assembly and the Residential Owners.

7.9 Estoppel Certificates. The Assembly, upon not less than ten (10) days’ prior notice from any Residential Owner, shall execute, acknowledge and deliver to such Residential Owner and to any prospective purchaser, tenant or Mortgagee of such Residential Owner identified in such notice, a certificate of the Assembly stating (a) whether its records reflect that there are then existing defaults by the Residential Owner in the payment or performance of its obligations under this Covenant (and, if so, specifying same), (b) that this Covenant is unmodified and in full force and effect (or, if there have been modifications, that this Covenant is in full force and effect as modified and stating the modifications), (c) the dates to which Assessments, Fees and Other Charges under this Covenant have been paid by such Residential

Owner and the amounts of the most recently charged Assessments, Fees and Other Charges, and (d) any other information that may reasonably be required by such Persons. It is intended that any such certificate delivered pursuant to this section may be relied upon by the requesting Residential Owner, or any prospective purchaser, tenant or Mortgagee designated by the requesting Residential Owner.

7.10 Governing Law; Venue. This Covenant shall be governed by, construed under, and enforced in accordance with the laws of the State of Arizona, without regard to conflicts of law principles. All Residential Owners consent to the jurisdiction of the courts of the State of Arizona and the United States of America, and agree that venue properly lies in the Superior Court of Pinal County and the United States District Court for the District of Arizona, as appropriate.

7.11 Joint and Several Liability. When the Residential Owner of a Property is composed of more than one Person, each such Person shall be jointly and severally liable for payment of Assessments, Fees and Other Charges and performance of all obligations (including without limitation, indemnification obligations) arising under any provision of this Covenant.

7.12 Reasonable Consents. Except as expressly set forth in this Covenant, all consents and approvals of any of the Residential Owners and of any holders of Mortgages shall not be unreasonably withheld or delayed. Any disapproval of or refusal to consent to any matter hereunder shall be in writing and shall state in reasonable detail the reason or reasons for such disapproval or refusal to consent.

7.13 Attorneys' Fees. If there is any legal action or proceeding to enforce any provision of this Covenant or to protect or establish any right or remedy, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses (including, without limitation, reasonable attorneys' fees and costs) incurred by such prevailing party in enforcing or appealing any judgment rendered in any such legal action or proceeding, which costs and expenses shall be recoverable separately from and in addition to any other amount included in such judgment. This Section 7.13 is intended to and shall survive and not be merged into any such judgment.

7.14 Construction. The provisions of this Covenant shall be interpreted and construed to the end that the Residential Community shall remain a first class Residential Use development.

7.15 Conforming Exhibits. The exhibits attached to this Covenant are incorporated herein by this reference.

7.16 Priority of Documents. In the absence of any express language indicating which document controls on a particular subject matter, this Covenant shall be paramount in those instances of conflict or inconsistency among or between it and the other Community Recreation Documents.

7.17 Captions. The captions in this Covenant are for convenience and reference only and in no way define, limit, or otherwise affect the scope, meaning or effect of any provision of this Covenant. All references to "herein" or "hereunder" refer to this Covenant as a whole unless

specific references are made to specific articles, sections, subsections or exhibits of this Covenant.

7.18 No Joint Venture or Partnership. Nothing contained in this Covenant shall be construed to create any partnership, joint venture or principal-agent relationship between any Persons subject to this Covenant, including, but not limited to, Covenant Declarant.

7.19 Number; Gender. The singular and plural number and the masculine, feminine and neuter gender shall each include the other where the context requires.

IN WITNESS WHEREOF, the undersigned, being the Covenant Declarant, has executed this Covenant this 24<sup>th</sup> day of June, 2022.

Brookfield ASLD 8500 LLC, a Delaware limited liability company

By: [Signature] ERIC J. TUVE  
Its: VP

By: [Signature]  
Its: Senior Vice President

STATE OF ARIZONA        )  
  ) ss.  
County of Maricopa        )

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of June, 2022, by ERIC J. TUVE, the Vice President and W. DEAN McDONALD, the Senior Vice President of Brookfield ASLD 8500 LLC, a Delaware limited liability company, on behalf thereof.

[Signature]  
Notary Public

My Commission Expires:  
9.20.2024

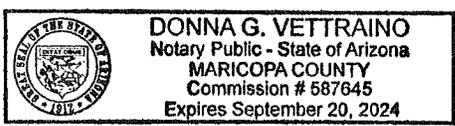


Exhibit "A"

Legal Description of Initial Property

[see attached]

Wood, Patel & Associates, Inc.  
480.834.3300  
www.woodpatel.com

January 8, 2021  
WP# 205166.01  
Page 1 of 4  
See Exhibit "A"

**PARCEL DESCRIPTION**  
**Superstition Vistas**  
**Brookfield Parcel**

Sections 17 and 20, a portion of General Land Office (GLO) Lot 12 and a portion of the east half of Section 18, a portion of GLO Lots 1 and 2 and a portion of the east half of Section 19, Township 1 South, Range 8 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

**BEGINNING** at the northwest corner of said Section 17, a 3-inch Pinal County brass cap in handhole, from which the north quarter corner of said Section 17, a 2 1/2-inch GLO brass cap in concrete, bears North 89°45'04" East (basis of bearing), a distance of 2642.33 feet;  
**THENCE** along the north line of said Section 17, North 89°45'04" East, a distance of 2642.33 feet, to said north quarter corner;  
**THENCE** North 89°47'06" East, a distance of 2643.88 feet, to the northeast corner of said Section 17;  
**THENCE** leaving said north line, along the east line of said Section 17, South 00°17'17" East, a distance of 2641.26 feet, to the east quarter corner of said Section 17;  
**THENCE** South 00°17'39" East, a distance of 2641.38 feet, to the northeast corner of said Section 20;  
**THENCE** leaving said east line, along the east line of said Section 20, South 00°16'25" East, a distance of 2640.88 feet, to the east quarter corner of said Section 20;  
**THENCE** South 00°15'30" East, a distance of 2641.53 feet, to the southeast corner of said Section 20;  
**THENCE** leaving said east line, along the south line of said Section 20, South 89°46'59" West, a distance of 2643.36 feet, to the south quarter corner of said Section 20;  
**THENCE** South 89°48'18" West, a distance of 2643.78 feet, to the southwest corner of said Section 20;  
**THENCE** leaving said south line, along the west line of said Section 20, North 00°17'01" West, a distance of 2640.28 feet, to the west quarter corner of said Section 20;  
**THENCE** North 00°17'35" West, a distance of 2641.12 feet, to the northeast corner of said Section 19;  
**THENCE** leaving said west line, along the north line of said Section 19, South 89°46'31" West, a distance of 500.00 feet, to the beginning of a curve;  
**THENCE** leaving said north line, westerly along said curve to the left, having a radius of 2500.00 feet, concave southerly, through a central angle of 22°55'06", a distance of 1000.00 feet, to the curves end;  
**THENCE** South 66°51'25" West, a distance of 540.51 feet, to the beginning of a curve;  
**THENCE** westerly along said curve to the right, having a radius of 3000.00 feet, concave northerly, through a central angle of 30°39'58", a distance of 1605.68 feet, to the curves end;

**Legal Description  
Superstition Vistas  
Brookfield Parcel**

January 8, 2021  
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See Exhibit "A"

**THENCE** North 82°28'36" West, a distance of 583.29 feet, to the northerly line of that certain Maricopa County Flood Control District Easement, recorded in Document 2011-0619607, Pinal County Records (PCR);

**THENCE** along said northerly line, North 53°29'13" East, a distance of 910.07 feet, to said north line of Section 19;

**THENCE** leaving said north line, North 53°29'26" East, a distance of 4200.33 feet, to the west line of said Section 17;

**THENCE** leaving said northerly line, along said west line, North 00°17'10" West, a distance of 155.64 feet, to the west quarter corner of said Section 17;

**THENCE** North 00°13'51" West, a distance of 2639.88 feet, to the **POINT OF BEGINNING**.

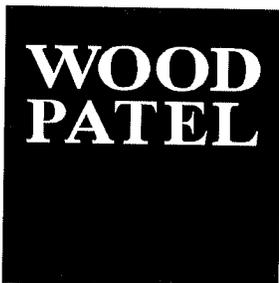
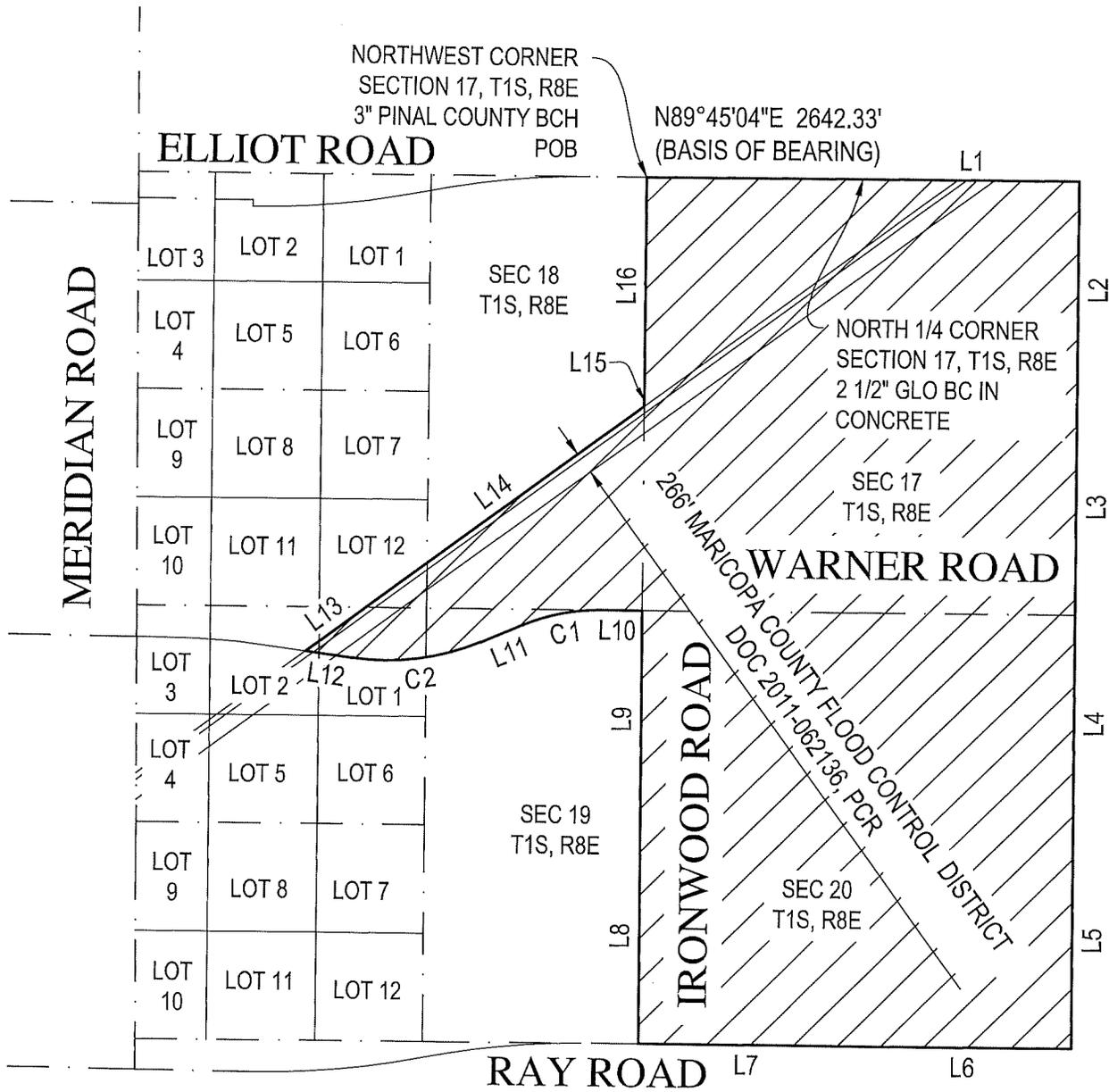
Containing 61,348,819 square feet or 1,408.3751 acres, more or less.

Subject to existing right-of-ways and easements.

This parcel description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of December, 2020. Any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

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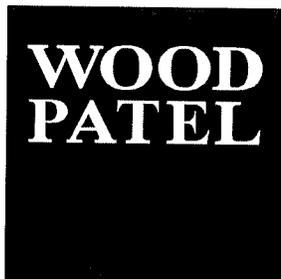




**EXHIBIT "A"**  
 SUPERSTITION VISTAS  
 BROOKFIELD PARCEL  
 01/08/2021  
 WP #205166.01  
 PAGE 3 OF 4  
 NOT TO SCALE

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°47'06"E	2643.88'
L2	S00°17'17"E	2641.26'
L3	S00°17'39"E	2641.38'
L4	S00°16'25"E	2640.88'
L5	S00°15'30"E	2641.53'
L6	S89°46'59"W	2643.36'
L7	S89°48'18"W	2643.78'
L8	N00°17'01"W	2640.28'
L9	N00°17'35"W	2641.12'
L10	S89°46'31"W	500.00'
L11	S66°51'25"W	540.51'
L12	N82°28'36"W	583.29'
L13	N53°29'13"E	910.07'
L14	N53°29'26"E	4200.33'
L15	N00°17'10"W	155.64'
L16	N00°13'51"W	2639.88'

CURVE TABLE			
CURVE	DELTA	RADIUS	ARC
C1	22°55'06"	2500.00'	1000.00'
C2	30°39'58"	3000.00'	1605.68'



**EXHIBIT "A"**  
 SUPERSTITION VISTAS  
 BROOKFIELD PARCEL  
 01/08/2021  
 WP #205166.01  
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 NOT TO SCALE