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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

MC BRIDE/INGLIS DEVELOPMENT, INC.

A PLANNED AREA DEVELOPMENT

KNOW ALL MEN BY THESE PRESENTS:

That MC BRIDE/INGLIS DEVELOPMENT, INC., an Arizona Corporation (hereinafter referred to as "Declarant"), being the owner of that certain real property situated in Maricopa County, Arizona, described as follows:

Lots 1 thru 52 inclusive, and Tracts
A thru H inclusive of EXETER PLACE,
recorded in Book 174 of Maps, Page 8
, records of Maricopa County, Arizona.

and desiring to establish the nature of the use and enjoyment of said properties, does hereby declare said properties subject to the following covenants, conditions, assessments, liens, restrictions, easements and ~~reservations, all of which are to be construed and shall constitute~~ covenants running with the land.

A. Definitions:

1. "Association" shall mean the EXETER PLACE IMPROVEMENT ASSOCIATION, INC., an Arizona non-profit Association.
2. "Common areas" shall include Tracts "A", "B", "C", "D", "E", "F", "G", and "H" and private roadways designated on the plat of Exeter Place, and any recreational or community facilities, improvements, swimming pools, landscaping, paving, etc., located thereon (and an undivided 1/52 interest in the above areas shall be owned by the owner of each lot), which said common areas are to be utilized for the common use and enjoyment of the members of the Association.
3. "Developer" shall mean McBride/Ingليس Development, Inc., an Arizona corporation.

4. "Lot" shall mean the separately designated lots numbered 1 to 52, inclusive, shown on the plat of Exeter Place, together with any improvements thereon.

5. "Member" shall mean every person or entity who holds membership in the Association.

6. "Owner" shall mean the record owner, whether one or more persons or entities, of equitable title (or legal title if equitable title has merged) in any lot which is part of the properties. An owner does not include a person or entity who holds an interest in a lot merely as security for the performance of an obligation.

7. "Properties" or "premises" shall mean that certain real property hereinabove described.

B. Use Restrictions:

1. Single Family Residential Use. All of the lots in the properties shall be known and described as, and limited in use to, single family residential lots.

2. Construction. All buildings and structures upon said lots shall be of new construction.

3. Temporary Structures. No structures of a temporary character (except temporary construction sheds and/or sales offices, acceptable to the Developer, and used for the original construction and sale of dwelling units on the lots or after the original construction acceptable to the Developer) shall be permitted on the premises, and no tents, shacks, or barns shall be permitted on the premises either temporarily or permanently.

4. Business or Offensive Activities. No noxious or offensive activity may be carried on or permitted on any part of the properties, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood; nor shall any part of the premises be used for business, professional, commercial, rest home (including but not limited to care or treatment of the physically or mentally sick or disabled), religious or institutional purposes.

This section shall not apply to any business activities of the Developer only during the period of construction and sale of the dwellings by the Developer, or to the activities of the Association in furtherance of its powers and purposes as set forth in this Declaration.

5. Animals and Pets. No animals, livestock, fish, birds or poultry other than commonly accepted household pets may be kept on a lot or premises, provided that such commonly accepted household pets do not create a nuisance and further, are not kept, bred or maintained for any commercial purposes.

6. Trash and Unsightly Items. No clotheslines shall be allowed on the premises unless special permission is obtained from the Directors of the Association. Garbage cans, equipment, service areas, woodpiles, storage piles and storage areas shall be kept only in the places on the lots originally designated by the Developer or thereafter approved by the Directors of the Association, and screened by adequate planting or fencing so as to conceal them from view of neighboring property and streets as approved by the Developer or Directors of the Association. No rubbish or trash shall be burned on, or allowed to accumulate on the premises. Garbage shall be removed regularly from the premises. No incinerators, except those approved in writing by the Directors of the Association, shall be permitted on the premises.

7. Utilities. All electric, gas, power, telephone, water and other service and utility lines, pipes and/or other structure and media for transmission thereof shall be placed and maintained underground, except above ground service pedestals and switch cabinets, and except to the extent (if any) such underground placement may be prohibited by law, and except for such above ground structures and/or media for transmission as may be originally approved by the Developer or thereafter approved in writing by the Directors of the Association.

8. Trucks, Boats, Cycles and Campers. Except for trucks or vans belonging to persons doing work on the premises during daylight hours (or at other times during emergencies), trucks, buses, vans, trailers, boats, campers, and similar type vehicles or equipment shall not be parked in the streets or front yards or driveways, but shall be kept or parked only in carports or garages, unless written approval is obtained from the Directors of the Association with respect to some other place and/or manner of keeping or parking such vehicles or equipment. This section does not apply to passenger automobiles and/or station wagons. Use of motorcycles and go-carts are prohibited within the properties. If the Directors of the Association determine that any vehicle is creating loud or annoying noises by virtue of its operation within the properties, such determination shall be conclusive evidence that such operation of the vehicle is a nuisance to the neighborhood and such operation shall, upon notice by the Directors of the Association to the owner or operator thereof, be prohibited within the properties.

9. Signs. No sign (other than a name and address sign) of any nature whatsoever shall be permitted on any lot, except that one sign of the approximate size of eighteen inches high and twenty-four inches wide may be erected or placed on a lot for the purpose of advertising the property for sale or rent.

10. Antennas. All radio, television, ham-radio operator and other antennas of every kind or nature shall be placed and maintained upon the premises (or the improvements located thereon) so that no portion thereof shall be visible from the neighboring property or the streets unless otherwise approved by the Developer or the Directors of the Association.

11. Renting. No portion of the premises but for an entire lot, together with the improvements thereon, may be rented, and then only to a single family, subject to these restrictions.

12. Landscaping. The landscaping and planting of the common areas shall be maintained by the Association. Each lot owner

shall be responsible for the landscaping of his own lot which shall be done at regular intervals in accordance with reasonable standards established from time to time by the Directors of the Association; however, the Directors of the Association, at their election shall have the right to undertake the general landscaping of the owner's individual lots, in which event each owner shall be responsible for the pro rata cost of his landscaping.

13. Subdividing. None of the lots shall be resubdivided into smaller lots or conveyed or encumbered in less than the full original dimensions as shown on the plat of this Subdivision.

14. Architectural Control. No building, fence, wall, tower or structure of any kind or character shall be commenced, erected, placed or maintained on any lot unless and until plans and specifications (including but not limited to grading and landscaping plans) showing the location, kind, material, approximate cost, area, height, color, shape and design thereof first shall have been submitted to and approved by the Directors of the Association, and a copy thereof as finally approved is lodged permanently with said Directors. Failure of the Directors of the Association to reject in writing said plans and specifications within fifteen (15) days from the date the same were submitted shall constitute approval of said plans and specifications, provided the building or other structure to be built or placed on the lot shall be governed by all of the restrictions in the Declaration and that each such building or other structure shall be in harmony with existing buildings and structures within the properties. The Directors of the Association shall have the right to deny approval of any plans or specifications which, in their opinion, are not suitable or desirable for aesthetic or any other reasons. All subsequent exterior additions, changes, alterations or redecorations (including but not limited to painting of exterior surfaces) of any buildings, fence, wall, landscaping, antenna, tower or structure of any kind or character shall be subject to the prior approval of the Directors of the Association under the same conditions set forth above.

C. Common Areas:

The following common areas, or portions thereof, shall be used for the purposes hereinafter set forth:

- Tract "A" - All the property, roads, walks, gutters, lighting, signs, guest parking areas, perimeter fences, entry paving and area drains.
- Tract "B" - Landscaped entry areas and fence with lights and signs.
- Tract "C" - Landscaped entry areas and fence with lights and signs.
- Tract "D" - Landscaped parking areas including bumpers, stripping, and lights.
- Tract "E" - Landscaped recreational area including Ramada, swimming pool, bar-be-que, fountain, fences, walls and lights.
- Tract "F" - Landscaped parking area including bumpers, stripping and lights.
- Tract "G" - Landscaped play area including area drains and lighting.
- Tract "H" - Landscaped parking area including bumpers, stripping and lights.

D. Ownership and Member's Easements of Enjoyment:

1. Ownership. Ownership of Lots 1 through 52, inclusive, in Exeter Place shall be evidenced by deeds to the several lots. Ownership of one lot will entitle the owner of said lot to an undivided 1/52 interest in the common areas, which said undivided interest will also be deeded to each lot owner.

2. Members' Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the common areas, and such easement shall be appurtenant to and shall pass with the title to each and every lot. It is expressly acknowledged and agreed by all parties concerned that this section is for the mutual benefit of all owners of the lots and is necessary for the protection of said owners. Such right and easement of enjoyment shall be subject to reasonable rules and regulations as from time to time are promulgated by the Directors of the Association, which rules and regulations may include but are not limited to:

a) The right of the Association to limit the number of guests of members.

b) The right of the Association to dedicate or transfer all or any part of the common areas to any public agency, authority, or utility for such purposes, subject to such conditions as may be agreed to by the owners. No such dedication or transfer shall be effective unless an instrument is signed by the owners of all of the lots.

3. Delegation of Use. Subject to the By-Laws and rules and regulations of the Association, any owner may delegate his right of enjoyment to the common areas to the members of his family, his tenants, or other persons who reside in the dwelling on such owner's lot.

E. Party Walls:

1. General Limitations. Each owner shall be subject to the limitations and restrictions set forth herein with respect to party walls constructed within the properties.

2. Definition and Controlling Law. Every wall (including but not limited to patio walls) built as a part of the original construction (or part of any reconstruction) within the properties which is placed on the dividing line between separate lots or otherwise supports any part of the improvements on an adjoining lot, shall constitute and be considered a party wall. With respect to each such wall, each of the adjoining owners shall assume the obligations and be entitled to the benefits of these restrictions and the rights, duties and obligations set forth in the Articles of Incorporation and By-Laws of the Association and, to the extent not inconsistent herewith, the general rules of law regarding party walls.

3. Damage by One of the Adjoining Owners. If any party wall is damaged or destroyed through the act or acts of one owner, or any of his guests, tenants, licensees, agents, servants or members of his family (whether such act is willful, negligent or accidental), such owner shall forthwith proceed to rebuild or repair the same to as good a condition as formerly, without cost to the other adjoining owner.

4. Damage by Some Other Cause. If any wall is damaged or destroyed by some act or event other than that produced by one of the adjoining owners, his guests, agents, tenants, licensees, servants, or members of his family (including ordinary wear and tear and deterioration from lapse of time), then both adjoining owners shall proceed forthwith to rebuild or repair the same to as good a condition as formerly, at their joint and equal expense.

5. Alterations. Any owner of a lot who proposes to modify, rebuild, repair or make additions to his own dwelling unit or to any structure upon his lot, in any way or manner which requires the extension, or the alteration or modification of any party wall, shall first obtain the written consent of the adjoining owner, in addition to meeting the requirements of these restrictions and of any applicable building codes or similar ordinances.

6. Arbitration. In the event of a disagreement between owners of adjoining lots with respect to the repair, reconstruction or maintenance of a party wall or with respect to sharing the cost of repairing, rebuilding or maintaining the same, then, upon the written request of either of said owners to the Directors of the Association, the matter shall be submitted to said Directors for arbitration under such rules as from time to time may be adopted by the Directors of the Association. If no such rules are adopted for such purpose or the Directors refuse to act, then the matter shall be submitted to three arbitrators, one chosen by each of the owners, and the third by the two so chosen. A determination of the matter signed by any two of the three arbitrators shall be binding upon all the owners and all persons. The adjoining owners shall share the cost of arbitration equally.

7. Association Rights. Upon failure to forthwith institute rebuilding or repairing of such party wall as required under paragraphs 3 and 4 (or as established by arbitration under paragraph 6 above, and after giving thirty (30) days' notice in writing, the Association shall have the right, at its option, to rebuild or repair

such party wall and charge the responsible owner or owners therefor. Said charge shall be the personal obligation of the responsible owner or owners, shall be secured by the assessment lien against such responsible owner's or owners' lots, and shall be collected pursuant to the provisions of paragraph 6 hereof.

8. Private Agreements. No private agreement of any adjoining lot owners shall modify or abrogate any of these restrictions or the obligations, rights, duties and limitations set forth upon the individual lot owners by reason of the Articles of Incorporation or By-Laws of the Association.

9. Binding Effect. The covenants and agreements contained in this Paragraph E shall be binding upon the heirs, executors, administrators, successors and assigns of the owners, but no person shall be liable for any act or omission respecting the covenants herein contained except such as took place while such person was an owner.

F. Exeter Place Improvement Association, Inc.:

1. Exeter Place Improvement Association, Inc., shall be organized as a non-profit corporation under and by virtue of the laws of the State of Arizona governing non-profit corporations and shall take and provide such necessary and appropriate action and management for the proper maintenance and upkeep of the common areas. Further, the Association shall have the right to hold title to any property, or rights in any property it may acquire, including any lot or tract in the Development, and shall have such further rights and duties as set forth in the Articles of Incorporation, By-Laws and this instrument.

2. Membership in the Association shall be limited to the owners of lots as hereinabove defined. An owner of a lot shall automatically, upon becoming the owner of a lot, be a member of the Association. An owner shall remain a member of the Association until such time as his ownership for any reason ceases, at which time his membership in the Association automatically shall cease. The owner of

each lot shall be entitled to one membership in the Association for himself and his family residing in the living unit. Ownership of each lot in Exeter Place shall entitle the owner or owners thereof to shares of stock in the Association.

3. Until such time as units have been sold and constructed on 75% of the lots in Exeter Place, all rights and authority herein granted to the Association, including but not limited to the right to make assessments as set forth in paragraph F (5) below, shall remain in the Developer (unless said Developer has, prior to the time units have been sold and constructed on 75% of the lots, elected to relinquish and/or delegate all or part of such rights and authority to the Association, which it shall have the right to do by written notice delivered to the Directors of said Association), and thereafter all such rights and authority, together with the duties hereunder, shall be held and assumed by the Association, its officers and Directors. Anything to the contrary notwithstanding contained herein or otherwise, during the period that Developer has the rights of the Association as above stated, it shall have the right to assess and receive from each lot owner who shall pay assessments based on the estimated costs of the items listed in paragraph F(5) b. below, without refund or an accounting, as more particularly set forth in the purchase contract to be entered into with each buyer.

4. The Association shall do those things it deems necessary for the general benefit and welfare of the property owners and shall manage and maintain the common areas and private roads and easements, together with the improvements situated thereon, and do all other necessary things as set forth in the Articles of Incorporation and the By-Laws of the Association, and as more particularly set forth in this Declaration.

5. One (1) share of stock of the Association shall be issued to the owner or owners of record, or contract purchaser or purchasers of each lot within said Development. In the event a lot

is owned or is being purchased under contract by two or more persons, the stock shall be issued in the names of all of said owners or contract purchasers, and they shall designate to the Association in writing one of their number who shall have the power to vote said share of stock at any annual or special meeting of the members of the corporation. Each share of stock shall have one (1) vote. The rights, obligations and restrictions with respect to said stock and the holders thereof, including but not limited to the assignment, transfer, sale, pledge or other disposition of said stock shall be governed by, in accordance with, and subject to this Declaration of Restrictions, the Articles of Incorporation of the Association, and the By-Laws of said Association.

a) The Association, subject to the terms and conditions of this Declaration and its Articles of Incorporation and By-Laws, shall perform or cause to be performed such repairs, maintenance and construction of improvements as it deems necessary with respect to the common areas, all premiums for hazard and public liability insurance, taxes, (unless each owner is assessed separately by the assessor), together with other costs and expenses related to the management and maintenance thereof, together with the costs relating to the performance of its duties and undertakings hereunder, provided, however, the Association shall not have the right to expend more than the sum of Five Hundred Dollars, (\$500.00) for the purchase of any one item of equipment, or for the construction of any one building or improvement unless approved by the owners of record of at least fifty-one percent of the lots in the Development. The Directors of the Association shall determine and establish the budget and make assessments upon the owner or owners of lots in Exeter Place for the costs and expenses incurred in carrying out their duties hereunder.

b) The owner or owners of record of each lot in said Development shall pay to the Association within ten (10) days of receipt of invoice, a sum equal to the aggregate of the following:

1. Owner's pro rata share of the actual costs to the Association of all improvements, repairs, maintenance, insurance, taxes, management and related expenses. (Taxes relating to the common areas may be assessed directly to and paid by lot owners by reason of each lot owner's undivided 1/52 ownership of the common areas.)

2. Owner's pro rata share of such sum as the Directors of the Association shall determine to be fair and prudent for

construction of improvements and the establishment of a reserve for maintenance, replacement, management and the payment of taxes and insurance.

3. Each owner's share of the assessments as determined by the Directors of the Association shall be in the ratio or proportion of one share for each lot owned.

4. Invoices shall be submitted annually or at such other regular intervals as may be fixed by the Directors of the Association.

5. No owner of a lot may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or by his abandonment of his unit or lot.

c) In the event any invoice as provided in paragraph F (5) b (4) is not paid within thirty (30) days from the date the same is deposited in the United States mail, addressed to the owner or owners of a lot, the amount of such invoice shall be and become a lien upon said lot from the date of billing. The Association is hereby authorized to record in the office of the County Recorder of Maricopa County, Arizona, an affidavit of non-payment of such invoice and the lien shall continue to be a lien until fully paid and satisfied. Such lien or liens may be enforced and foreclosed as provided in the Articles of Incorporation of the Association and the By-Laws of said corporation, or the Association shall have the right to foreclose such lien or liens in the manner provided by the statutes of the State of Arizona for the foreclosure of materialmen's liens. If any lot subject to the lien hereof shall become subject to the lien of a mortgage (1) the foreclosure of the lien herein provided shall not operate to affect or impair the lien of the mortgage, and (2) the foreclosure of the lien of the mortgage or acceptance of a deed in lieu of foreclosure by the mortgagee shall not operate to affect or impair the lien herein provided, except that the lien herein for said charges as shall have accrued up to the foreclosure, or the acceptance of the deed in lieu of foreclosure, shall be subordinate to the lien of the mortgage, with the foreclosure purchaser, or the grantee taking a deed in lieu of foreclosure, taking title free of the lien hereof for all of said charges that have accrued up to the time of the foreclosure or deed in lieu of foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the foreclosure or deed given in lieu of foreclosure. The remedy hereinbefore set forth shall not be deemed to be exclusive, but shall be in addition to any and all other remedies at law or in equity that said Association might have in the event of a default of an owner or owners of a lot. Further, all remedies

granted hereunder or in accordance with law shall be cumulative to each other and the exercise of one or more remedies shall not be deemed a waiver of another.

d) In the event the owner of any lot shall fail to maintain his premises, including the yards, and the exterior of the improvements situated thereon in a manner satisfactory to the Directors of the Association, said Association, through its agents and employees, shall have the right to enter upon such premises and to repair, maintain, rehabilitate and restore the exterior of any improvements situated thereon and maintain the yards, and the cost thereof shall be charged against and collected from the owner of said lot as any other assessment hereunder, provided, however, that said Association first give written notice to the owner of said lot of its intention to make such repairs or of its intention to perform such maintenance or rehabilitation work and affording the owner of said lot thirty (30) days' time in which to make said necessary repairs or maintenance work. If at the end of said thirty-day period, the work to be performed has not been done by the owners, then the Association shall have the right, as set forth herein, to make such maintenance, repairs or rehabilitation work.

e) No share of stock in the Association held by the owner of a lot in said development shall be transferred, pledged or alienated in any way except (1) upon the sale of said lot and then only to the purchaser of said lot pursuant to this Declaration and the Articles of Incorporation and By-Laws of the Association, or (2) upon such other conditions as set forth in the Articles of Incorporation and the By-Laws of the Association. ~~Anything to the contrary notwithstanding~~ contained herein, it is understood and agreed that each member stockholder of the Association shall be and is hereby authorized to pledge any share of stock owned by said stockholder in this corporation to an institutional lender who is the mortgagee of any lot in the Development, and further, said stockholder is authorized to execute any pledge agreement submitted by said institutional lender, provided, however, said pledge agreement must first be approved (which approval shall not be unreasonably withheld) as to form and substance by the Directors of the Association. Any attempt to make a prohibited transfer shall be void and will not be reflected upon the books of the corporation. In the event the owner of any lot shall fail or refuse to transfer the certificate registered in his name to the purchaser of such lot, or as otherwise set forth in the By-Laws of the Association, the Association shall have the right to record

the transfer upon the books of the corporation and issue a new certificate to the purchaser or other transferee, and thereupon the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered.

G. Sale or Transfer of Lots:

1. Notice to the Board of Directors; Right of First Refusal. No lot within the properties shall be sold, conveyed, leased or transferred (hereinafter collectively referred to in terms of "sale") to a prospective buyer, lessee or other transferee (hereinafter collectively referred to as "buyer") without approval thereof by the Board of Directors of the Association. The Directors shall be given written notice, signed by the owner and buyer, setting forth the proposed terms of the sale. The Directors shall have five (5) days after receipt of such notice to approve or disapprove the same, and within said five day period the Directors, on behalf of the Association, shall have the "right of first refusal" to purchase, lease or sublease (as the case may be, and hereinafter generally referred to as "buy") such lot upon the same terms and conditions (except as to time, as set forth in paragraph 4 below) as those upon which the owner of the lot proposes to sell to the buyer. In the event the Directors neither approve nor disapprove the proposed sale within the same five-day period, the same shall be deemed approved.

2. Action Required after Board Approval. In the event the Board has approved the proposed sale, or has failed to approve or disapprove same within the five-day period (thereby constituting an approval), the proposed sale shall be valid only upon the owner and buyer signing and recording in the office of the County Recorder of Maricopa County, Arizona (a) a certificate of approval signed by the Directors of the Association, or (b) an affidavit signed by the owner and buyer of said lot that notice was given to the Directors and the Directors neither approved nor disapproved of the sale within five (5) days after such notice had been given.

3. Time for Consummation of sale or Transfer. If a proposed sale approved by the Directors has not been consummated within the period set forth in the notice submitted to the Directors by

*See -
Amendment 2
12 June 1975*

the owner and buyer, a new notice must be given (if the parties then still intend to consummate the sale), and the sale must be consummated in the same manner provided above in this paragraph.

4. Action Required in Event of Board Disapproval, if Right of First Refusal is Exercised. In the event the Directors of the Association shall have disapproved of the proposed sale and exercises its right of first refusal (notice of which must be given to the owner within five (5) days after receipt of the owner's and buyer's notice to the Board), the Directors shall have a reasonable time (not to exceed twenty (20) days after issuing its written disapproval and exercising its right of first refusal) within which to meet the terms of the proposed sale and consummate the transaction. The Board's exercise of the right of first refusal shall be binding only upon those owners who expressly consent in writing to share equally in the costs thereof. If the Directors fail to meet the terms agreed upon by the owner and buyer within the aforesaid twenty-day period, the proposed sale shall, notwithstanding anything to the contrary in this paragraph, be deemed approved and valid upon the owner's compliance with paragraph 5 below.

5. Action Required in the Event of Board Disapproval if Right of First Refusal is Not Exercised, or if Right of First Refusal is Exercised but Sale is not Completed Within the Time Limit Set Forth in Paragraph 4 above. In the event the Directors of the Association shall have disapproved the proposed sale, or if said Directors shall have failed to exercise their right of first refusal herein granted within the time specified in paragraph 4 above, or if said right of first refusal has been exercised but the sale has not been consummated within the time limits set forth in paragraph 4 above, notwithstanding anything to the contrary contained herein, or otherwise, the sale shall be valid and deemed approved if approved in writing by the owners of record of at least fifty percent (50%) of the lots in the Development, and if such approval, together with an affidavit by the owner or owners of such lot being sold that notice has been duly given as aforesaid to the Directors, is recorded in the office of the

6. Use of the Lot by the Association. Subject to the various provisions of this Declaration, the Association shall have the power to hold, convert into a common area, sell, lease, or otherwise transfer or deal with on such terms and conditions as the Directors of the Association may prescribe any lot acquired by the Association pursuant to the provisions of this paragraph.

7. Non-applicability to Certain Persons. Anything hereinabove to the contrary notwithstanding, the provisions of this paragraph shall not apply to the Declarant or to the Developer, or to any sales, leases, conveyances or transfers to or by Declarant, or to or by the Developer, until such time as all lots, together with units thereon have been constructed and sold by the Developer, nor shall the provisions of this paragraph apply to the Association or to any holder of a first realty mortgage who acquires a lot through a foreclosure proceeding or deed in lieu of foreclosure; nor shall the provisions of this paragraph apply to the sale, lease, conveyance or transfer by such a first realty mortgagee who acquires the lot through a foreclosure proceeding or deed in lieu of foreclosure.

H. Developer's Exercise of Association's Powers:

1. Developer's Rights. The Developer shall have the exclusive right to cause the Association to be incorporated at any time, but the Developer in its sole discretion need not cause the Association to be incorporated until fifty percent (50%) of the lots have been conveyed by Declarant to bona fide purchasers. Until such time as the Developer caused the Association to be incorporated and a Certificate of Incorporation has been issued by the Arizona Corporation Commission, all rights, powers and authority herein granted to the Association shall, at Developer's option, be and remain in the Developer, and after incorporation, all such rights, powers and authority shall remain in the Developer until they have been relinquished, subject to the provisions of paragraph F(3) above.

2. Transfer of Powers to the Association. Upon the issuance of a Certificate of Incorporation to the Association by the

Arizona Corporation Commission, the Developer shall be released and divested of any and all rights, powers and authority granted to the Association (and all such rights and powers automatically shall be deemed assigned and transferred by the Developer to the Association,) and the Association promptly shall assume and perform the duties, obligations, rights and authority herein granted to and provided for the Association.

I. General Provisions:

1. Binding Effect; Term. These restrictions shall run with, bind and burden the properties, and said restrictions shall be binding upon each owner and his heirs, executors, administrators, successors and assigns, and all other persons claiming an interest in and to said properties, until July 1, 1984. After said date, these restrictions, as amended from time to time (unless terminated as provided in paragraph 3 hereof), shall be automatically extended for successive periods of ten (10) years each.

2. References to Declaration. All instruments of conveyance or transfer of any interest of all or any part of the properties may contain the restrictions herein set forth by reference to this Declaration. However, the restrictions herein shall be binding upon all persons affected by the terms of this Declaration, regardless of whether any reference is made to this instrument in the deed or other instrument of conveyance.

3. Amendment or Termination. These restrictions may be amended at any time during the initial term, or any extensions thereof, by recording in the office of the County Recorder of Maricopa County, Arizona, an instrument in writing reciting said amendments bearing the signed and acknowledged concurrence of the then owners of fifty percent (50%) of the lots within the properties; provided, however, that during the initial term such written instrument reciting said amendments, to be valid and effective, shall include the signed and acknowledged concurrence of the Declarant, if the Declarant then holds any interest whatsoever in all or any portion of the properties. These restrictions may be terminated under the same conditions above

set forth, except that the owners of eighty percent (80%) of the lots must sign such instrument, and provided a public authority has agreed to maintain (or cause to be maintained) the common areas and common lot areas.

4. Enforcement. These restrictions may be enforced by the Association through its Board of Directors, the Declarant, the Developer and any owner of any lot within the properties. Violation of any one or more of the restrictions may be restrained or enforced by any court of competent jurisdiction and/or damages may be awarded against any such violator. Nothing herein shall be construed as meaning that damages are an adequate remedy where equitable relief is sought. In the event any such person employs an attorney or attorneys to enforce compliance with or specific performance of the terms and conditions of this Declaration, and prevails in such action, the owner or owners against whom the action is brought shall pay all attorneys' fees and costs incurred in connection with such action.

5. Waiver or Abandonment. The waiver of, or failure to enforce, any breach or violation of any restriction herein contained shall not be deemed to be a permanent waiver of the right to enforce or be deemed an abandonment of the particular restriction or any of the restrictions; nor shall it be deemed to be a waiver of the right to enforce any subsequent breach or violation of such restriction or any of the restrictions. The foregoing shall apply regardless of whether any person affected hereby (or having the right to enforce these restrictions) had knowledge of the breach or violation. No restriction contained herein shall be deemed to have been abandoned or the right to enforce waived, unless this Declaration is amended to delete such restriction.

6. Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

7. Construction. Except for judicial construction, the Association shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and properties benefited or bound by these restrictions.

8. Rules and Regulations. The Association shall have the right to adopt rules and regulations, and amend, cancel and adopt new rules and regulations, from time to time with respect to all aspects of the Association's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration, or the Articles of Incorporation or By-Laws of the Association.

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

10. Captions and Titles. All captions, titles and headings of the paragraphs in this Declaration are for the purpose of reference and convenience only, and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof, or to be used in determining the intent or contents hereof.

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the 8th day of July, 1974.

McBRIDE/INGLIS DEVELOPMENT, INC.
By Paul McBride
Paul McBride, President

DKT 1074276 531

STATE OF ARIZONA)
) ss
County of Maricopa)

On this the 11 day of JULY, 1974, before me, the under-
signed officer, personally appeared PAUL M. BRIDE,
who acknowledged himself to be the President of McBride/Inglis
Development, Inc., and Arizona corporation, and that he as such
President, being authorized so to do, executed the foregoing instru-
ment for the purposes therein contained, by signing the name of the
corporation by himself as President.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

My Commission Expires:
My Commission Expires Nov. 30, 1975

Vincent H. Jones
Notary Public

STATE OF ARIZONA }
County of Maricopa } ss

I hereby certify that the with-
in instrument was filed and re-
corded at request of:
AMERICAN TITLE INSUR. CO.

JUL 16 1974 -2 45

In Docket 10742
on page 512-531
Witness my hand and official
seal the day and year aforesaid.
Paul M. Marston

County Recorder
By R. Lance
Deputy Recorder

9.50

174/8

BASE FILE

FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
MC BRIDE/INGLIS DEVELOPMENT, INC.
A PLANNED AREA DEVELOPMENT

This First Amendment to the Declaration of Covenants, Conditions and Restrictions for McBride/Inglis Development, Inc. made this 28th day of January, 1975, by and between McBride/Inglis Development, Inc., an Arizona corporation, and Exeter Place Limited Partnership, an Arizona limited partnership;

W I T N E S S E T H :

WHEREAS, Exeter Place Limited Partnership has acquired the entire interest of McBride/Inglis Development, Inc. in and to that certain property located in the County of Maricopa, State of Arizona, more particularly described as:

Lots 1 thru 52 inclusive, and Tracts A thru H inclusive of EXETER PLACE, recorded in Book 174 of Maps, Page 8 records of Maricopa County, Arizona;

and

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for McBride/Inglis Development, Inc. were recorded on July 16, 1974 in Docket 10742, pages 512-531 inclusive, and

WHEREAS, said Declarations of Covenants, Conditions and Restrictions provided that McBride/Inglis Development, Inc., an Arizona corporation, shall be the developer and owner, and

WHEREAS, it is in the best interests of all parties concerned to amend the aforementioned Declaration of Covenants, Conditions and Restrictions to reflect the new ownership,

NOW, THEREFORE, each and all of the undersigned hereby declare this First Amendment to the original Declaration of Covenants, Conditions and Restrictions for McBride/Inglis Development, Inc., as follows:

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
EXETER PLACE LIMITED PARTNERSHIP
A PLANNED AREA DEVELOPMENT

KNOW ALL MEN BY THESE PRESENTS:

That EXETER PLACE LIMITED PARTNERSHIP, an Arizona Limited

Partnership (hereinafter referred to as "Declarant"), being the owner of that certain real property situated in Maricopa County, Arizona, described as follows:

Lots 1 thru 52 inclusive, and Tracts A thru H inclusive of EXETER PLACE, recorded in Book 174 of Maps, Page 8 records of Maricopa County, Arizona,

and desiring to establish the nature of the use and enjoyment of said properties, does hereby declare said properties subject to the following covenants, conditions, assessments, liens, restrictions, easements and reservations, all of which are to be construed and shall constitute covenants running with the land.

A. Definitions:

1. "Association" shall mean the EXETER PLACE IMPROVEMENT ASSOCIATION, INC., an Arizona non-profit Association.

2. "Common areas" shall include Tracts "A", "B", "C", "D", "E", "F", "G", and "H" and private roadways designated on the plat of Exeter Place, and any recreational or community facilities, improvements, swimming pools, landscaping, paving, etc., located thereon (and an undivided 1/52 interest in the above areas shall be owned by the owner of each lot), which said common areas are to be utilized for the common use and enjoyment of the members of the Association.

3. "Developer" shall mean EXETER PLACE LIMITED PARTNERSHIP, an Arizona limited partnership.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment the day and year first above written.

STATE OF ARIZONA }
County of Maricopa } SS

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

Jones Hunter et al

in Docket 11035 FEB 13 1975 -4 55
on page 271-272

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

Tom Freeston

County Recorder
By R. [Signature]
Deputy Recorder

2.00

EXETER PLACE LIMITED PARTNERSHIP

By [Signature]
General Partner

By [Signature]
General Partner

MC BRIDE/INGLIS DEVELOPMENT, INC.

By [Signature]
Paul S. McBride, President

When recorded, return to:
Stanford E. Lerch, Esq.
Jones, Hunter & Lerch, P.A.
2150 Valley Bank Center
Phoenix, Az 85073

BASE FILE 1923 PG 1045

148086

✓
174/8

SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
EXETER PLACE LIMITED PARTNERSHIP
A PLANNED AREA DEVELOPMENT

This Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Exeter Place Limited Partnership made this 12th day of June, 1975, by Exeter Place Limited Partnership, an Arizona limited partnership;

W I T N E S S E T H :

WHEREAS, Exeter Place Limited Partnership has acquired the entire interest in and to that certain property located in the County of Maricopa, State of Arizona, more particularly described as:

Lots 1 thru 52 inclusive, and Tracts A thru H inclusive of EXETER PLACE, recorded in Book 174 of Maps, Page 8, records of Maricopa County, Arizona;

and

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for McBride/Inglis Development, Inc. were recorded on July 16, 1974, in Docket 10742, pages 512-531 inclusive, and

WHEREAS, the First Amendment to Declaration of Covenants, Conditions and Restrictions for McBride/Inglis Development, Inc., was recorded on February 13, 1975, in Docket 11035, pages 271-272 inclusive, and

WHEREAS, it is in the best interest of Exeter Place Limited Partnership to amend the aforementioned Declaration of Covenants, Conditions and Restrictions,

NOW, THEREFORE, the undersigned hereby declares this Second Amendment to the original Declaration of Covenants, Conditions and Restrictions as follows:

Paragraph "G", subsections 1 thru 7, is hereby repealed.

Except as amended herein, all of the terms and conditions of the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this

DXT 11223PG1046

Second Amendment the day and year first above written.

EXETER PLACE LIMITED PARTNERSHIP

By *Paul S. McBride*
General Partner

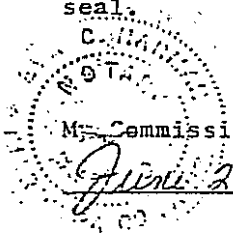
By *Dean C. Inglis*
General Partner

STATE OF ARIZONA)
County of Maricopa) ss

On this the 12th day of June, 1975, before me, the undersigned Notary Public, personally appeared Paul S. McBride and Dean C. Inglis, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official

seal



Eva C. Harman
Notary Public

My Commission Expires:

June 24, 1978

STATE OF ARIZONA) ss
County of Maricopa)

I hereby certify that the within instrument was filed and recorded at request of *Jones, Hunter & Leach*

JUN 27 1975 4 20

in Docket 11223
on page 1045-1046

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

Tom Freestone County Recorder

By *J. Zimmerman*
Deputy Recorder

2.00

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DK 112519# 233

BASE FILE

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THIRD AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
MC BRIDE/INGLIS DEVELOPMENT, INC.,
A PLANNED AREA DEVELOPMENT

This Third Amendment to the Declaration of Covenants, Conditions and Restrictions for McBride/Inglis Development, Inc., made this 21st day of September, 1977, by the Sundance Group Exeter Estate Joint Venture, a Joint Venture of Canavest, Inc., an ARIZONA corporation, and Sundance Development Corporation, an Arizona corporation.

W I T N E S S E T H:

THAT, WHEREAS, the Sundance Group Exeter Estate Joint Venture has acquired the entire interest of McBride/Inglis Development, Inc., an Arizona corporation, in and to, that certain property located in the County of Maricopa, State of Arizona, more particularly described as:

Lots 1 thru 52 inclusive, and Tracts A thru H inclusive of EXETER PLACE, recorded in Book 174 of Maps, Page 8, records of Maricopa County, Arizona.

AND, WHEREAS, the original Declaration of Covenants, Conditions and Restrictions for McBride/Inglis Development, Inc., was recorded on July 16, 1974 in Docket 10742, pages 512 through 531 inclusive, and

WHEREAS, the First Amendment to Declaration of Covenants, Conditions and Restrictions for McBride/Inglis Development, Inc., was recorded on September 13, 1975 in Docket 11035, pages 271 and 272, and

WHEREAS, the Second Amendment to Declaration of Covenants, Conditions and Restrictions for Exeter Place Limited Partnership, were recorded on June 27, 1975 in Docket 11223, pages 1045 and

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P. O. BOX 1488
SCOTTSDALE, ARIZONA 85262
(602) 948-0771

3

LAW OFFICES
OSMOND BURTON, JR.
SUITE 107
7825 EAST CAMELBACK ROAD
SCOTTSDALE, ARIZONA 85224
(602) 945-0771

1 1046, and

2 WHEREAS, said Declaration of Covenants, Conditions and
3 Restrictions provided that McBride/Inglis Development, Inc., and/
4 or Exeter Place Limited Partnership shall be the developers and
5 owners, and

6 WHEREAS, it is in the best interests of all parties concerned
7 to amend the aforementioned Declaration of Covenants, Conditions
8 and Restrictions to reflect the new ownership,

9 NOW, THEREFORE, the undersigned hereby declare this Third
10 Amendment to Declarations, Conditions and Restrictions for
11 McBride/Inglis Development, Inc., and/or Exeter Place Limited
12 Partnership, as follows:

13 DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

14 FOR

15 EXETER PLACE

16 A PLANNED AREA DEVELOPMENT

17 THIS DECLARATION, made on the date hereinafter set forth
18 by the Sundance Group Exeter Estate Joint Venture, an Arizona
19 Joint Venture, hereinafter referred to as "Declarant".

20 W I T N E S S E T H:

21 WHEREAS, Declarant is the owner of certain property in
22 the County of Maricopa, State of Arizona, more particularly
23 described as:

24 Lots 1 thru 52 inclusive, and Tracts A
25 thru H inclusive of EXETER PLACE, recorded
26 in Book 174 of Mpas, Page 8, records of
Maricopa County, Arizona.

27 NOW, THEREFORE, Declarant hereby declares that the above
28 property, together with any properties hereinafter added or
29 annexed as provided herein shall be held, sold and conveyed subject
30 to the following easements, restrictions, covenants and conditions
31 (sometimes hereinafter termed "covenants and restrictions"), which
32 are for the purpose of protecting the value of desirability of,

1 and which shall run with, the real property and be binding on all
2 parties having any right, title or interest in the described
3 properties, or any part thereof, their heirs, successors and
4 assigns, and shall inure to the benefit of each owner thereof.

5 ARTICLE I

6 DEFINITIONS

7 Section 1. "Association" shall mean Exeter Place
8 Association, Inc., an Arizona corporation formed or to be formed,
9 its successors and assigns.

10 Section 2. "Owner" shall mean the record owner, whether
11 one or more persons or entities, of a fee simple title to any
12 lot which is a part of the properties, including contract sellers,
13 but excluding persons having such interest merely as security
14 for the performance of an obligation. In the case of lots with
15 fee simple title to which is vested of record in a trustee
16 pursuant to Arizona Revised Statutes, §33-801, et seq., legal
17 title shall be deemed to be in the trustor.

18 Section 3. "Properties" shall mean that certain real
19 property hereinabove described, and such additions thereto as
20 may hereafter be brought with in the jurisdiction of the Associa-
21 tion.

22 Section 4. "Common Area" shall mean all real property
23 owned or controlled by the Association for the common use and
24 enjoyment of the owners. The common area to be owned by the
25 Association at the time of the conveyance of the first lot is
26 described upon Exhibit "C" which is attached hereto and made a
27 part hereof for all purposes.

28 Section 5. "Declarant" shall mean and refer to Sundance
29 Group Exeter Estate Joint Venture, an Arizona Joint Venture, and
30 its successors and assigns.

31 Section 6. "Lot" shall mean any plot of land shown upon
32 any recorded subdivision map of the properties, with the exception

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801 N. CENTRAL AVENUE
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1 of the common area.

2 Section 7. "Mortgage" shall mean any instrument given as
3 security for the performance of an obligation, including without
4 limitation deeds of trust. "Mortgagee" shall mean a party secured
5 by such an instrument; and "Mortgagor" shall mean the party
6 executing such instrument as security.

7 Section 8. "Villa" shall mean and refer to all the
8 improvements on a lot including the patio areas on such lot.

9 ARTICLE II

10 PROPERTY RIGHTS

11 Section 1. Owner's Easement of Enjoyment. Every owner
12 shall have a right and easement of enjoyment in and to the common
13 area, including ingress and egress to and from his lot which
14 shall be appurtenant to and shall pass with the title to
15 every lot, subject, however, to:

16 (a) The right of the Association to charge reasonable
17 admission and other fees for the use of any recreational facilities
18 situated upon the common area;

19 (b) The right of the Association to suspend the voting
20 rights and right to use of the recreational facilities by an
21 owner for any period during which any assessment against his lot
22 remains unpaid, and for a period not to exceed thirty (30) days
23 for an infraction of its published rules and regulations;

24 (c) The right of the Association to dedicate or transfer
25 all or any part of the common area to any public agency, authority
26 or utility for such purposes and subject to such conditions as
27 may be agreed to by the members. No such dedication or transfer
28 shall be effective unless an instrument signed by two-thirds
29 (2/3) of each class of members agreeing to such dedication or
30 transfer has been recorded, provided, however, no such dedication
31 shall impair the ingress and egress to any individual lot.
32 . . .

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OSMOND BURTON, JR.
SUITE 107
7823 EAST CAMELBACK ROAD
P. O. BOX 1468
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(602) 943-0771

Section 2. Delegation of Use. Any owner may delegate, in accordance with the Bylaws his right of enjoyment to the common area and facilities to the members of his family, his tenants, or contract purchasers who reside on that property.

Section 3. Association Easement for Maintenance and Repair. The Association shall have an easement across every lot for the limited purposes of watering, planting, cutting, removing and otherwise caring for the landscaping up to the exterior walls of the living units on each lot, at such time as the Association shall have the right under the terms of this instrument to do so; for cleaning, repairing, replacing and otherwise maintaining or causing to be maintained service in the underground utility lines owned by the owners of various lots; and for entry into an improvement constructed upon a lot and admittance of such authorized persons as are reasonably necessary in the event of an emergency.

Section 4. Owner's Easement for Maintenance and Repairs and for Utilities and Drainage. Wherever sanitary sewer house connections or water house connections or electricity, gas, telephone or television lines or drainage facilities are installed within the properties, which connections, lines or facilities, or any portion thereof, lie in or upon lots owned by other than the owner of a lot served by said connections, the owners of any lot served by said connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the lots or to have utility companies enter upon the lots within the properties in or upon which said connections, lines or facilities, or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.

Wherever sanitary sewer house connections or water

1 connections or electricity, gas, television or telephone lines
2 or drainage facilities are installed within the properties,
3 which connections, lines or facilities serve more than one lot,
4 the owner of each lot served by said connection shall be entitled
5 to the full use and enjoyment of such portions of said connections,
6 lines or facilities as service his lot.

7 ARTICLE III

8 MEMBERSHIP AND VOTING RIGHTS.

9 Section 1. Membership. Every owner of a lot which is
10 subject to assessment shall be a member of the Association.
11 Membership shall be appurtenant to and may not be separated from
12 ownership of any lot which is subject to assessment.

13 Section 2. Voting Rights. The Association shall have two
14 classes of voting membership:

15 Class A. Class A Members shall be all owners with
16 the exception of the Declarant and shall be entitled to one vote
17 for each lot owned. When more than one person holds an interest
18 in any lot, all such persons shall be members. The vote for such
19 lot shall be exercised as they among themselves determine, but
20 in no event shall more than one vote be cast with respect to any
21 single lot.

22 Class B. Class B Member(s) shall be the Declarant
23 and shall be entitled to three (3) votes for each lot owned.
24 The Class B Membership shall cease and be converted to Class
25 A Membership on the happening of either of the following events
26 whichever first occurs:

27 (1) When the total votes outstanding in the
28 Class A Membership equal the total votes outstanding in the Class
29 B Membership; or

30 (2) On December 31, 1979, or one year after the
31 most recent addition of property, whichever is later:

32 From that date forward, unless and until the Class B

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1 Membership is reinstated Declarant shall be entitled to the
 2 status of a Class A Membership. Nothing contained herein shall
 3 preclude the Declarant from adding property pursuant to the
 4 provisions of Article II, or otherwise pursuant hereto, and all
 5 property so added shall be included in the determination of the
 6 existence and voting rights of the Class B Membership. The
 7 Class B Membership may be reinstated by the addition of such
 8 property.

9 ARTICLE IV

10 COVENANT FOR ASSESSMENTS

11 Section 1. Creation of the Lien and Personal Obligation
 12 of Assessments. The Declarant, for each lot owned within the
 13 properties hereby covenants, and each owner of any lot by accept-
 14 ance of a deed therefor whether or not it shall be so expressed
 15 in such deed is deemed to covenant and agree to pay to the
 16 Association, (1) annual assessments or charges, and (2) special
 17 assessments or capital improvements, such assessments to be
 18 established and collected as hereinafter provided. The annual
 19 and special capital, together with interest, costs and reasonable
 20 attorney's fees of collection, shall be a charge on the land and
 21 shall be a continuing lien upon the property against which each
 22 such assessment is made. Each such assessment, together with
 23 interest, costs and reasonable attorney's fees, shall also be
 24 the personal obligation of the person who was the owner of
 25 such property at the time when the assessment fell due. The
 26 personal obligation for delinquent assessment shall not pass to
 27 his successors in title unless expressly assumed by them.

28 Section 2. Purpose of Assessments. The assessments levied
 29 by the Association shall be used exclusively to promote safety
 30 and welfare of the residents and the properties and for the
 31 improvement and maintenance of the common area and improvements
 32 as herein set forth, including but not limited to private driveways,

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SCOTTSDALE, ARIZONA 85262
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1 walkways, and private drainage facilities and of the homes
2 situated upon the properties as more particularly set forth in
3 Article V hereof.

4 Section 3. Maximum Annual Assessment. Until January 1st
5 of the year immediately following the conveyance of the first
6 lot to an owner, the maximum annual assessment shall be FOUR
7 HUNDRED EIGHTY (\$480) Dollars per lot.

8 A. From and after January 1st of the year immediately
9 following the conveyance of the first lot to an owner, the
10 maximum annual assessment may be increased each year not more than
11 ten percent (10%) above the maximum assessment for the previous
12 year without a vote of the membership.

13 B. From and after January 1st of the year immediately
14 following the conveyance of the first lot to an owner, the
15 maximum annual assessment may be increased by more than the ten
16 percent (10%) above the maximum assessment for the previous year
17 by a vote or written assent of two-thirds (2/3) of each class of
18 the membership at a meeting duly called for this purpose.

19 C. The Board of Directors may fix the annual
20 assessment at an amount not in excess of the maximum.

21 Section 4. Special Assessments for Capital Improvements.
22 In addition to the annual assessments authorized above, the
23 Association may levy, in any assessment year, a special assessment
24 applicable to that year only for the purpose of defraying, in
25 whole or in part, the cost of any construction, reconstruction,
26 repair or replacement of a capital improvement, including fixtures
27 and personal property related thereto, provided that any such
28 assessment shall have the vote or written assent of two-thirds
29 (2/3) of each class of the membership.

30 Section 5. Notice and Procedure for Any Action Authorized
31 Under Sections 3 and 4. Written notice of any meeting called
32 for the purpose of taking any action authorized under Sections

1 3 or 4 shall be sent to all members not less than thirty (30)
 2 days nor more than sixty (60) days in advance of the meeting.
 3 If the proposed action is favored by a majority of the votes cast
 4 at such meeting, but such vote is less than the requisite
 5 two-thirds (2/3) of each class of members, members who are not
 6 present in person or by proxy may give their assent in writing,
 7 provided the same is obtained by the appropriate officers of the
 8 corporation not later than thirty (30) days following the date
 9 of such meeting.

10 Section 6. Uniform Rate of Assessment. Both annual and
 11 special assessments must be fixed at a uniform rate for all lots
 12 and may be collected on a monthly basis.

13 Section 7. Date of Commencement of Annual Assessments; Due
 14 Dates. The annual assessments provided for herein shall commence
 15 as to all lots on the first date of the month following the
 16 conveyance of the common area to the Association. The first
 17 annual assessment shall be adjusted according to the number of
 18 months remaining in the calendar year. The Board of Directors
 19 shall fix the amount of the annual assessment against each lot
 20 at least thirty (30) days in advance of each annual assessment.
 21 Written notice of the annual assessment shall be sent to every owner
 22 subject thereto. The due dates shall be established by the
 23 Board of Directors. The Association shall, upon demand, and for
 24 a reasonable charge, furnish a certificate signed by an officer
 25 of the Association setting forth whether assessments on a
 26 specified lot have been paid.

27 Section 8. Effect of Nonpayment of Assessment; Remedies of
 28 the Association. Any assessment not paid within thirty (30)
 29 days after the due date shall bear interest from the due date
 30 at the rate of seven percent (7%) per annum. The Association
 31 may bring an action at law against the owner personally obligated
 32 to pay the same, or foreclose the lien against the property. No

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1 owner may waive or otherwise escape liability for the assessment
2 provided for herein by non-use of the common area or abandonment
3 of his lot.

4 Section 9. Subordination of the Lien to Mortgages. The
5 lien of the assessment provided for herein shall be subordinate
6 to the lien of any first mortgage obtained in good faith and for
7 value. The sale or transfer of any lot shall not effect the
8 assessment lien. However, the sale or transfer of any lot pur-
9 suant to foreclosure of such a first mortgage or any proceeding
10 in lieu thereof, shall extinguish the lien of such assessment
11 as to payments which became due prior to such sale or transfer.
12 No sale or transfer shall relieve such lot from liability for any
13 assessments thereafter becoming due or from the lien thereof.

14 ARTICLE V

15 MAINTENANCE

16 Section 1. In addition to maintenance upon the common
17 area, the Association shall maintain any planting on any lot
18 outside the unit located on such lot (but not including plantings
19 within patio areas). The Association shall also provide and
20 pay for water furnished to the lots, units and common areas
21 through one or more master meters.

22 Section 2. Lateral Sanitation Lines. The Association
23 shall also repair and maintain the lateral sanitation lines to
24 the point of connection with the main line owned by the sanitation
25 company servicing the property; provided, however, that if any
26 such repair or maintenance is required due to the negligence or
27 improper usage by the owner of such lateral, the Association
28 shall have the right of reimbursement for its costs as more
29 particularly set forth in Section 1, of Article IV hereof.

30 Section 3. Necessitated by Owner. In the event that the
31 need for maintenance or repair is caused through the willful or
32 negligent act of the owner, his family, or guests, or invitees,
the cost of such maintenance or repairs shall be added to and

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1 become a part of the assessment to which such lot is subject.

2 ARTICLE VI

3 USE RESTRICTIONS

4 Section 1. Increase of Insurance Hazard; Violation of Law.

5 Nothing shall be done or kept on any lot which will increase
6 the rate of insurance on any lot or building, or on the contents
7 thereof, without the approval of the Association. No owner shall
8 permit anything to be done or kept on any lot which will result
9 in the cancellation of insurance on any common area or which
10 would be in violation of any law. If, by reason of the occupancy
11 or use of said premises by the owner, the rate of insurance on
12 the building shall be increased, the owner shall become personally
13 liable for the additional insurance premiums.

14 Section 2. No animals of any kind shall be raised, bred
15 or kept on any lot, or in any common area, except that dogs, cats
16 or other household pets may be kept in units subject to approval
17 of the Association, provided that no animal shall be kept, bred
18 or maintained for any commercial purpose.

19 Section 3. Nuisance. The owner shall not permit or
20 suffer anything to be done or kept upon said premises which will
21 obstruct or interfere with the rights of other owners, or annoy
22 them by unreasonable noise or otherwise, nor will he commit or
23 permit any nuisance on the premises or commit or suffer any
24 immoral or illegal act to be committed thereon. The owner shall
25 comply with all of the requirements of the Board of Health and
26 of all other governmental authorities with respect to the said
27 premises.

28 Section 4. Structural Change; Preclusion. Nothing shall be
29 done in, or on any lots or in, on, or to any building which
30 would structurally change any such building except as is otherwise
31 provided herein.

32 Section 5. Structural Change; Controls. There shall be

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1 no structural alteration, addition, construction or removal of
 2 any building, fence or other structure in the project without
 3 the approval of the architectural control committee as set forth
 4 in Article VIII hereof. No building, fence or other structure
 5 shall be constructed upon any portion of any lot other than such
 6 building and structures as shall be constructed (a) by the
 7 Declarant, or (b) by the Association pursuant to Article IV,
 8 Section 4.

9 Section 6. Fences. No fence of any kind shall be
 10 constructed or erected on or within lots or common areas except
 11 the fences installed and constructed by the Declarant.

12 Section 7. Storage. No boat, trailer, camper or similar
 13 vehicle shall be stored or parked on any lot, common area, or
 14 driveway, except in accordance with rules and regulations of
 15 the Association, or an area specifically provided by the Associa-
 16 tion for such purpose. No automobile, truck, camper or vehicle
 17 may be kept on blocks or jacks at any time.

18 Section 8. Rules and Regulations. The Association shall
 19 have the right and the power to make such additional reasonable
 20 rules and regulations governing the use of the properties as it
 21 may deem appropriate, including without limitation prohibition
 22 of or limitations on the use and placement of signs.

23 Section 9. Builder's Exemption. Notwithstanding any
 24 provisions herein contained to the contrary, it shall be expressly
 25 permissible for the Declarant, its agents, assigns, and contrac-
 26 tors of said units to maintain during the period of construction
 27 and sale thereof, such facilities as in the sole opinion of said
 28 Declarant may be reasonably required, convenient or incidental
 29 to the construction and sale of said units, including without
 30 limitation a business office, storage area, construction yards,
 31 signs, billboards, model units and sales office.

32 Section 10. Single Family Residential Use. No unit or

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1 lot shall be used except for single family residential purposes;
 2 provided, however, that Declarant may make temporary nonresidential
 3 use of units and lots owned by Declarant during the period of
 4 time when Declarant is developing the properties and selling
 5 units and lots. No unit shall be occupied by more than one (1)
 6 family, nor shall any unit exceed two and one-half (2 1/2)
 7 stories in height.

8 Section 11. Patios. Decoration of and plantings within
 9 patio areas visible from other lots or the common area shall be
 10 subject to the approval of the Board, and nothing shall be
 11 affixed to walls or fences which enclose patio areas without the
 12 approval of the Board.

13 Section 12. Changes, Modifications and Additions. Except
 14 with the approval of the Board, no change, modification or addi-
 15 tion of any kind whatever (including but not limited to painting,
 16 decorating, planting, awnings and sunshades) shall be made or
 17 carried out on the exterior of any unit.

18 Section 13. Interior Maintenance. The owner of each unit
 19 shall maintain the interior of the unit, including interior
 20 walls, ceilings, floors, permanent fixtures and appurtenances,
 21 attached garages, and patio areas within the unit, and the
 22 interior and exterior of doors, and the interior and exterior
 23 of windows and of any other glass surfaces in clean, sanitary
 24 and attractive condition, and in a state of good repair.

25 Section 14. Common Area. No use shall be made of the
 26 common area except in accordance with these restrictions, and the
 27 Articles, Bylaws and Rules of the Association; nothing shall be
 28 stored, kept, placed, built, planted or maintained on any part of
 29 the common area except in accordance with these restrictions, and
 30 the Article, Bylaws and Rules of the Association; and each owner
 31 by acceptance of a deed to a lot, covenants and agrees, and shall
 32 be deemed to covenant and agree for himself, his heirs, successors,

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1 and assigns to abide by the provisions of these restrictions, and
 2 the Articles, Bylaws and Rules of the Association as the same
 3 may from time to time be adopted and amended.

4 Section 15. Activites Outside Unit. Except with the
 5 approval of the Board and subject to the Rules and Regulations of
 6 Association, nothing shall be stored, placed, built, kept,
 7 planted or maintained on any portion of a lot which lies outside
 8 the unit constructed on such lot and for which the Association has
 9 the responsibility for landscaping and maintenance.

10 Section 16. Signs. No sign of any kind shall be displayed
 11 to public view on any lot or unit, except one sign of not more
 12 than five (5) square feet advertising said property for sale or
 13 rent, and except signs used by Declarant or its agents or nominees
 14 in connection with the development of the properties or the
 15 construction or sale of lots and units. Any signs advertising
 16 property for sale or rent shall promptly be removed from the
 17 premises upon the close of escrow of any sale or upon the execution
 18 of any rental agreement therefor.

19 Section 17. Mineral Activities. No quarrying or mining
 20 operations of any kind shall be permitted upon or in any portion
 21 of the properties, nor shall oil wells, tanks, tunnels, mineral
 22 excavations or shafts be permitted thereon. No derrick or
 23 other structure designed for use in boring for oil, natural gas,
 24 or water shall be erected, maintained or permitted upon the
 25 properties.

26 Section 18. Trash. No lot shall be used or maintained as
 27 a dumping ground for rubbish. Trash, garbage, or other waste
 28 shall not be kept on any lot except in saitary containers. All
 29 incinerators or other equipment on any lot for storage or disposal
 30 of such material shall be kept in a clean and sanitary condition
 31 and shall comply with all applicable local, county and state
 32 regulations pertaining thereto.

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1 Section 19. Antennas. No mast, tower, exterior antenna,
2 or similar structure shall be erected or maintained on or about
3 any lot or unit without the approval of the Board.

4 ARTICLE VII

5 PARTY WALLS

6 Section 1. General Rules of Law to Apply. Each wall which
7 is built is a part of the original construction of the units
8 upon the properties and placed on the dividing line between the
9 lots shall constitute a party wall, and, to the extent not in-
10 consistenct with the provisions of this Article, the general
11 rules of law regarding party walls and liability for property
12 damage due to negligence or willful acts or omissions shall
13 apply thereto.

14 Section 2. Sharing of Repair and Maintenance. The cost of
15 reasonable repair and maintenance of a party wall shall be shared
16 by the owners who make use of the wall in proportion to such use.

17 Section 3. Destruction by Fire or Other Casualty. If a
18 party wall is destroyed or damaged by fire or other casualty,
19 ~~any owner who has used the wall may restore it, and if the other~~
20 owners thereafter make use of the wall, they shall contribute
21 to the cost of restoration thereof in proportion to such use
22 without prejudice, however, to the right of any such owners to
23 call for a larger contribution from the others under any rule of
24 law regarding liability for negligent or willful acts or omissions.

25 Section 4. Weatherproofing. Notwithstanding any other
26 provision of this Article, an owner who by his negligent or
27 willful act causes the party wall to be exposed to the elements
28 shall bear the whole cost of furnishing the necessary protection
29 against such elements.

30 Section 5. Right to Contribution Runs with Land. The right
31 of any owner to contribution from any other owner under this
32 Article shall be appurtenant to the land, and shall pass to such

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1 owner's successor in title.

2 Section 6. Arbitration. In the event of any dispute arising
3 concerning the party wall, or under the provisions of this Article,
4 each party shall choose one arbitrator within ten (10) days
5 after written request for arbitration, and such arbitrators shall,
6 within five (5) days thereafter, choose one additional arbitrator,
7 and the decision shall be a majority of all the arbitrators.
8 In the event an arbitrator is not chosen as provided herein, a
9 Judge of the Superior Court in Maricopa County, Arizona, shall
10 have the right and power to make such choice.

11 ARTICLE VIII

12 ARCHITECTURAL CONTROL

13 No building, fence, wall or other structure shall be
14 commenced, erected or maintained upon the properties, nor shall
15 any exterior addition to or change or alteration therein be made
16 until the plans and specifications showing the nature, kind,
17 color, shape, height, materials, location and other material
18 attributes of teh same shall have been submitted to and
19 approved in writing as to harmony of external design and location
20 in relation to surrounding structures and topography by the
21 Board of Directors of the Association, or by an architectural com-
22 mittee composed of three or more representatives appointed by the
23 Board. In the event said Board, or its designated committee fails
24 to approve or disapprove such design and location within thirty
25 (30) days after said plans and specifications have been submitted
26 to it, approval will not be required and this Article will be
27 deemed to have been fully complied with.

28 ARTICLE IX

29 MORTGAGE PERFECTION

30 Notwithstanding all other provisions hereof:

31 1. The liens created under Article IV hereof upon any lot
32 shall be subject and subordinate to, and shall not effect the

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1 rights of the mortgagee under any recorded first mortgage upon
 2 such lot made in good faith, and for value, provided that after
 3 the foreclosure of any such mortgage, or the giving of any deed
 4 or any proceeding in lieu thereof, the amount of all regular
 5 installments, and all special assessments to the extent they
 6 relate to expenses incurred subsequent to such foreclosure, deed
 7 or proceeding, assessed hereunder shall be come a line upon such
 8 lot.

9 2. No amendment to these restrictions shall effect the
 10 rights of any such mortgagee who does not join in the execution
 11 thereof, provided that prior to recordation of such amendment
 12 his morggage is recorded.

13 3. By subordination agreement executed by the Association,
 14 the benefits of Sections 1 and 2 above may be extended to
 15 mortgages not otherwise entitled thereto.

16 4. No breach of any of the foregoing covenants and
 17 restrictions shall cause any forfeiture of title or reversion or
 18 bestow any right of re-entry whatsoever, but violation of any one
 19 ~~or more of these covenants or restrictions may be enjoined or~~
 20 abated by Declarant its successors or assigns, and by the
 21 association, by action of any court of competent jurisdiction,
 22 and damages may also be awarded against such violation; provided,
 23 however, that any such violation shall not defeat or render invalid
 24 the lien of any mortgage or deed of trust made in good faith and
 25 for value as to said property or any part thereof, but said
 26 covenants and restrictions shall be binding upon and effective
 27 against any owner of said property, or portion thereof, whose
 28 title thereto is acquired by foreclosure, trustee's sale, or
 29 otherwise.

30 ARTICLE X

31 EASEMENTS

32 Section 1. Utilities. There is hereby created a blanket

1 easement upon, across, over and under the common area for ingress,
 2 egress, installation, replacing, repairing and maintaining all
 3 utilities, including but not limited to, water, sewers, gas
 4 telephones, and electricity, and a master television and
 5 antenna system. By virtue of this easement, it shall be
 6 expressly permissible for the providing electrical or telephone
 7 company to erect and maintain the necessary poles and other
 8 necessary equipment on said property and to affix and maintain
 9 electrical or telephone wires, circuits and conduits on, above,
 10 across and under the roofs and exterior walls of the units.
 11 Notwithstanding anything to the contrary contained in this paragraph
 12 no sewers, electrical lines, water lines, or other utilities may
 13 be installed or relocated except as initially programmed and
 14 approved by the major developer of said premises (the Declarant).
 15 This easement shall in no way effect any other recorded easements
 16 on said premises.

17 Section 2. Encroachments. Each lot and the common area
 18 shall be subject to an easement for encroachments created by
 19 construction, settling and overhangs, as designed or constructed
 20 by the original builder. A valid easement for said encroachments
 21 and for the maintenance of same, so long as it stands, shall and
 22 does exist. In the event a structure is partially or totally
 23 destroyed, and then rebuilt, the owners agree that minor encroach-
 24 ments due to construction shall be permitted and that a valid
 25 easement for said encroachment and the maintenance thereof shall
 26 exist.

ARTICLE XI

GENERAL PROVISIONS

27
 28
 29 Section 1. Enforcement. The association, or any owner,
 30 shall have the right to enforce, by any proceeding at law or
 31 in equity, all restrictions, conditions, covenants, reservations,
 32 liens and charges now or hereafter imposed by the provisions of

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1 this Declaration. Failure by the Association or by any owner to
 2 enforce any covenant or restriction herein contained shall in
 3 no event be deemed a waiver of the rights to do so thereafter.

4 Section 2. Severability. Invalidation of any one of these
 5 covenants or restrictions by judgment or court order shall in no
 6 wise affect any other provision which shall remain in full force
 7 and effect.

8 Section 3. Term. The covenants and restrictions of this
 9 declaration shall run with and bind the land, for a term of twenty
 10 (20) years from the date this declaration was recorded, after
 11 which time there shall be automatically extended for successive
 12 periods of ten (10) years.

13 Section 4. Amendment. This Declaration may be amended by
 14 an instrument signed by not less than seventy-five (75) percent
 15 of the lot owners, provided, however, this Declaration may be
 16 amended without such consent prior to the time that seventy-five
 17 percent (75%) of the total units are constructed, under the
 18 written request or with the written consent of the Federal
 19 National Mortgage Association by an instrument signed by Declarant

20 Section 5. Annexation of Additional Properties.

21 A. With consent of the members. Additional residential
 22 property in common area may be annexed to the properties with
 23 the consent of two-thirds (2/3) of each class of members.

24 B. Without consent of the members. Additional land
 25 within the area may hereafter be made subject to this Declaration
 26 of Covenants, Conditions and Restrictions by Declarant without
 27 the consent of lot owners or the Association within five (5)
 28 years of the date of this instrument, provided, however, that if
 29 Federal National Mortgage Association approval of this project is
 30 sought and obtained by Declarant, then Federal National Mortgage
 31 Association must first determine that the annexation is in accord
 32 with the general plan approved by them.

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1 Section 6. Prior Recorded Instruments. This instrument
2 and the provisions hereof are expressly subject to all prior
3 recorded documents affecting the property.

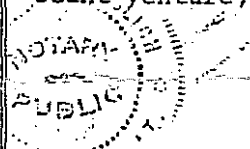
4 IN WITNESS WHEREOF, the undersigned has caused this
5 Amended Declaration of Covenants, Conditions and Restrictions
6 to be executed this 21st day of September, 1977.

7 SUNDANCE GROUP EXETER ESTATE JOINT
8 VENTURE, an Arizona Joint Venture

9 BY *Osmond Burton*

13 STATE OF ARIZONA)
14) ss.
15 COUNTY OF MARICOPA)

16 The foregoing instrument was acknowledged before me this
17 21st day of September, 1977, by OSMOND BURTON, JR., Attorney
18 for the SUNDANCE GROUP EXETER ESTATE JOINT VENTURE, an Arizona
19 Joint Venture, on behalf of the Joint Venture.



20 *Sharon M. Gendrich*
21 Notary Public

22 My Commission Expires:
23 My Commission Expires Jan. 4, 1981

24 STATE OF ARIZONA }
25 County of Maricopa } ss

26 I hereby certify that the witt
27 in instrument was filed and re-
28 corded at request of

29 *Osmond Burton*

30 NOV 1 - 1977 - 11 00

31 in Docket 12519
32 on page 253-252

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

Tom Freestone
County Recorder
Sharon Ong
Deputy Recorder

10.50

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