

CLEARWATER FARMS UNIT III  
PROPERTY OWNERS ASSOCIATION, INC.

DRAINAGE MAINTENANCE POLICY RESOLUTION

WHEREAS the Declaration of Conditions, Covenants and Restrictions ("CC & R's") for Clearwater Farms Unit III Property Owners Association, Inc., recorded in Docket 84-247967, of the records of Maricopa County, Arizona (the "Declaration") sets forth the legal description of the Property and subjects each Owners of a Lot that is part of the Property to certain obligations, easements, restrictions, covenants, and conditions;

WHEREAS Paragraph 9.2 of the Declaration provides that each Lot Owner install a culvert of not less than 18 inches in any borrow ditch or easement along and adjacent to any property line; and

WHEREAS Paragraph 9.4 of the Declaration provides that each Lot Owner shall retain all irrigation water delivered to his property; and

WHEREAS Paragraph 9.6 of the Declaration provides that any failure to properly maintain property that leads to a violation(s) may result in the Lot Owner being obligated to pay for the cost of curing such violations, and

WHEREAS Paragraph 10.1 of the Declaration provides that any Lot Owner in violation of the Declaration loses the right to irrigation water until the violation is completely cured;

BE IT RESOLVED that the following policy is hereby adopted by the Clearwater Farms Unit III Property Owners Association, Inc., Board of Directors with respect to the maintenance of drainage (i.e. borrow ditches and culverts), the maintenance of berm integrity, and to the responsibilities assigned when failure leads to erosion or other damage to Clearwater Farms Unit III Property Owners Association, Inc. (the "Association") property or that of Lot Owners

1. If a Lot Owner WITHOUT sufficient ditch or clear culvert suffers damage, that Owner is responsible for repair of the damage to their property.
2. If a Lot or Association road WITH adequate culvert/borrow ditch suffers damage, the Owner who lost water is responsible for the repairs.
3. If the irrigation system overflows due to a negligent act on the part of a Lot Owner (i.e. opening only one port or failing to take water as scheduled) and a Lot or Association road suffers damage, the negligent Owner will be responsible for repairs to property WITH adequate culvert/borrow ditch AND will share responsibilities and expenses with property WITHOUT adequate culvert/borrow ditch.
4. Failure to correct damage for which one is responsible shall result in the responsible Owner being in violation of the CC&R's and that Owner will lose irrigation privileges until the violation is completely cured.

ADOPTED this 10th day of January, 1996, by the Clearwater Farms Unit III Property Owners Association, Inc. Board of Directors. This policy shall become effective immediately.

Susan Celestian

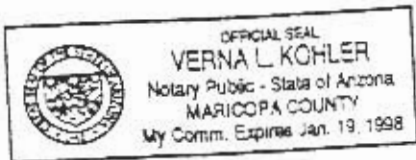
President  
Clearwater Farms Unit III  
Property Owners Association, Inc.

On this 11 day of January, 1997, before me the undersigned Notary Public in and for Maricopa County, Arizona, personally appeared Susan Celestian who acknowledged that (s)he is the President of Clearwater Farms Unit III Property Owners Association, Inc. and being authorized to do so, subscribed and swore to the statements contained in this resolution.

Verna L. Kohler

Notary Public

My Commission Expires: Jan. 19, 1998



ADOPTED, this 8th day of April, 1996 by the Clearwater Farms Unit III Property Owners Association, Inc. Board of Directors. This policy will become effective immediately.

ss/ Susan Celestian

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President

Clearwater Farms Unit III

Property Owners Association, Inc.