

WHEN RECORDED, RETURN TO:  
Arizona Title Insurance and Trust Company  
111 West Monroe, Phoenix  
ATTENTION: Mr. Mathisen

EXT 9457 AC:806

133169 02-R MISC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by ARIZONA TITLE INSURANCE AND TRUST COMPANY, an Arizona corporation, as Trustee, hereinafter referred to as "Declarant";

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in the County of Maricopa, State of Arizona, which is more particularly described as follows:

Sublots One (1) through Forty-five (45) and Tracts "A" through "H" of CENTURY PLACE, per map recorded in Book 148 of Maps, page 27, in the office of the County Recorder of said County;

WHEREAS, Declarant will convey the said properties, subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property, and all of which are hereby declared to be for the benefit of all of the property described herein and the owners thereof, their heirs, successors, grantees and assigns. These easements, covenants, restrictions and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof. This Declaration hereby establishes a plan for the individual ownership of property both real and personal, which is hereinafter defined and referred to as the "common elements". Said restrictions establish and impose a general plan for the improvement and development of said property described herein and the adoption and establishment of covenants, conditions and restrictions upon said land and upon any and all townhome units constructed or to be constructed thereon, and upon the use, occupancy and enjoyment thereof. Every conveyance of any of said townhomes, or property or portion thereof shall be and is subject to these easements, covenants, conditions and restrictions as follows:

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to CENTURY PLACE TOWNHOME CORP., its successors and assigns.

Section 2. "Common area" and "common elements" shall be synonymous and shall mean all property owned by the Association for the common use and enjoyment of the members of the Association, including, but not limited to, all of the above referred to premises except the land specifically designated as a "lot" or "unit" on the above referred to plat of record and all recorded amendments thereto. The common elements shall also include all recreational facilities, community and commercial facilities, if any, swimming pools, pumps, trees, pavements, streets, pipes, wires, conduits and other public and private utility lines, such as water, sewer, electricity, gas, telephone, etc., owned by the association.

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Section 3. "Lot", "unit" and "townhome" shall be synonymous and shall mean and refer to a separately designated and legally described freehold estate consisting of any plot of land and the improvements thereon shown upon any recorded subdivision map of the properties with the exception of the common area, whether presently improved or unimproved.

Section 4. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if equitable title has merged) of any lot which is part of the properties, included but not limited to the family, invitees, licensees and lessees, of any owner and any other person or persons holding any possessory interest in any lot granted by an owner.

Section 6. "Declarant" shall mean and refer to Arizona Title Insurance and Trust Company, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Articles" shall mean the Articles of Incorporation of Century Townhouse Development which are or shall be filed in the office of the Corporation Commission of the State of Arizona, which said Articles are incorporated herein by this reference, as said Articles may from time to time be amended.

Section 8. "Board" shall mean the Board of Directors of the Association.

Section 9. "Bylaws" shall mean the Bylaws of the Association which are or shall be adopted by the Association and which are incorporated herein by this reference, as such Bylaws may from time to time be amended.

Section 10. "Declaration" shall mean the covenants, conditions and restrictions herein set forth in this entire document, as same may from time to time be amended.

## ARTICLE II

### ASSOCIATION

Section 1. The Association is a non-profit membership corporation charged with the duties and invested with the powers set forth herein. It was created by the Articles, and its affairs shall be governed by the Articles and Bylaws which shall not for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this declaration. The powers, rights and duties of the Association and Board of Directors shall be as contained in this Declaration, and as may be adopted in its Articles of Incorporation and By-Laws not inconsistent herewith.

Section 2. The affairs of the Association shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint, in accordance with the Articles and Bylaws of the Association, as same may be amended from time to time.

## ARTICLE III

MEMBERSHIP

Membership in the Association, except for the membership of the Declarant and the first Board of Directors, shall be limited to owners as defined above, of townhomes constructed or planned to be constructed on the property described above. An owner of a townhome shall automatically, upon becoming the owner of a townhome, be a member of the Association, and shall remain a member of the Association, until such time his membership in said Association shall automatically cease. Ownership of a lot shall be the sole qualification and criteria for membership. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

A membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of such townhome and then only to such purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process as not in effect or as may hereinafter be established. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the owner of any townhome should fail or refuse to transfer the membership registered in his name to the purchaser of such townhome, the Association shall have the right to record the transfer upon the books of the Association and issue a new membership to the purchaser and thereupon the old membership outstanding in the name of the seller shall be null and void as though the same had been surrendered.

The owner of each townhome shall be entitled to one membership in the Association, for himself and his family residing in the townhome, which membership shall be subject to all of the provisions of the Association's Articles of Incorporation, Bylaws and this Declaration, as now in effect or duly adopted and amended.

## ARTICLE IV

VOTING RIGHTS

Section 1. The Association shall have two classes of membership with respect to voting.

Class A. Class A members shall be all those Owners as defined in Article I. In Association voting, there shall be one vote for each lot, regardless of the number of owners having an interest therein. The vote for each lot 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. In the event more than one vote is cast for a particular lot, none of said votes shall be counted as the votes shall be deemed void. If any owner or owners cast a vote representing a certain lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of any other owners of the same lot. Every owner entitled to vote at any election of the members of the Board of Directors may cumulate the votes which he is entitled to cast and give one candidate, or divide among the candidates, a number of votes equal to the number of Directors to be elected multiplied by the number

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of votes to which he is entitled in accordance with the number of lots owned. The right to vote may not be severed or separated from the lot ownership to which it is appurtenant, and any sale, transfer, or conveyance of such lot to a new owner or owners shall operate to transfer the appurtenant vote without the requirement of any express reference thereto.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each lot in which it holds the interest required for membership by Article III. Class B membership will automatically cease to exist when all lots are sold to an original purchaser from the Declarant.

Section 2. In the event any townhome unit owner shall be in arrears in the payment of any amounts due under any of the provisions of this Declaration for a period of thirty (30) days or shall be in default in the performance of or in the breach of any of the terms of this Declaration for a period of thirty (30) days, said unit owner's right to vote as a member of the Century Place Townhome Corporation shall be suspended and shall remain suspended until all payments are brought current and all defaults and breaches remedied.

#### ARTICLE V

##### PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the common elements, and such easement shall be appurtenant to and shall pass with the title to each and every townhome. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all owners of townhomes of Century Place Townhome Corporation and is necessary for the protection of said owners. Such right and easement of enjoyment shall be subject to this Declaration and reasonable rules and regulations as from time to time are promulgated by the Board of Directors, and which may include, but shall not be limited to:

- (a) The right of the Association to limit the number of guests of members;
- (b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common areas;
- (c) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the common areas and facilities and in aid thereof, to mortgage said properties, which said mortgage shall be superior to the rights of the home owners hereunder; and
- (d) 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 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 members representing two-thirds of the votes entitled to be cast by the Class A members and representing two-thirds (2/3) of the votes entitled to be

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cast by the Class B members, if any, has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than thirty (30) days nor more than sixty (60) days in advance.

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

Section 3. Title to the Common Areas. The Declarant hereby covenants for itself, its heirs and assigns, that it will convey fee simple title to the common elements to the Association.

#### ARTICLE VI

##### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Maintenance. It is anticipated that residential dwelling units will be constructed on various parcels within the townhome project's property and that the ownership of individual units shall be evidenced by a deed of a lot together with the improvements thereon constituting a "townhome". Maintenance, upkeep and repairs of individual walls enclosing rear yards shall be the sole responsibility of the individual owners thereof and not in any manner the responsibility of the Board of Directors or the Association. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the common elements, including, but not limited to, recreation and parking areas and walks, shall be taken by its duly delegated representatives.

Section 2. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay the association (1) annual assessments or charges, and (2) special assessments, such assessments to be fixed, established and collected from time to time as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorneys' fees shall also be the personal obligation and debt of the person who was the owner of such property at the time the assessment fell due. The personal obligation shall not pass to his successor owner unless it is expressly assumed by his successor or unless prior to such transfer of ownership, a lien for such assessment shall have been filed in writing with the County Recorder or other governmental agency.

Section 3. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of providing domestic water, promoting the recreation, health, safety and welfare of the residents in the properties and in particular for the improvement and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common area, and of the townhomes situated upon the properties.

Section 4. Establishment, Basis and Maximum of Assessments. Declarant and the owner of each such townhome, for themselves, their heirs, successors and assigns, further covenant that each such townhome shall be subject to an assessment in an amount to be determined by the Association, in the following manner:

- (a) Each townhome's prorata share of the actual cost to the Association of all taxes, repair, water, replacement and maintenance of the common elements, and other facilities and activities including, but not limited to, mowing grass, caring for the grounds, sprinkler system, swimming pool, recreational buildings and other expenses and charges required by this Declaration of Covenants, Conditions and Restrictions to be provided by the Association;
- (b) Each townhome's prorata share of such sum as the Board of Directors of the Association shall determine to be fair and prudent for the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges as specified herein, including fire and other hazard insurance premiums as hereinafter provided, and a liability insurance premium for a liability insurance policy which, in addition to public liability shall cover repair and construction work to all of the assets and property owned by or to be maintained by the Association. The disposition of liability insurance proceeds shall be made upon majority vote of the Board of Directors but in all events shall be used to and for the purpose of the Association;
- (c) Each townhome's prorata share of the actual cost to the Association of such recreational facilities as may from time to time be provided by the Association;
- (d) Each townhome's prorata share of such additional sum as the Board of Directors of the Association shall determine to be necessary to meet and perform the purposes and duties of the Association;
- (e) Each townhome's prorata share shall be 1/45 of the total amount determined under subparagraphs (a), (b), (c) and (d) above.

The amount to be prorated among the members of the Association pursuant to subparagraphs (a), (b), (c) and (d) and (e) above shall be established annually by the Board subject to the approval of the members of the Association at any regular or special meeting called for the purpose. Said amount shall be established after the Board has met and prepared the annual report and the annual audit has been prepared by a certified public accountant.

An annual report shall be prepared by the Board and submitted to the members at annual meeting of the Association.

At the time of the first conveyance of each townhome and from time to time thereafter the Association shall notify the owner or owners of each townhome as to the amount of the estimated annual assessment for the next year and shall each month collect for each townhome one twelfth (1/12) of said townhome's proportional share of the said annual assessment.

Until the end of the first fiscal year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be \$ 400.00 per lot.

Section 5. Special Assessments. In addition to any other assessments authorized by this Declaration, the Association's Board shall have the right and power to provide for the construction of additional recreational and other common facilities, or the alteration, demolition or removal of existing recreational and other common facilities, from time to time, as in their discretion appears to be in the best interests of the Association and the townhome project. Any such alteration, demolition, removal, construction, improvements or additions, shall first be authorized by the affirmative vote of at least three-fourths (3/4) of the Board and ratified and approved by the affirmative vote of at least sixty-six per cent (66%) of the votes entitled to be cast by members of the Association.

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

Section 7. Effect of nonpayment of Assessments and Remedies of the Association. Each townhome owner, for himself, his heirs, successors, grantees and assigns, covenants that with respect to charges so determined during the period that he is an owner, he will remit these charges directly to the Association, or to such other party or parties as directed by the Association's Board.

Any assessments which are not paid when due shall be delinquent. Each townhome owner further agrees that these charges, if not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum legal rate per annum and shall become a lien upon said owner's lot and townhome and shall continue to be such lien until fully paid. This lien shall be subordinate to the lien of any first mortgagee.

Each such owner expressly vests in the Association or its agents, the right and power to bring all actions against such owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including, but not limited to, foreclosure by an action brought in the name of the Association in a like manner as a mortgage of real property, or enforcement of a trust deed, and such owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other townhome owners. The Association, acting on behalf of the unit owners, shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. In the event the Declarant or the Association employs an attorney or attorneys to enforce said lien or the collection of any amounts due pursuant to this Declaration, or to enforce compliance with or specific performance of the terms and conditions of this Declaration or for the breach thereof, whether by suit or otherwise, the owner, owners and parties against whom the action is brought shall pay all attorneys' fees and costs thereby incurred by said Declarant or the Association.

No owner of a townhome 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 the abandonment of his townhome.

Section 8. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by local public authority; (b) the common areas; (c) all properties owned

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by a charitable or non-profit organization exempt from taxation by the laws of the State of Arizona; and (d) all lots held by the Declarant not yet sold to an original purchaser. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VII

PARTY WALLS

The rights and duties of the owners of townhomes within this townhome project with respect to party walls shall be governed by the following:

- (a) Each wall, including walls enclosing rear yards, which is constructed as a part of the original construction of the townhome multi-family structure, and part of which is placed on the dividing line between separate townhome units, shall constitute a party wall. With respect to any such wall, each of the adjoining owners shall assume the burdens and be entitled to the benefits of these restrictive covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.
- (b) In the event any such party wall is damaged or destroyed through the act of one adjoining owner, or any of his guests, tenants, licensees, agents or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining owner of the full use and enjoyment of such wall, then the first of such owners shall forthwith rebuild and repair the same to its prior good condition without cost to the adjoining owner.
- (c) In the event any such party wall is damaged or destroyed by some cause other than the act of one of the adjoining owners, his agents, tenants, licensees, guests or family (including ordinary wear and tear and deterioration from lapse of time) then in such event both such adjoining owners shall rebuild or repair the same to its prior good condition at their joint and equal expense.
- (d) The right of any owner to contribution from any other owner under this article shall be appurtenant to the land and shall pass to such owner's successors in title or interest.
- (e) In addition to meeting the other requirements of these restrictive covenants and of any building code or similar regulations or ordinances, any owner proposing to modify, make additions to or rebuild his townhome in any manner which requires the extension or other alteration of any party wall shall first obtain the written consent of the adjoining owner.



- (f) In the event of a dispute between owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then upon written request of one of such owners addressed to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association. If no such rules have been adopted, then the rules of the American Arbitration Association shall govern. A determination of the matter by arbitration shall be binding upon the owners which arbitration may also determine and apportion the costs of the arbitration.
- (g) These covenants shall be binding upon the heirs and assigns of any owners, but no person shall be liable for any act or omission respecting any party wall except such as took place while an owner.
- (h) Notwithstanding any other provisions of this article, the owner who by his negligence or wilful act causes any party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

ARTICLE VIII

ARCHITECTURAL CONTROL

No exterior additions, modifications, or alterations to any building nor changes in fences, hedges, walls and other structures shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials, location and approximate cost of same shall have been submitted to and approved in writing as to conformity and harmony of external design and location with existing structures in the property by an architectural committee to be appointed by the Board. The members of such committee shall not be entitled to compensation for services performed pursuant to this paragraph, unless authorized by the Board. In the event committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this article will be deemed to have been fully complied with. Members of the committee need not be members of the Association.

ARTICLE IX

EXTERIOR MAINTENANCE

The Association, or its duly delegated representative, shall maintain and otherwise manage all property up to the front and side exterior building lines and up to walls enclosing rear yards, including but not limited to, water and sewer lines with appurtenances, the landscaping, parking areas, streets and recreational facilities, common elements, and exteriors of the buildings located upon the above described properties, and such additional maintenance of the buildings as the Board shall from time to time determine to be in the best interest of the Association and the owners and shall maintain and otherwise manage and be responsible

for the rubbish removal of all areas within the above described property. The Board shall use a reasonably high standard of care in providing for the repair, management and maintenance of said property, so that said townhome project will reflect a high pride of ownership. All maintenance and repair of the individual townhome units shall be the sole obligation and expense of the individual unit owners, except to the extent the exterior maintenance and repair is provided by the Association.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such lot is subject and the owner thereof, enforceable in a like manner as any other assessment.

ARTICLE X

INTERIOR AND OTHER MAINTENANCE

Each owner shall be responsible for the upkeep and maintenance of the interior of his townhome and for the upkeep and maintenance of all other areas, features or parts of his townhome and property not otherwise maintained by the Association. All fixtures and equipment installed within a townhome unit, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the exterior walls of a townhome unit, shall be maintained and kept in repair by the owner thereof. Terminate control shall be the responsibility of the owner. An owner shall do no act nor any work that will impair the structural soundness or integrity of the multi-family building or impair any easement or hereditament, not do any act nor allow any condition to exist which will adversely affect the other townhome units or their owners.

ARTICLE XI

DAMAGE OR DESTRUCTION OF PROPERTY

In the event any common element is damaged or destroyed by an owner or any of his guests, tenants, licensees, agents or members of his family, such owner does hereby irrevocably authorize the Association to repair said damaged element, and the Association shall so repair said damaged element in a good workmanlike manner in conformance with the original plans and specifications of the area involved. The owner shall pay the Association an amount necessary for such repairs, upon demand.

In the event any townhome is substantially damaged or destroyed by an owner or any of his guests, tenants, licensees, agents or members of his family, such owner shall, within thirty (30) days from the date of the occurrence of the damage or destruction, begin and proceed with diligence through completion to repair and rebuild the exterior of said townhome and any damage to adjacent townhomes or property in a good workmanlike manner in conformance with the original plans and specifications used in the construction of said townhomes. In the event such owner refuses or fails to so repair and rebuild any and all such damage to the exterior of the townhome and adjacent property within said thirty-day period, the Association, by and through its Board of Directors, is hereby irrevocably authorized by such owner to repair and rebuild any such townhome and/or adjacent property in a good workmanlike manner in conformance with the original plans and specifications of the

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townhomes The owner shall then repay, upon demand, the Association in the amount actually expended for such repairs.

Each townhome owner agrees that the charges for repairs, if not paid within thirty (30) days after demand shall be delinquent and shall automatically become an assessment against said lot and owner, which shall be enforced in a like manner as other assessments as referred to in this Declaration.

Nothing contained in this Article XI shall be construed in any way so as to relieve any insurance company from the payment of any and all amounts which would be payable under any policy or policies had not this article been inserted.

In the event of a dispute between an owner and the Board with respect to the cause of damage or the extent of repairs necessitated or with respect to the cost thereof, then upon written request of the owner and addressed to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association or its Board of Directors. If no such rules have been adopted, then the matter shall be submitted to arbitration under the rules of the American Arbitration Association. A determination shall be binding upon the owner and the Association which determination may also apportion the costs of the arbitration.

#### ARTICLE XII

##### INSURANCE

The Association shall have the authority to obtain insurance for all the buildings, including all townhomes, unless the owners thereof have supplied proof of adequate coverage to the Board's complete satisfaction, 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 any hazard, 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, its Board, officers, or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance, except on the individual townhomes, shall be common expenses. All such insurance coverage, including insurance on individual townhomes obtained by the Association shall be written in the name of the Association as trustee for each of the townhome owners. Insurance on individual townhomes obtained by such townhome owners may be written in the name of the individual owners. Premiums for insurance obtained by the Association on individual townhomes shall not be a part of the common expense but shall be an expense of the specific townhome or townhomes so covered and be deemed an assessment enforceable in a like manner as other assessments provided for herein. In addition to the aforesaid insurance required to be carried by the owners and/or the Association, any owner may, if he wishes, at his own expense, insure his own townhome unit for his own benefit and 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, homeowners' 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 only with a 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 townhome owners of the damaged building to make up any deficiency, except that the special assessment shall be levied against all townhome owners, as established by Article VI, Section 4, Paragraph (e) above, to make up any deficiency for repair or rebuilding of the common elements not a physical part of a townhome. In the event such insurance proceeds exceed the cost of repair and reconstruction, such excess shall be paid over to the respective mortgagees and owners as their interests may then appear. Such payments shall be made to all such owners and their mortgagees in proportion to their percentage interests.

In the event of damage or destruction by fire or other casualty to any townhome, garage, storage area or other property covered by insurance written in the name of an individual owner, said owner shall, upon receipt of the insurance proceeds, contract to repair or rebuild such damaged or destroyed portions of the garage and storage area and the exterior of the townhome in a good workmanlike manner in conformance with the original plans and specifications of said townhome. In the event such owner refuses or fails to begin and proceed with diligence through completion to repair and rebuild any and all such damage to the exterior of the townhome and garage and storage area, the Association, by and through its Board of Directors, is hereby irrevocably authorized by such owner to repair and rebuild any such townhome and/or garage and/or storage area in a good workmanlike manner in conformance with the original plans and specifications of the townhomes. The owner shall pay the Association on demand the amount necessary for such repairs.

### ARTICLE XIII

#### USE RESTRICTIONS

Section 1. Said premises are hereby restricted to residential dwellings for residential use. All building or structure erected upon said premises shall be of new construction and no buildings or structures shall be moved from other locations onto said premises, and no subsequent buildings or structures other than townhomes, being residence units joined together by party walls, shall be built on any parcel where the builder theretofore programmed and constructed a townhome. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any portion of the premises at any time as a residence either temporarily or permanently.

Section 2. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the Declarant to maintain during the period of construction and sale of said townhomes, upon such portion of the premises as such Declarant may choose, such facilities as in the sole opinion of said Declarant may be reasonable required, convenient or incidental

to the construction and sale of said townhomes, including, but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

Section 3. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that a reasonable number of dogs, cats or other household domestic pets may be kept provided that they are not kept, bred or maintained for any commercial purposes.

Section 4. No advertising signs (except one of not more than five square feet "for rent" or "for sale" sign per parcel) billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any townhome or any resident thereof. Further, no business activities of any kind whatsoever shall be conducted in any building or in any portion of the premises. Provided, further, however, the foregoing covenants shall not apply to the business activities, signs and billboards, or the construction and maintenance of building, if any, of the Declarant, its agents and assigns during the construction and sale period, and of the Association.

Section 5. All clotheslines, equipment, garbage cans, service yards, woodpile., or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring townhomes and streets. All rubbish, trash or garbage shall be regularly removed from the premises, and shall not be allowed to accumulate thereon. All clotheslines shall be confined to wall enclosed rear yards.

Section 6. Except in the individual wall enclosed rear yards, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said premises except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the architectural committee as established in Article VIII.

Section 7. The common elements shall remain undivided and shall at all times be owned by the Association or its successors, 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.

Section 8. Without prior written approval and the authorization of the Architectural Committee, no exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the premises, nor upon any structure situated upon said real property.

#### ARTICLE XIV

##### EASEMENTS

There is hereby created a blanket easement upon, across, over and under the above described premises for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewers, gas, telephones and electricity, and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary equipment on said property and to affix and maintain electrical

and/or telephone wires, circuits and conduits on or under the roofs and exterior walls of said townhomes. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said premises except as initially programmed and approved by the Declarant of said premises or thereafter approved by the said Declarant or the Board. This easement shall in no way effect any other recorded easements on said premises.

Each townhome and the common elements shall be subject to an easement for encroachments created by construction, settling air conditioning equipment, overhangs, etc., as designed or constructed by the original Declarant. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event the multi-family structure is partially or totally destroyed, and then rebuilt, the owners of townhomes agree that minor encroachments of parts of the adjacent townhomes or common elements due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

ARTICLE XV

GENERAL PROVISIONS

Section 1. Binding Effect and Enforcement. The covenants, restrictions, reservations and conditions contained herein shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing or occupying any townhome on said property, their heirs, executors, administrators, successors, grantees and assigns. After the date on which this instrument has been recorded, these covenants, restrictions, reservations and conditions may be enforced by the Association which shall have the right and duty to enforce the same and expend Association monies in pursuance thereof, and also may be enforced by the owner of any townhome or any one or more of said parties. Said covenants, restrictions, reservations and conditions shall be binding upon and effective against any owner of said premises, including one whose title thereto is acquired by foreclosure of a mortgage and the sheriff's sale or any procedure or proceeding in lieu of foreclosure of a mortgage, or by other operation of law. All instruments of conveyance of any interest of all or any part of said townhomes shall contain reference to this instrument and shall be subject to the covenants, conditions, reservations and restrictions herein as fully as though the terms and conditions of this instrument were therein set forth in full, however, the terms and conditions of this instrument shall be binding upon all persons affected by its terms, whether express reference is made to this instrument or not.

Section 2. Equal Treatment of Owners. No action shall at any time be taken by the Association or its Board which in any manner would discriminate against any owner or owners in favor of the other owners.

Section 3. Severability. The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not effect the remaining portions of this instrument or any part thereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained therein should be invalid or should operate to render this agreement invalid, this agreement shall be construed as if such invalid

phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, or section or sections had not been inserted.

Section 4. Topical Headings. The marginal or topical headings of the paragraphs contained in this Declaration are for convenience only and do not define, limit or construe the contents of the paragraphs or of this Declaration.

Section 5. Amendment. These covenants, restrictions, reservations and conditions shall remain in full force and effect for a period of ten (10) years from the date hereof. Thereafter, they shall be deemed to have been renewed for successive terms of ten (10) years, unless revoked or amended by an instrument in writing, executed and acknowledged by the then owners requesting in the aggregate not less than three-fourths (3/4) of the total number of townhomes on said property described hereinabove, which said instrument shall be recorded in the office of the Recorder for the County of Maricopa, State of Arizona, within ninety (90) days prior to the expiration of the initial effective period hereof or any ten (10) year extension. These covenants, conditions and restrictions may be amended at any time by an instrument signed by the then owners representing in the aggregate not less than three-fourths (3/4) of the total number of townhomes on said property described hereinabove, which said instrument shall be recorded in the office of the Recorder for the County of Maricopa, State of Arizona.

Section 6. Violations and Nuisance. Every act or omission whereby a covenant, condition or restriction 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 the Association, in the discretion of the Board.

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 Century Place Townhomes is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures herein set forth.

Section 8. Remedies Cumulative. Each remedy provided by this Declaration is cumulative and not exclusive.

Section 9. Non-Waiver. The delay, failure or omission to enforce the provisions of any covenant, condition or restriction contained in this Declaration in the event of any breach thereof shall not constitute a waiver of any right to enforce any such provision or any other provisions of this Declaration, or acquiescence therein, and no right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Board, the Association, or any owner for or on account of the failure to bring any action or take any steps as to any breach hereof.

Section 10. Delivery of Notices and Documents. Any notice required by this Declaration to be given shall be in writing and may be delivered either personally or by mail. If sent by mail, it shall be deemed to have been delivered twenty-four hours after same has been deposited in the United States mail, postage prepaid, addressed as follows: if to the Association, the Board, or any Committee, at

if to an Owner or the Owners, at the street address of the lot or lots owned by the Owner or Owners; provided, however, that such address may be changed by the Association, the Board, or any Committee by recording a notice of change of address, and may be changed by an Owner by notice in writing delivered to the Association.

Section 11. Restrictions Construed Together. All of the covenants, conditions and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of Century Place Townhomes as set forth in the preamble of this Declaration.

Section 12. Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter, as the context requires.

Section 13. Liability of Members of the Board, the Agent and Officers. No member of the Board or any agent or any officer of the Association shall be personally liable to any Owner or to any other person, including the Association, for negligence or for any error or omission of the Board, the Association, its representatives and employees, or any agent, except for the willful and intentional misconduct of any such person.

Section 14. Appeal. Any Owner aggrieved by any action taken by the Board or any Committee shall have a right of appeal to the Association to consider same, the Association having the final right to approve, rescind or modify any action taken by the Board or by any Committee, by a majority vote of the votes entitled to be cast by the Owners present at any regular meeting or special meeting called therefor. Any aggrieved Owner desiring a special meeting of the Association to consider same may call for same in the manner set forth in the Bylaws of the Association.

Section 15. Variances. The Association may grant to any Owner a right of variance or modification of and from any of the provisions of this Declaration, the Articles or Bylaws, upon the unanimous approval of the Board, whenever it is determined by the Board that same would be in the best interests of the Association.

Section 16. Estoppel Certificate. Upon such terms and conditions as the Board may determine, the Association may issue an Estoppel Certificate binding the Association to the position or determination stated therein, and anyone interested therein shall be entitled to rely on the matters stated therein. Said Certificate to be valid and binding on the Association shall be executed by at least one member of the Board, or the President of the Association, or such other person or persons as the Board in its discretion may determine and designate.

Section 17. Withdrawal of Rights and Privileges of Owners. In the event any Owner fails to perform or breaches or violates any provision, restriction, or requirement contained in this Declaration or incorporated herein by reference, the Board may, without in any way limiting any of its other rights, and in its sole discretion, withdraw from the Owner any of the rights and privileges of the Owner or take any other action deemed appropriate by the Board including, but not limited to, the following:



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- (1) Exclude said Owner from any rights or benefits from any security or emergency service then operating pursuant to any contract with the Association.
- (2) Deprive said Owner of all voting rights and privileges, and exclude said Owner from all meetings of the Association.
- (3) Limit or exclude said Owner from use of the common elements.
- (4) Identify said Owner as delinquent as not in good standing in any directory listing the names and addresses of the Owners and members of the Association.

Section 18. Employment of Agents. The Association may employ the services of a secretary, manager, architect, engineer, consultant, other employee or employees, and attorneys and accountants, to manage and carry out the affairs of the Association, and, to the extent not inconsistent with the laws of the State of Arizona and upon such conditions as are otherwise deemed advisable by the Board, to delegate to any of said persons any of its rights, powers and duties.

IN WITNESS WHEREOF, the ARIZONA TITLE INSURANCE AND TRUST COMPANY, as Trustee, has caused its corporate name to be signed and its corporate seal to be affixed by the undersigned officer thereunto authorized this 24th day of May, A.D., 1972.

ARIZONA TITLE INSURANCE AND TRUST COMPANY, as Trustee,

By: Stanley Mathisen  
Trust Officer

STATE OF ARIZONA )  
County of Maricopa ) ss.

On this, the 24th day of May, 1972, before me, the undersigned officer, personally appeared STANLEY MATHISEN who acknowledged himself to be the Trust Officer of ARIZONA TITLE INSURANCE AND TRUST COMPANY, a corporation, and that as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, as Trustee, by himself as such officer.

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

Stanley Mathisen  
Notary Public

My commission expires:  
July 30, 1975

STATE OF ARIZONA } ss  
County of Maricopa }  
I hereby certify that the within instrument was filed and recorded, at the request of  
ARIZONA TITLE INSURANCE & TRUST  
MAY 25 1972 - 8 00 AM

-17-

in Docket 9457  
on page 806-822  
Witness my hand and official seal the day and year aforesaid.  
County Recorder  
By Alice Deputy Recorder

James Chapman  
Sindications

MURCH  
INC.

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CENTURY PLACE TOWNHOME CORPORATION

MOD RSTR (DF)

FIRST AMENDMENT TO DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS

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WHEREAS, on May 24, 1972, Arizona Title Insurance and Trust Company as Trustee, executed as Declarant, the Declaration of Covenants, Conditions and Restrictions which were recorded with the Maricopa County Recorder's Office on May 25, 1972.

WHEREAS, pursuant to the terms of said Declaration of Covenants, Conditions and Restrictions, three-fourths of the owners of the total number of townhomes desire to amend said Covenants, Conditions and Restrictions.

NOW, THEREFORE, pursuant to the provisions of said Covenants, Conditions and Restrictions, said Covenants, Conditions and Restrictions are amended as follows:

1. Amend Article XII by deleting it in its entirety and inserting in its place:

A. The Association shall obtain and continue in effect full coverage blanket public liability insurance, casualty insurance, and fire insurance with extended coverage for the full replacement value of the common areas. The Association may purchase other insurance as it may deem necessary, including, but not limited to plate glass insurance, fidelity bonds, workman's compensation, and officer's and director's liability insurance. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the common area in light of increased construction costs, inflation, practice in the area in which the common area is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Each owner of a residential dwelling unit shall, insure and keep insured, his or her residential dwelling unit against loss from fire or other casualty for the full replacement value of said unit. Each owner on an annual basis shall supply the Association with proof of adequate coverage.

In the event the owner fails to furnish proof of adequate coverage, or the owner's policy is canceled and not renewed, the Association shall have the authority to obtain insurance which shall be an expense of the specific townhome and be deemed an assessment enforceable in a like manner as other assessments provided for herein. It shall be the individual responsibility of each owner at his own expense to provide, as he sees fit, homeowners liability insurance, theft, and other insurance covering personal property damage and loss.

Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers.

(Approved by the membership on April 13, 1987. Filed with the Maricopa County Recorder's Office on April 15, 1987.)

Recorded in official records of Maricopa County, Arizona  
DATE 16 APR 1987 - 3 00 FEE 1.00 PGS 6  
KEITH POLETIS, COUNTY RECORDER

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In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding a common area and/or common element to the same condition as formerly, the Board shall levy a special assessment against all townhome owners of the damaged area to make up any deficiency.

In the event of damage or destruction by fire or other casualty to any townhome, garage, storage area or other property covered by insurance written in the name of an individual owner, said owner shall, upon receipt of the insurance proceeds, contract to repair or rebuild such damaged or destroyed portions of the garage and storage area and the exterior of the townhome in a good and workmanlike manner in conformance with the original plans and specifications of said townhome. In the event such owner refuses or fails to begin and proceed with diligence through completion to repair and rebuild any and all such damage to the exterior of the townhome and garage and storage area, the Association, by and through its Board of Directors, is hereby irrevocably authorized by such owner to repair and rebuild any such townhome and/or garage and/or storage area in a good workmanlike manner in conformance with the original plans and specifications of the townhomes. The owner shall pay the Association within 5 days of demand the amount necessary for such repairs. In the event the owner fails to remit payment to the Association within the time period specified, the owner hereby shall be deemed to grant, transfer, and assign to the Association all the owner's right, title, and interest in any insurance proceeds.

B. Owner shall have the obligation for the upkeep and maintenance of the interior of his townhome, the lawn and yard area and all other areas, features or part of the townhome and property other than the common areas and/or common elements. In the event the Association determines that the owner is not abiding by his or her maintenance obligation, the Association may cause such maintenance to be accomplished as hereinafter set forth:

a) Upon a finding by the Association of a deficiency in such maintenance, the Association shall give to the owner a notice of deficiency requiring that said deficiency be cured within fifteen (15) days after the receipt of the notice.

b) In the event the Association determines that such deficiency continues to exist at the end of the period of time specified in the notice, the Association may at its option contract to accomplish such maintenance, the entire cost of such maintenance shall be a special assessment to the affected owner(s).

2. Article XIII, Section 4, by deleting the section in its entirety and inserting in its place:

No advertising signs, real estate signs, billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the owner's lot, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any townhouse or any resident thereof. Further, no business activities of any kind shall be conducted in any building or in any portion of the owner's premises. The Association will have in place and will maintain at all times an outdoor central directory (on the wall in close proximity to the mailboxes) in which "For Sale", "For Rent" and

87 233501

"For Lease" notices will be placed by the Association upon request by the unit owner(s). Portable real estate signs announcing an "Open House" are permitted on a daily basis, in addition to utilizing the central directory. (This amendment will become effective upon the installation of the central directory and proper notification thereof given in writing to unit owners.)

3. Amend Article XIII, Section 5 by deleting said section in its entirety and inserting the following in its place:

A. All rubbish, trash, and garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon. In the event the inground containers are full, the owner shall not place the trash outside the container until the evening prior to the scheduled garbage pick up. All clotheslines, equipment, garbage cans, service yards, woodpiles, or storage piles shall be kept screened by adequate planting or fencing so as to conceal from view of neighboring townhomes and streets. All clotheslines shall be confined to enclosed rear yards. The carport area may not be used for storage of any type except for parking or storage of automobiles.

B. No automobiles, trucks, vans, or any other type of motorized vehicle, including those of guests, are to be parked overnight on the streets owned by the Association. If additional parking space is occasionally needed beyond the four spaces provided for each unit, extra space is located on the east side of the swimming pool area for temporary use not to exceed three consecutive nights.





87 233501

11436 North Century Lane • Phoenix, Arizona 85254

CENTURY PLACE TOWNHOME CORPORATION

The undersigned owner of a unit in Century Place Townhomes Corporation does hereby consent to the First Amendment to Declaration of Covenants, Conditions and Restrictions and does authorize the officers of the corporation to execute all documents necessary in connection with said amendment.

DATE	UNIT NUMBER	SIGNATURE
3/18/87	5	LOLINDA FISHER
3/11/87	28	IRENE C. O'CONNOR
3/5/87	14	DONALD SUTTON

I cast an affirmative vote for the First Amendment to Declaration of Covenants, Conditions and Restrictions of Century Place Townhome Corporation for each individual listed above by virtue of authorization having been granted by a proxy duly signed by each. Said Proxy is filed with the Secretary of the corporation.

April 10, 1987

*Lou Mided*  
Lou Mided, Treasurer

Date		
3/2/87	24	ALBERT BATTAGLIA (Mr. & Mrs.)
3/5/87	10	GAVIN Y. BEGLIN
2/24/87	22	ROBERT BOULLARD (Mr. & Mrs.)
3/3/87	7	ROBERT FARRINGTON (Mr. & Mrs.)
3/9/87	25	KENNETH FIELD (Mr. & Mrs.)
2/26/87	36	SIDNEY GEMSON (Mr. & Mrs.)
2/26/87	1	RUTH GREENBERG
2/22/87	29	TERRILL INGEBRIGSTON (Mr. & Mrs.)
2/21/87	42	H.T. MONROE
3/16/87	16	LUCILLE STROHMEYER
3/10/87	43	PAUL VINCENT
3/10/87	44	PAUL VINCENT
3/9/87	3	LEE ZOLOTA (Mr. & Mrs.)

I cast an affirmative vote for the First Amendment to Declaration of Covenants, Conditions and Restrictions of Century Place Townhome Corporation for each individual listed above by virtue of authorization having been granted by a proxy duly signed by each. Said proxy is filed with the Secretary of the corporation.

April 10, 1987

*Sharon Stinard*  
Sharon Stinard, Secretary

Date

CENTURY PLACE TOWNHOME CORPORATION 87 233501  
OFFICERS OF THE BOARD OF DIRECTORS

James L. Chapman  
James L. Chapman, President

Ad Neer  
Ad Neer, Vice President

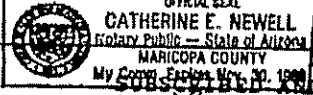
Sharon Stinard  
Sharon Stinard, Secretary

Louis Mided  
Louis Mided, Treasurer

April SUBSCRIBED AND SWORN to before me this 10<sup>th</sup> day of  
1987, by JAMES L. CHAPMAN

Catherine E. Newell  
Notary Public

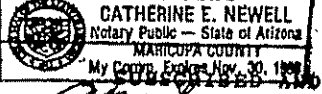
My Commission Expires:



April SWORN to before me this 10<sup>th</sup> day of  
1987, by SHARON STINARD

Catherine E. Newell  
Notary Public

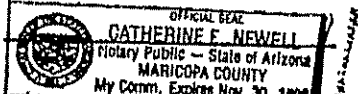
My Commission Expires:



April SWORN to before me this 10<sup>th</sup> day of  
1987, by AD NEER

Catherine E. Newell  
Notary Public

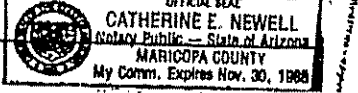
My Commission Expires:



April SWORN to before me this 10<sup>th</sup> day of  
1987, by LOUIS MIDED

Catherine E. Newell  
Notary Public

My Commission Expires:



CENTURY PLACE TOWNHOME CORPORATION

SECOND AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

WHEREAS, on May 24, 1972, Arizona Title Insurance and Trust Company as Trustee, executed as Declarant, the Declaration of Covenants, Conditions and Restrictions which were recorded with the Maricopa County Recorder's Office on May 25, 1972 and first amended on April 13, 1987 and recorded with the Maricopa County Recorder's Office on April 15, 1987.

WHEREAS, pursuant to the terms of said Declaration of Covenants, Conditions and Restrictions, three-fourths of the owners of the total number of townhomes desire to amend said Covenant, Conditions and Restrictions.

NOW, THEREFORE, pursuant to the provisions of said Covenants, Conditions and Restrictions, said Covenants, Conditions and Restrictions are amended as follows:

1. Amend Item 1, Section A, paragraph 2 and the first sentence of paragraph 3 of First Amendment to DECLARATION OF CC&R's dated April 13, 1987 and property recorded on April 15, 1987 by deleting said paragraph and sentence in their entirety and inserting in their places:

The Association shall have the authority to obtain insurance for all the buildings, including all townhomes, unless the owners thereof have supplied proof of adequate coverage to the Board's complete satisfaction, 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 any hazard, 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, its Board, officers, or any of its agents. Said insurance may include coverage against vandalism.

(Approved by the membership on February 15, 1988. Filed with the Maricopa County Recorder's Office on 2-1-88).

James L. Chapman  
James L. Chapman, President

Sharon Stinard  
Sharon Stinard, Secretary

SUBSCRIBED AND SWORN to before me this 22nd day of February, 1988 by

JAMES L. CHAPMAN and SHARON STINARD.



Catherine E. Newell  
Notary Public

Recorded in	88-1100	Books of Maricopa County, Arizona
DATE	FEE 10.00	PGS 2
KEITH POLETIS, COUNTY RECORDER		



V James L. Chapman  
11423 N. 56<sup>th</sup> Street 88 095706  
Scottsdale, AZ 85254