

NOTICE OF ADDITION OF TERRITORY
AND
DECLARATION OF HORIZONTAL PROPERTY REGIME
TOGETHER WITH
COVENANTS, CONDITIONS AND RESTRICTIONS,
AND GRANT AND RESERVATIONS OF EASEMENTS
FOR

LAKE PARK VILLAS

This Declaration is made on the _____ day of _____, 1972, by Mission Viejo Company, a California corporation, hereinafter referred to as "Declarant".

ARTICLE I

DECLARATION OF HORIZONTAL PROPERTY REGIME

Section 1. DESCRIPTION. Declarant is the Owner of real property in Maricopa County, Arizona, described as follows:

THE LAKES TRACT G-4, according to Book 141 of Maps, Page 50, Records of Maricopa County, Arizona.

Section 2. PROJECT. On the real property referred to above in Section 1, a condominium project known as Lake Park Villas shall be developed in accordance with the condominium development of The Lakes Tract G-4, of record in the office of the County Recorder of Maricopa County, Arizona, in Book 141 at Page 50 thereof, recorded on September 28, 1971. The recording of this Notice of Addition of Territory and Declaration of Horizontal Property Regime shall constitute the annexation of the property described immediately above to that Horizontal Property Regime recorded on March 13, 1972 in Docket 9298, Pages 355-403. The provisions of the Declaration referred to immediately above shall apply to the added territory described in Article 1, Section 1 above.

Section 3. DECLARATION. Pursuant to Chapter 4.1, Article 1, Sections 33-551 to 33-561 inclusive, Arizona Revised Statutes, 1956, Declarant does hereby submit said property described above to the Horizontal Property Regime in order to establish the nature of the use and enjoyment of the aforescribed property.

Section 4. DESCRIPTION OF PROJECT. The project was planned to be developed in two (2) stages, Stage I and Stage II. Both stages combined consist of 144 individual Apartments as hereinafter defined. Stage I has been developed and completed as a separate project consisting of 76 individual Apartments. Stage II has been developed and now completed as a separate project consisting of 68 individual Apartments, and Stage II is now being annexed to Stage I pursuant to Article X, Section 4, of the Declaration referred to above. The Owner of an Apartment in Stage I will own a 1/144th interest in the General Common Elements in Stages I and II combined, and the Owner of an Apartment in Stage II will own a 1/144th interest in the General Common Elements in Stages I and II combined. Stage II shall be as follows:

(a) DESCRIPTION OF THE LAND. The land shall be as described in this Declaration and in the recorded plat referred to in Section 1 above.

(b) DESCRIPTION OF SPACE OF BUILDING. There shall be 17 multi-unit buildings in the Horizontal Property Regime, and each of which shall contain four (4) apartments. Each building shall be identified alphabetically, A thru Q. The cubic content space of each building with reference to its location on the land is as more fully set forth and described in the recorded plat referred to in Section 2. above.

(c) DESCRIPTION OF SPACE OF APARTMENT. The Horizontal Property Regime shall be composed of 68 individual apartments. Each apartment within each building shall be separately identified numerically as 1 thru 4, as shown on the plat referred to in Section 2 above. Each apartment in the Horizontal Property Regime shall include an individual apartment, patio, garage, stairway, and balcony, if any, each bearing the same numerical identification, together with an undivided one-one hundred forty-fourth (1/144th) fractional interest in the general common elements. The cubic content space of each apartment located within the building and of each patio, garage, balcony, and stairway, if any, and any other area subject to individual ownership and exclusive control is as more fully set forth and described in the recorded plat referred to in Section 2 above.

(d) DESCRIPTION OF GENERAL COMMON ELEMENTS. (The general common elements shall include all of said Property referred to in Sections 1 and 2 above, including the land upon which the apartments are located, the buildings, all bearing walls, columns, floors, roofs, slabs, all recreational facilities, swimming pools, pumps, landscaping, pavements, private drives, all waste, water and gas pipes, ducts, chutes, conduits wires, drainage lines, other utility and installation lines,

the foundations of the apartments, the foundations of the buildings, and all other devices and premises designed for common use or enjoyment by more than the owner or owners of a single Apartment, all as is more fully set forth and described herein and in the recorded plat referred to in Section 2 above, except for an Apartment as defined, and except for the outlets of utilities when located within an Apartment, and those areas allocated for use by an Apartment for garage, patio, stairway, and balcony purposes, as shown on said plat. The common elements shall remain undivided; and no owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the common elements.

(e) DESCRIPTION OF SPACE OF LIMITED COMMON ELEMENTS. There will not be any limited common elements.

(f) FRACTIONAL INTEREST. Each apartment shall bear a fractional interest in the entire Horizontal Property Regime as set forth hereinafter: one/one hundred forty-fourth (1/144).

Section 5. VERTICAL DIMENSION. All reference to vertical dimension made in this document or on the recorded map referred to above in Section 2 shall be based upon the elevations described as follows:

BENCH MARKS

1. A.H.D. B.C. set in a concrete culvert 23' N. of Center line of Baseline Road & 30' E. of center line of Old Rural Road - Center of East end of irrigation culvert. Elevation - 1181.63
2. "TTV9" B.C. on culvert box 15' W. of center line of McClintock Road & 30' N. of center line of Baseline Road. Elevation - 1186.63

NOTE - Add 0.16' to all elevations shown to equal City of Tempe Datum. .

ARTICLE II

COVENANTS, CONDITIONS AND RESTRICTIONS

DEFINITIONS

② Section 1. "Apartment" shall mean a separate freehold estate consisting of an airspace defined as follows: The boundaries of each such Apartment are as follows:

(a) The lower vertical boundary is the surface of the finished floor thereof.

(b) The upper vertical boundary is a horizontal plane, the elevation of which coincides with the highest finished ceiling thereof.

(c) The lateral boundaries are vertical planes, the elevations of which coincide with the interior surfaces of the perimeter walls thereof, extended upwards to intersect the upper vertical boundary thereof, and the lower vertical boundary thereof, and vertical planes coincidental with the interior surfaces of the perimeter walls thereof, extended upwards to intersect the upper vertical boundary thereof.

(d) Each such Apartment includes the surfaces so described, and the portions of the building and improvements lying within said boundaries. Each such Apartment shall also include the heating and air conditioning units, ranges, dishwashers, garbage disposal units, water heaters, and other household appliances lying within said boundaries and/or appurtenant areas.

(e) The airspaces for garages, patios, balconies, and stairways are, where so designated, for the exclusive use of the Apartment.

(f) Unless otherwise indicated, all airspace boundary lines shall be at right angles.

The following are not part of an Apartment: Bearing walls, columns, vertical supports, floors, roofs, foundations, patio walls and fences, pipes, ducts, flues, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the Apartment. There are uncovered parking areas which are for the use of Owners, and their guests and invitees, subject to the regulations established by the Lake Park Villas Homeowner's Association. In interpreting deeds, plats,

declarations, and plans, the existing physical boundaries of an Apartment or an Apartment reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the description expressed in the deed, plat, plan, or declaration, regardless of settling or lateral movement of the building, and regardless of minor variances between the boundaries as shown on the plan or in the deed and declaration and those of the building. Each of the four (4) Apartments in each building shall be deemed to be a separate and distinct Apartment.

Section 2. "Articles" shall mean the Articles of Incorporation of the Association which are, or shall be, filed in the office of the Corporation Commission of the State of Arizona, as said Articles may be amended from time to time.

Section 3. "Association" shall mean and refer to Lake Park Villas Homeowner's Association, an Arizona non-profit corporation, its successors and assigns, formed as an entity through which the Owners may act, in accordance with Arizona Revised Statutes 33-551.5 and 33-561 (1962).

Section 4. "Board" shall mean the Board of Directors of the Association.

Section 5. "Building" shall mean and refer to the structures designated as buildings on the recorded plat referred to in Section 2 of Article I above, in accordance with Arizona Revised Statute 33-551.2 (1962).

Section 6. "Bylaws" shall mean the Bylaws of the Association, as such Bylaws may be amended from time to time.

Section 7. "General Common Elements" shall mean all the general common elements for the common use or enjoyment by more than the Owner or Owners of a single Apartment, as described in Article I, Section 4(d) above and in Arizona Revised Statute 33-551.6 (1962). The General Common Elements may sometimes hereinafter be referred to as "Common Elements".

Section 8. "Declarant" shall mean Mission Viejo Company, a California corporation, including its successors and assigns.

Section 9. "Declaration" shall mean this entire document, as same may from time to time be amended, relating to all or part of Lake Park Villas.

Section 10. "Improvement" shall mean all physical structures, including, but not limited to, the buildings, private drives, parking areas, fences and walls, and all landscaping, including, but not limited to, hedges, plantings, trees and shrubs of every type and kind.

Section 11. "Member" shall mean any person, corporation, partnership, joint venture or other legal entity who is a member of the Association.

Section 12. "Owner(s)" shall mean and refer to the record owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if same has merged) of any Apartment. "Owner" shall include the purchaser of an Apartment under an executory contract for the sale of real property. The foregoing does not include persons or entities who hold an interest in any Apartment merely as security for the performance of an obligation. Except as stated otherwise herein, "Owner" shall not include a lessee or tenant of an Apartment. For the purposes of Article V only, unless the context otherwise requires, "Owner" shall also include the family, invitees, licensees, and lessees of any Owner, together with any other person or parties holding any possessory interest granted by such Owner in any Apartment.

Section 13. "Property" shall mean and refer to the land whether committed to the Horizontal Property Regime in fee or as a leasehold interest, the buildings, all other Improvements located thereon, and all easements, rights, and appurtenances belonging thereto, and such property as is added thereto pursuant to Article X, Section 4.

Section 14. "Single Family" shall mean a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three persons not all so related, together with their domestic servants, who maintain a common household in a dwelling.

Section 15. "Lake Park Villas" shall mean all property located in the County of Maricopa, State of Arizona, which becomes subject to this Declaration, together with such other real property as may from time to time be annexed thereto.

Section 16. "Visible From Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

ARTICLE III

PROPERTY RIGHTS

Section 1. OWNERS' EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Apartment, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Elements;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Apartment remains unpaid; and for a period not to exceed 60 days for any infraction of this Declaration;

(c) the right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of Members agreeing to such dedication or transfer has been recorded.

Section 2. DELEGATION OF USE. Any Owner may delegate, in accordance with this Declaration, his right of enjoyment to the Common Elements and facilities to the members of his family, his tenants, or his guests or invitees.

ARTICLE IV

GENERAL DECLARATION

Section 1. GENERAL DECLARATION. Declarant hereby declares that all of the real property within Lake Park Villas is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration as amended or modified from time to time. This Declaration is declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of said real property and is established for the purpose of enhancing and perfecting the value, desirability and attractiveness of said real property and every part thereof. All of this Declaration shall run with all of said real property for all purposes and shall be binding upon and inure to the benefit of Declarant, the Association, all Owners, and their successors in interest.

ARTICLE V

LAND USE CLASSIFICATIONS, PERMITTED USES AND RESTRICTIONS

Section 1. PERMITTED USES AND RESTRICTIONS. The permitted uses, easements, and restrictions for all property within Lake Park Villas covered by this Declaration, except for Common Elements, shall be as follows:

(a) SINGLE FAMILY RESIDENTIAL USE. An Apartment shall be used, improved and devoted exclusively to Single Family Residential Use. No gainful occupation, profession, trade or other nonresidential use shall be conducted on any such property. Nothing herein shall be deemed to prevent the lease of an Apartment to a single family from time to time by the Owner thereof, subject to all of the provisions of this Declaration.

(b) ANIMALS. No animals, birds, fowl, poultry, or livestock, other than a reasonable number of domestic dogs, cats, fish, and birds in inside bird cages shall be maintained on any Property within Lake Park Villas and then only if they are kept thereon solely as domestic pets and not for commercial purposes. No animal or bird shall be allowed to make an unreasonable amount of noise, or to become a nuisance. No structure for the care, housing or confinement of any animal or bird shall be maintained so as to be Visible From Neighboring Property. Upon the written request of any Owner, the Board shall conclusively determine, in its sole and absolute discretion, whether, for the purposes of this paragraph, a particular animal or bird is a generally recognized household pet, or a nuisance, or whether the number of animals or birds on any such property is reasonable. Any decision rendered by the Board shall be enforceable as other restrictions contained herein. The Board shall have the right to prohibit maintenance of any animal or bird which constitutes, in the opinion of the Board, a nuisance to any other Owner. As used in this Declaration, the term "reasonable number" shall be deemed to limit the number of dogs, cats, and birds, to two (2) each.

(c) ANTENNAS. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any property within Lake Park Villas, whether attached to a building or structure or otherwise, unless approved by the Board. Each Apartment Owner shall have a non-exclusive right to use a television aerial in the Common Attic Area of the building in which his Apartment is located.

(d) UTILITY SERVICE. No lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any property within Lake Park Villas unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Board. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Board.

(e) IMPROVEMENTS AND ALTERATIONS. No improvements, exterior painting, landscaping or decorative alterations, repairs, excavation or other work which in any way alters the exterior appearance of any Property within Lake Park Villas, or the improvements located thereon shall be commenced, erected, maintained, made or done without the prior written approval of the Board or any committee established by the Board for the purpose. Pursuant to its rule-making power, the Board shall establish a procedure for the preparation, submission and determination of applications for any such alteration or Improvement. The Board shall have the right to refuse to approve any plans or specifications, which are not suitable or desirable, in its opinion, for aesthetic or other

reasons, and in so passing upon such plans, specifications and grading plans, and without any limitation of the foregoing, it shall have the right to take into consideration the suitability of the proposed Improvement, and of the materials of which it is to be built, the site upon which it is to be located, the harmony thereof with the surroundings, and the effect thereof on the outlook from the adjacent or neighboring Property. All subsequent additions to or changes or alterations in any building, fence, wall, or other structure, including exterior color scheme, shall be subject to the prior approval of the Board. No changes or deviations in or from such plans and specifications once approved shall be made without the prior written approval of the Board. All decisions of the Board shall be final and no Owner or other party shall have recourse against the Board for its refusal to approve any such plans and specifications.

(f) TEMPORARY OCCUPANCY. No temporary buildings or structure of any kind shall be used at any time for a residence on any Property within Lake Park Villas.

(g) TRAILERS AND MOTOR VEHICLES. Except with approval of the Board, no mobile home, trailer of any kind, truck camper, or permanent tent or similar structure shall be kept, placed, maintained, constructed, reconstructed or repaired, nor shall any motor vehicle be constructed, reconstructed or repaired, upon any Property or street (public or private) within Lake Park Villas in such a manner as will be Visible From Neighboring Property. No boat, trailer, recreational vehicle, camper, truck, motorcycle, motorbike, scooter, or other similar motor vehicle shall be parked or stored on any private drive or in any part of the Property other than in a garage. A garage shall be used for parking vehicles and storage purposes only, and shall not be converted for living or recreational activities: Only automobiles in operating condition shall be parked in uncovered parking areas. Provided, however, that the provisions of this paragraph shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any improvement approved by the Board.

(h) REPAIR AND MAINTENANCE.

(1) BY OWNER. Each Owner of an Apartment shall maintain, repair, replace, and restore, at his own expense, all portions of the Apartment, as hereinabove defined, subject to control and approval of the Association as provided herein. No Owner shall remove, alter, injure or interfere in any way with any shrubs, trees, grass or plantings placed upon any Property by Declarant of the Association without the written consent of the Association having first been obtained.

(2) BY THE ASSOCIATION. The Association shall have full power to control, and it shall be its duty to maintain, repair and make necessary improvements to and pay for out of the maintenance fund to be provided, all Common Elements and the improvements thereon, including, but not limited to, common facilities and improvements, all common landscaping and drainage facilities; all corrective architectural, landscaping and repair work within residences; all metered utilities for Common Elements; and all private roadways, streets, parking areas, walks and other means of ingress and egress within the project. This shall include the exterior portions of the Apartments, and the buildings (except for the Apartments); the land upon which the buildings are located; the air-space above the buildings, all bearing walls, columns, floors, roofs, slabs, foundations, storage spaces, balconys, lobbies; all waste, water, sewer, and gas pipes, ducts, shoots, conduits, wires, and all other utility installations of the buildings, wherever located, except the outlets thereof when located within the Apartments. The Association shall further be empowered with the right and duty to periodically inspect all Common Elements in order that minimum standards of repair, design, color and landscaping shall be maintained for beauty, harmony and conservation within the entire project.

(3) GENERAL MAINTENANCE. In the event that the Association determines that an Improvement or the Common Elements are in need of repair, restoration or painting, or that the landscaping is in need of installation, repair, or restoration, the Association shall undertake to remedy such condition and the cost thereof shall be charged to the Owners and shall be subject to levy, enforcement and collection by the Association in accordance with the assessment lien procedure provided for in this Declaration. The Association shall have a limited right of entry in and upon all Common Elements as defined above and the exterior of all Apartments for the purpose of taking whatever corrective action may be deemed necessary or proper by the Association. Nothing in this Article shall in any manner limit the right of the Owner to exclusive control over the interior of his Apartment. Provided, however, that an Owner shall grant the right of entry therein to the Association or any other person or other Owner or Owners, or their authorized representatives, in case of any emergency originating in or threatening his Apartment, whether the Owner is present or not, when so required to enter his Apartment for the purpose of performing installation, alterations or repair to the mechanical or electrical services, including water, sewer, and other utility services and installation and maintenance of common television antennas, provided that reasonable requests for entry are made and that such entry is at a time reasonably convenient to the Owner whose Apartment is to be entered. In case of an emergency, such right of entry shall be immediate without the necessity for a request having to be made.

(4) REPAIR NECESSITATED BY OWNER. In the event that the Association determines that an Improvement or the Common Elements are in need of repair, restoration or painting, or that the landscaping is in need of installation, repair, or restoration which has been caused by an Owner, or that there is a violation of any provision of this Declaration by an Owner, then the Association shall give written notice to the Owner of the condition or violation complained of, and unless the Board has approved in writing corrective plans proposed by the Owner to remedy the condition complained of within such reasonable period of time as may be determined by the Board after said written notice is first given, and such corrective work so approved is completed thereafter within the time allotted by the Board, the Association shall undertake to remedy such condition or violation complained of and the cost thereof shall be charged to the Owner and his Apartment whose residence is the subject matter of the corrective work, and such cost shall be deemed to be an Assessment to such Owner, and his Apartment, and subject to levy, enforcement and collection by the Association in accordance with the assessment lien procedure provided for in this Declaration. The Association shall have the same right of entry in and upon all Common Elements and an Apartment as defined above. The Board shall have the sole right to determine whether any such costs expended by the Association related to General Maintenance or was Repair Necessitated By An Owner, and the determination of same shall be binding and final as to an Owner.

(i) NUISANCES. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Property within Lake Park Villas and no odors shall be permitted to arise therefrom, so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No nuisance shall be permitted to exist or operate upon any such Property so as to be offensive or detrimental to any other property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such Property. The Board in its sole discretion shall have the right to determine the existence of any such nuisance.

(j) TRASH CONTAINERS AND COLLECTION. No garbage or trash shall be placed or kept on any Property within Lake Park Villas except in covered containers of a type, size and style which are approved by the Board. In no event shall such containers be maintained so as to be Visible From Neighboring Property except to make the same available for collection and, then, only the shortest time reasonably necessary to effect such collection. The Board shall have the right, in its sole discretion, to require all Owners to subscribe to a garage trash service.

(k) CLOTHES DRYING FACILITIES. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any property within Lake Park Villas unless they are erected, placed and maintained exclusively within a fenced service yard or otherwise concealed and shall not be Visible From Neighboring Property.

(l) DISEASES AND INSECTS. No Owner shall permit any thing or condition to exist upon any Property within Lake Park Villas which shall induce, breed or harbor infectious plant diseases or noxious insects.

(m) RESTRICTION ON FURTHER SUBDIVISION. No Apartment within Lake Park Villas shall be further subdivided or separated into smaller Apartments by any Owner, and no portion less than all of any such Apartment nor any easement or other interest therein, shall be conveyed or transferred by any Owner without the prior written approval of the Board. This provision shall not, in any way, limit Declarant from subdividing or separating into smaller lots or parcels any Property owned by Declarant. No portion of an Apartment but for the entire Apartment, together with the improvements thereon, may be rented, and then only to a single family. This restriction shall not prevent the conveyance or encumbrance of adjoining or contiguous Apartments or parts of Apartments in such a manner as to create an Apartment in a common ownership. Thereafter such part or parts of adjoining or contiguous Apartments in such common ownership shall, for the purposes of these restrictions, be considered as one Apartment. This restriction shall not prevent the granting by an Owner thereof of an easement over part or parts of an Apartment for use by another Owner.

(n) SIGNS. No signs whatsoever (including, but not limited to, commercial, political and similar signs) which are Visible From Neighboring Property shall be erected or maintained on any Property within Lake Park Villas except:

- (1) Such signs as may be required by legal proceedings;
- (2) Not more than two (2) residential identification signs each of a combined total face area of seventy-two square inches or less;
- (3) During the time of construction of any building or other improvement, one job identification sign not larger than eighteen by twenty-four inches in height and width and having a face area not larger than three square feet;
- (4) Such signs the nature, number, and location of which have been approved in advance by the Board; and
- (5) Such signs, the number, type and size of which as may be approved from time to time by Declarant for Developers.

(o) DECLARANT'S EXEMPTION. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or its duly authorized agents, of structures, Improvements or signs necessary or convenient to the development, sale, operation or other disposition of Property within Lake Park Villas.

(p) EASEMENTS. There is hereby created a blanket easement upon, across, over and under the above described Property for ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and systems, including, but not limited to, water, sewers, gas, telephones, electricity, television cable or communication lines and systems, etc. By virtue of this easement, it shall be expressly permissible for the providing utility or service company or the Association or their agent to install and maintain facilities and equipment on said Property and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of any Building. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on said Property except as initially designed and installed or thereafter approved by the Board. This easement shall in no way affect any other recorded easements on said Property. This easement shall be limited to Improvements as originally constructed. There shall be an access easement under all exterior stairways for the delivery and collection of the U. S. Mail.

(g) ENCROACHMENT. Each Apartment shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event a building is partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of the adjacent residence due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

(r) COMMON WALLS. The rights and duties of Owners with respect to Common Walls shall be as follows:

(1) The Owners of contiguous Apartments who have a Common Wall shall both equally have the right to use such wall provided that such use by one owner does not interfere with the use and enjoyment of same by the other Owner.

(2) In the event that any Common Wall is damaged or destroyed through the act of an Owner or any of his agents or guests or members of his family (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner to rebuild and repair the Common Wall without cost to the other adjoining Owner or Owners.

(3) In the event any such Common Wall is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act of an adjoining Owner, his agents, guests or family, it shall be the obligation of the Association to rebuild and repair such wall.

(4) Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any Common Wall without the prior consent of the Board.

(5) In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a Common Wall or with respect to the bearing of the cost thereof, the Owners shall submit the dispute to the Board, the decision of which shall be final and binding on all Owners.

(s) INSURANCE. The Board, or its duly authorized agent, shall have the authority to and shall obtain insurance for all the Property, except individual Apartments, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from all reasonable hazards, and shall also obtain a broad form public liability policy covering all Common Elements, and all damage or injury caused by the negligence of the Association or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance, except on the individual Apartments, shall be common expenses of the Association. All such insurance coverage obtained by the Board shall be written in the name of the Association as trustee for each of the Owners. Insurance on individual Apartments obtained by Owners may be written in the name of the individual Owners. In addition to the aforesaid insurance required to be carried by the Association, any Owner may if he wishes, at his own expense, carry any and all other insurance he deems advisable. It shall be the individual responsibility of each Owner at

his own expense to provide, as he sees fit, Owner's liability insurance, theft and other insurance covering personal property damage and loss. In the event of damage or destruction by fire or other casualty to any Property covered by insurance written in the name of the Association, the Board shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the Property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency, with the proviso agreed to by said bank or institution that such funds may be withdrawn only by two signatures of members of the Board, or by an agent duly authorized by the Board. The Board shall contract with any licensed contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly, the Board shall levy a special assessment against all Owners to make up any deficiency, to make up any deficiency for repair or rebuilding of the Common Elements not a part of an Apartment. In the event such insurance proceeds exceed the cost of repair and reconstruction, such excess shall be paid over to the Association.

Section 2. PERMITTED USES AND RESTRICTIONS - COMMON ELEMENTS. The permitted uses and restrictions for Common Elements shall be as follows:

A. MAINTENANCE BY ASSOCIATION. The Association may, at any time, as to any Common Elements, conveyed, leased, or transferred to it, or otherwise placed under its jurisdiction, in the discretion of the Board, without any approval of the Owners being required:

- (1) Reconstruct, repair, replace or refinish any improvement or portion thereof upon any such area (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area) in accordance with (a) the last plans thereof approved by the Board, (b) the original plans for the improvement, or (c) if neither of the foregoing is applicable and if such improvement was previously in existence, then in accordance with the original design, finish or standard of construction of such improvement as same existed;
- (2) Construct, reconstruct, repair, replace or refinish any road improvement or surface upon any portion of such area used as a road, street, walk, driveway and parking area.
- (3) Replace injured and diseased trees or other vegetation in any such area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes; and
- (4) Place and maintain upon any such area such signs as the Board may deem appropriate for the proper identification, use and regulation thereof.
- (5) Do all such other and further acts which the Board deems necessary to preserve and protect the property and the beauty thereof, in accordance with the general purposes specified in this Declaration.
- (6) The Board shall be the sole judges as to the appropriate maintenance of all grounds within the Common Elements.

B. DAMAGE OR DESTRUCTION OF COMMON ELEMENTS BY OWNERS. No Owner shall in any way damage or destroy any Common Elements, or interfere with the activities of the Association in connection therewith. Any amount incurred by the Association by reason of any such act of an Owner shall be paid by said Owner, upon demand, to the Association and the Association may enforce collection of same in the same manner as provided elsewhere in this Declaration for collection and enforcement of assessments.

ARTICLE VI

THE ASSOCIATION

Section 1. ORGANIZATION.

A. THE ASSOCIATION. The Association is a nonprofit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

B. SUBSIDIARY ASSOCIATIONS. The Association shall have the right to form one or more Subsidiary Associations, for any purpose or purposes deemed appropriate by the unanimous vote of the Board. However, any such Subsidiary Association shall be subject to this Declaration and may not take any action to lessen or abate the rights of the Owners herein.

C. BOARD OF DIRECTORS AND OFFICERS. The affairs of the Association shall be conducted by a Board of Directors and such Officers and Committees as the Directors may elect or appoint, in accordance with the Articles and the Bylaws, as same may be amended from time to time.

Section 2. POWERS AND DUTIES OF THE ASSOCIATION. The Association shall have such rights, duties and powers as set forth in the Articles and Bylaws, as same may be amended from time to time. The Association may contract with a management company as agent for the performance of maintenance and repair and for conducting other activities on behalf of the Association.

Section 3. ASSOCIATION RULES. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations to be known as the "Association Rules". The Association Rules may restrict and govern the use of any area by any Owner, by the family of such Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may be recorded. Upon such adoption, said Rules shall have the same force and effect as if they were set forth in and were a part of the Declaration.

Section 4. PERSONAL LIABILITY. No member of the Board or any Committee of the Association, or any officer or employee of the Association, or the Manager, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, the Manager or any other representative or employees of the Association, or any Architectural Committee, or any other Committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without wilful or intentional misconduct.

ARTICLE VII

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of an Apartment which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Apartment which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Apartment owned. When more than one person holds an interest in any Apartment, all such persons shall be Members. The vote for such Apartment shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Apartment.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Apartment owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B membership, or
- (b) On January 1, 1976.

Section 3. The vote for each such Apartment must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners casts a vote representing a certain Apartment, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Apartment. In the event more than one vote is cast for a particular Apartment, none of said votes shall be counted as said votes shall be deemed void.

Section 4. In any election of the members of the Board, every Owner entitled to vote at such an election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of Apartments owned by the Owner multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected.

Section 5. Each member shall have such other rights, duties, and obligations as set forth in the Articles and Bylaws, as same may be amended from time to time.

Section 6. The Association membership of each Owner of an Apartment within Lake Park Villas shall be appurtenant to said Apartment. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon transfer of ownership to such Apartment, or by intestate succession, testamentary disposition, foreclosure of a mortgage of record, exercise of a power of sale under a Deed of Trust, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to said Apartment shall operate to transfer said membership to the new Owner thereof.

ARTICLE VIII

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Each Owner of any Apartment, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a lien on the Apartment and the Common Elements as created by this Declaration. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Apartment at the time when the assessment was levied. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in Lake Park Villas, for the improvement and maintenance of the Common Elements, and for all purposes set forth in the Articles, including but not limited to, insurance premiums, expenses for maintenance repairs and replacements of Common Elements, reserves for contingencies, and charges for water and other utilities for the Common Elements.

Section 3. MAXIMUM ANNUAL ASSESSMENT. Until January 1 of the year immediately following the conveyance by Declarant of the first Apartment to an Owner, the maximum annual assessment shall be Five Hundred Four Dollars (\$504.00) per each Apartment.

(a) From and after January 1 of the year immediately following the conveyance of the first Apartment to an Owner, the maximum annual assessment may be increased each year up to five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Apartment to an Owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board may fix the annual assessment at an amount not in excess of the maximum.

Section 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 AND 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. 86 43

Section 6. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate for all Apartments and may be collected on a monthly, quarterly, or annual basis. However, the amount of the assessment in any one year and from year to year may vary between the Tract or Tracts in which the Apartment is located, and between Apartments of a different size.

Section 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATES. The annual assessments provided for herein shall commence as to all Apartments on the first day of the month following the conveyance of an Apartment to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Apartment at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Apartment have been paid.

Section 8. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Each Owner of any Apartment shall be deemed to covenant and agree to pay to the Association the assessments provided for herein, and agrees to the enforcement of the assessments in the manner herein specified. In the event the Association employs an attorney for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, each Owner and Member agrees to pay reasonable attorney's fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner or Member. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures:

(a) ENFORCEMENT BY SUIT. The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner or Member to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the maximum rate permitted by law from the date of delinquency until paid, court costs, and reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Owner or Member.

(b) ENFORCEMENT BY LIEN. There is hereby created a right of claim of lien, with power of sale, on each and every Apartment within Lake Park Villas to secure payment to the Association of any and all assessments levied against any and all Owners of such Apartments under this Declaration, together with interest thereon at the maximum rate permitted by law per annum from the date of delinquency until paid, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time within ninety (90) days after the occurrence of any default in the payment of any such assessment, the Association, or any authorized representative may, but shall not be required to, make a written demand for payment to the defaulting owner, on behalf of the Association. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid within ten (10) days after delivery of such demand, or, even without such a written demand being made, the Association may elect to file such a claim of lien on behalf of the Association against the Apartment of the defaulting Owner. Such a claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:

1. The name of the delinquent Owner;
2. The legal description and street address of the Apartment against which claim of Lien is made;

3. The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and reasonable attorneys' fees (with any proper offset allowed);
4. That the claim of lien is made by the Association pursuant to this Declaration; and
5. That a lien is claimed against said Apartment in an amount equal to the amount stated.

Upon recordation of a duly executed original or copy of such a claim of lien, and mailing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Apartment and the Common Elements and rights appurtenant to the Apartment, against which such Assessment was levied, as created by this Declaration. Such a lien shall have priority over all liens or claims created subsequent to the recordation of the claim of lien thereof, except only tax liens for real property taxes on any Apartment, assessments on any Apartment in favor of any municipal or other governmental assessing unit, and the liens which are specifically described in Section 9 hereinafter. Any such lien may be foreclosed by appropriate action in Court or in the manner provided by law for the foreclosure of a realty mortgage or trust deed as set forth by the laws of the State of Arizona, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Apartment Owners. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Apartment. In the event such foreclosure is by action in Court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of an Apartment in Lake Park Villas hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner.

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 Apartment shall not affect the assessment lien. However, the sale or transfer of any Apartment pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Apartment from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE IX

ARCHITECTURAL CONTROL

Section 1. ORGANIZATION, POWER OF APPOINTMENT AND REMOVAL OF MEMBERS. There shall be an Architectural Committee, organized as follows:

(a) COMMITTEE COMPOSITION. The Architectural Committee shall consist of three regular members and two alternate members. None of such members shall be required to be an architect or to meet any other particular qualifications for membership. A member need not be, but may be, a member of the Board or an officer of the Association.

(b) ALTERNATE MEMBERS. In the event of the absence or disability of one or two regular members of said Committee, the remaining regular member or members, even though less than a quorum, may designate either or both of the alternate members to act as substitutes for the absent or disabled regular member or members for the duration of such absence or disability.

(c) INITIAL MEMBERS. The following persons are hereby designated as the initial members of the Architectural Committee:

- Office No. 1 - Wayne A. Smith, regular member
- Office No. 2 - John Benton, regular member
- Office No. 3 - Larry Kerbs, regular member
- Office No. 4 - Lloyd A. Snook, Jr., alternate member
- Office No. 5 - John W. Blundell, alternate member.

(d) TERMS OF OFFICE. Unless the initial members of the Architectural Committee have resigned or been removed, their terms of office shall be for the periods of time indicated below, and until the appointment of their respective successors:

1. The term of Office No. 1 shall expire March 1, 1975;
2. The term of Office No. 2 shall expire March 1, 1974;
3. The term of Office No. 3 shall expire March 1, 1973;
4. The terms of Office No. 4 and Office No. 5 shall both expire March 1, 1973.

Thereafter the term of each Architectural Committee member appointed shall be for a period of three years and until the appointment of his successors. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed.

(e) APPOINTMENT AND REMOVAL. The right to appoint and remove all regular and alternate members of the Architectural Committee at any time, shall be and is hereby vested solely in the Board, provided, however, that no regular or alternate member may be removed from the Architectural Committee by the Board except by the vote or written consent of four-fifths of all of the members of the Board. Exercise

of the right of appointment and removal, as set forth herein, shall be evidenced by the recordation of a Declaration identifying each new regular or alternate member appointed to the Committee and each regular or alternate member replaced or removed therefrom.

(f) RESIGNATIONS. Any regular or alternate member of the Architectural Committee may at any time resign from the Committee by giving written notice thereof to Declarant or to the Board, whichever then has the right to appoint Committee members.

(g) VACANCIES. Vacancies on the Architectural Committee however caused, shall be filled by the Board. A vacancy or vacancies on the Architectural Committee shall be deemed to exist in case of the death, resignation or removal of any regular or alternate member.

Section 2. DUTIES. It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt Architectural Committee Rules, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration. Any decision of the Architectural Committee may be approved, altered, modified, amended, or reversed by the Board.

Section 3. MEETINGS AND COMPENSATION. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. Subject to the provisions of Paragraph B of Section 1 above, the vote or written consent of any two regular members, at a meeting or otherwise, shall constitute the act of the Committee unless the unanimous decision of the Committee is required by any other provision of this Declaration. The Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise.

Section 4. ARCHITECTURAL COMMITTEE RULES. The Architectural Committee may, from time to time and in its sole and absolute discretion, adopt, amend and repeal, by unanimous vote or written consent, rules and regulations, to be known as "Architectural Committee Rules". Said Rules shall interpret and implement this Declaration by setting forth the standards and procedures for Architectural Committee review and the guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use in Lake Park Villas.

Section 5. WAIVER. The approval by the Architectural Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing specification or matter subsequently submitted for approval.

Section 6. LIABILITY. Neither the Architectural Committee nor any member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development of any property within Lake Park Villas, or (d) the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the Architectural Committee, or any member

thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Committee.

Section 7. TIME FOR APPROVAL. In the event that the Board, or the Architectural Committee, fails to approve or disapprove a matter within thirty (30) days after it has been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE X

GENERAL PROVISIONS

Section 1. ENFORCEMENT. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the Apartment, and Common Elements, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended

during the first twenty (20) year period by an instrument signed by not less than seventy percent (70%) of the Apartment Owners, and thereafter by an instrument signed by not less than a majority of the Apartment Owners. Any amendment must be recorded.

Section 4. ANNEXATION.

(a) ADDITION. Declarant may, at any time or from time to time, for a period not to exceed five (5) years from the date of this Declaration, or the Association may, at any time or from time to time, add to the Property which is covered by this Declaration, and upon the recording of a Notice of Addition of Territory containing the provisions as set forth in this Section, all provisions contained in this Declaration shall apply to the added territory in the same manner as if it were originally covered by this Declaration; and thereafter, the rights, powers and responsibilities of the parties to this Declaration with respect to the added territory shall be the same as with respect to the property originally covered hereby, and the rights, powers and responsibilities of the Owners, lessees and occupants of Apartments within the added territory as well as within the property originally subject to this Declaration shall be the same as if the added territory were originally covered by this Declaration. Additional territory within Tract G-4, The Lakes, recorded in Book 141 of Maps, Page 50, Maricopa County, Arizona, may be annexed by the Declarant, without the consent of the Members, and any such annexation shall not be deemed to violate any provision of this Declaration or Section (c) hereafter.

(b) NOTICE. The Notice of Addition of Territory referred to in this Article shall contain the following provisions: A reference to this Declaration, which reference shall state the date of recording hereof and the book and page numbers, where this Declaration is recorded; a statement that the provisions of this Declaration shall apply to the added territory in the manner set forth in this Article; a description of property within the added territory; and references to such information and exhibits as are necessary to make this Declaration applicable to the added territory.

(c) NEW USE. The Notice of Addition of Territory referred to above with respect to all or any portion of the property described in such Notice of Addition of Territory, may provide for new land uses not provided for in this Declaration and such additional covenants, conditions and restrictions with respect to the use thereof as Declarant may deem to be proper for the development of such added territory; provided, however, that no addition of territory shall substantially increase assessments or substantially increase the burden upon the Common Elements and facilities.

Section 5. EASEMENTS. Declarant expressly reserves for the benefit of all Property which may from time to time be covered by this Declaration, reciprocal easements of access, ingress and egress. Such easements may be used by Declarant, its successors, purchasers and all Owners, their guests, tenants, and invitees for pedestrian walkways, vehicular access and such other purposes reasonably necessary to use and enjoyment of an Apartment in the project.

Section 6. VIOLATIONS AND NUISANCE. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Owner or Owners of Apartments within Lake Park Villas. However, any other provision to the contrary notwithstanding, only Declarant, the Association, the Board, or the duly authorized agents of any of them, may enforce by self-help any of the provisions of this Declaration.

Section 7. VIOLATION OF LAW. Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of any Property within

Lake Park Villas is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 8. REMEDIES CUMULATIVE. Each remedy provided herein is cumulative and not exclusive.

Section 9. DELIVERY OF NOTICES AND DOCUMENTS. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered twenty-four hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: If to the Association, at P. O. Box 27146 Tempe, Arizona 85257; if to the Architectural Committee, at P. O. Box 27146, Tempe, Arizona 85257; if to an Owner, to the address of his Apartment within Lake Park Villas owned, in whole or in part, by him or to any other address last furnished by an Owner to the Association; and if to Declarant, at P. O. Box 27146, Tempe, Arizona 85257; provided, however, that any such address may be changed at any time by the party concerned by recording a written notice of change of address and delivering a copy thereof to the Association. Each Owner of an Apartment shall file the correct mailing address of such Owner with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

Section 10. BINDING EFFECT. By acceptance of a deed or by acquiring any ownership interest in any of the Property included within this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the real property covered thereby and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners. Declarant, its successors, assigns and grantees, covenant and agree that the Apartments and the membership in the Association and the other rights created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Apartment even though the description in the instrument of conveyance or encumbrance may refer only to the Apartment.

Section 11. OFFER OF SALE. Any Owner who desires to sell, lease or rent his apartment shall, prior to accepting any offer to purchase, lease or rent, give to the Board written notice of the terms and amount of such offer, including the name and address of the offeror. If, within fifteen (15) days after service of such notice by Owner, any member or group of members of the Association submits to the Board an identical firm and binding offer to purchase, lease or rent, the Owner shall accept the offer of said member or group of members of the Association in preference to the original offer described in the notice to the Board, and in the event more than one (1) member or group of members of the Association submits an identical firm and binding offer to the Board within said fifteen (15) day period, the Owner may, at his discretion, accept any one of such offers. If no identical offer from a member or group of members of the Association is submitted within said fifteen (15) day period, the Board shall, upon request of the Owner, execute an affidavit stating that the Owner has complied with the provisions hereof. Such affidavit shall contain the information that the Board has been duly elected, that a particular apartment has been offered for sale or lease, identifying the same, and that the proper notice to sell has been served by the Owner and that the fifteen (15) day period has passed and that no member or group of members of the Association submitted an identical firm and binding offer within the time allowed herein. Such affidavit shall be deemed conclusive evidence of the truth of the facts therein recited.

If no member or group of members of the Association submits an identical firm and binding offer within said fifteen (15) day period, the selling Owner may, at the expiration of said fifteen (15) day period and at any time within sixty (60) days after the expiration of said period, accept the offer described in said notice.

The provisions of this paragraph shall not be applicable or be enforceable by the Board or by any person with respect to:

(a) A sale, transfer or conveyance of any Apartment to any person, pursuant to a judgment of foreclosure of a mortgage of record or deed of trust;

(b) An original sale of any unit by Declarant, or its assignees or successors in interest;

(c) Any rental, with or without a written lease, for a term of one (1) year or less; provided that any subsequent lease to the same person or persons, organization, entity, association or corporation, directly or indirectly, shall not be exempt from the provisions of this Article.

(d) A transfer of title by testamentary disposition or intestate succession.

Section 12. THE LAKES DECLARATION AND THE LAKES COMMUNITY ASSOCIATION. It is acknowledged that notwithstanding anything to the contrary contained in this Declaration, this Declaration and the Association created pursuant to this Declaration and the Articles and Bylaws referred to herein of said Association are hereby expressly made subject to The Lakes Declaration recorded in Docket 8824, Pages 1-53, on July 16 1971, Maricopa County Records, Maricopa County, Arizona, and The Lakes Community Association created pursuant to The Lakes Declaration as same may be amended from time to time. In the event of any conflict or inconsistency between this Declaration or The Association and The Lakes Declaration or The Lakes Community Association the latter shall control over the former in all cases. This Declaration shall not be construed in any manner which would be inconsistent with or in violation of The Lakes Declaration or The Lakes Community Association. This Association shall not pass

any rules or take any action or refuse to act in violation of or inconsistent with the general intents and purposes of The Lakes Declaration and The Lakes Community Association.

Section 13. EXEMPTION OF OWNER. No Owner of an Apartment may exempt himself from liability for his fair and equitable contribution towards the common expenses by waiver and non-use of any of the Common Elements and facilities or by the abandonment of his Apartment.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 30th day of October, 19 72.

MISSION VIEJO COMPANY, a California corporation

By [Signature]
Title Assistant Secretary

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

On this the 30th day of October, 19 72, before me, the undersigned officer, personally appeared Thomas A. Smith who acknowledged himself to be the Assistant Secretary of Mission Viejo Company, a California corporation, and that he, being authorized to so do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself.

In witness whereof, I hereunto set my hand and official seal.

[Signature]
Notary Public

My commission expires:
My Commission Expires July 29, 1974



I hereby certify that the within instrument was filed and recorded at request of

TRANSAMERICA TITLE INSURANCE COMPANY

NOV 2 - 1972 - 11 10

in D. No. 9797

on page 38-25

Witness my hand and official seal the day and year above said.

Notary Public

County Recorder

By [Signature]
Deputy Recorder

23.50