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RECORDED IN OFFICIAL RECORDS
OF MARICOPA COUNTY, ARIZONA

MAY 16 '83 -10 30
BILL HENRY, COUNTY RECORDER
FEE 18.00 PGS 18

Return to: J. G. Management
5002 East Cheyenne Road
Phoenix, Arizona 85044

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

OF

PROP RSTR (PR)

AHWATUKEE FTV-1

The undersigned, owner of that certain real property situated in the County of Maricopa, State of Arizona, to wit:

> AHWATUKEE FTV-1, according to a plat thereof recorded in the office of the Maricopa County Recorder in Book 252 of Maps, at Page 46 (hereinafter referred to as FTV-1).

hereby declares that all of the said property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

1. "ABM" shall mean and refer to the AHWATUKEE BOARD OF MANAGEMENT, INC., a non-profit corporation which has been incorporated under the laws of the State of Arizona to manage and maintain the common areas within AHWATUKEE.

2. "AHWATUKEE" shall mean and refer to all that real property included within the AHWATUKEE Master Plan of Development including the plat specifically described above, and any additional property which developer may obtain or designate for Development as part of "AHWATUKEE".

3. "Association" shall mean and refer to the FTV-1 Homeowners Association, a nonprofit corporation which has been or will be incorporated under the laws of the State of Arizona to manage and maintain the "Restricted Common Areas" which are for the sole and exclusive use of the owners of lots within FTV-1, and other authorized users as permitted by this Declaration.

4. "Common Area" within FTV-1 shall be those areas designated "Common Areas" as shown on the said plat thereof recorded in the office of the Maricopa County Recorder, which tracts have been or will be conveyed to the ABM, and become part of the "Common Areas". All "Common Areas" shall be owned by ABM at the time of the conveyance of the first lot.

5. "Declarant" shall mean and refer to Chicago Title Agency, an Arizona corporation, Trustee, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

6. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions.

7. "Developer" shall mean and refer to Presley Development Company of Arizona, an Arizona corporation, and its successors and assigns and to any other contractor who builds for resale a significant number of houses or lots within the subject property.

8. "Lot" shall mean and refer to any plot of land shown upon the recorded plat of AHWATUKEE, FTV-1, as such may be amended from time to time.

9. "Owner" shall mean and refer to the record owner of equitable title (or legal title if equitable title has merged), whether one or more persons or entities, of any Lot which is a part of AHWATUKEE FTV-1, but excluding those having such interest merely as security for the performance of an obligation, and further excluding any buyer of a new residence from Developer or Declarant until the sales escrow has closed and such buyer becomes the owner of record of legal title.

10. "Restricted Common Areas" within FTV-1 shall be those areas designated "Restricted Common Areas" as shown on the plat thereof recorded in the offices of the Maricopa County Recorder, which property has been or will be conveyed to the Association, and become a part of the "Restricted Common Areas" within FTV-1. All members in good standing of the Association shall have the right and privilege to the use and enjoyment of the "Restricted Common Areas" subject to the terms of this Declaration. All "Restricted Common Areas" shall be owned by the Association at the time of conveyance of the first lot.

The aforesaid definitions shall be applicable to this Declaration and also to any other supplemental or amended Declaration (unless the context shall prohibit) filed in accordance with this Declaration.

ARTICLE II

RESTRICTIONS ON USE

1. No building except a single family residential dwelling (hereinafter sometimes called "dwelling") and a private garage or carport for use in connection with such dwelling shall be erected, maintained, or permitted on any lot or portion thereof. No dwelling shall be used except as a single family dwelling.

2. No dwelling shall be erected upon any of said lots unless such dwelling contains at least eight hundred (800) square feet of enclosed living area floor space. The term "living area floor space" is exclusive of floor space in porches, pergolas, garages or carports. All buildings shall be constructed of brick, cement block or other substantial constructions, or insulated frame construction. No more than one dwelling shall be built on any one lot, and no temporary or permanent building of any nature detached from the dwelling shall be built, erected, placed or maintained on said lot. Provided, however that a detached garage or carport, limited in size to three car capacity may be erected upon any lot. No garage or carport shall be commenced or erected upon any lot until construction of the dwelling, complying with these restrictions, shall have been commenced by a responsible contractor pursuant to a bona fide building contract, and all buildings shall be of the same or similar style as that of the dwelling erected or being on the lot on which said buildings are located.

3. Except as permitted by this Declaration, no building or appurtenance thereto shall be permitted to extend beyond the lot line of the lot on which such building or appurtenance is erected.

4. No trailer, housetrailer, camper, vehicle with camper shell exceeding the size of the bed and/or the height of the cab, motorhome, off-road vehicle, boat, plane or other man-made vehicle of any kind whatsoever, except golf carts and regular passenger cars or their accepted substitute such as motorcycles and pickup trucks, shall be permitted to remain on any lot, or remain parked adjacent thereto, except for loading and unloading purposes.

5. No store, office or other place of business of any kind, and no hospital, sanatorium, or other place for the care or treatment of the physically or mentally ill, nor any theater, saloon, or other place of entertainment shall be erected or permitted upon any lot, and no business of any kind or character whatsoever shall be conducted in or from the buildings or lots located within FTV-1.

6. No swine, horses, cows or other livestock, and no pigeons, chickens, ducks, turkeys, or other poultry shall ever be kept upon said lots or tracts. Dogs, cats or other household pets may be kept, provided, they are confined to their owner's lot or on a leash held by a person capable of controlling the animal, and not permitted to run free and further provided they are not kept, bred or maintained for any commercial purpose, or in unreasonable numbers. In no event shall a combination of more than three (3) dogs and/or cats be kept on the premises at any one time. The keeping and maintaining of pets shall be subject to such rules and regulations as may, from time to time, be adopted by ABM and the Association.

7. Except as planned or erected by Developer, no wall, fence, hedge, or other improvements shall be erected or maintained nearer to the front property line than the walls, attached open porch, carport, or balcony of the dwelling erected on said tracts. No side or rear wall, fence or hedge other than the wall of a building constructed on said tracts, shall be more than six (6) feet in height measured from the developer-graded ground elevation to the highest point of the fence or the fence posts, wall or wall posts or the hedge. Except as planned or erected by Developer, no wall, fence, hedge, or other improvements of any nature shall be built, erected, placed or permitted to remain on lots bordering a golf course at a height greater than two and one-half (2-1/2) feet within twenty-five (25) feet of the rear property line, however a wrought iron fence may be constructed upon the two and one-half (2-1/2) foot fence but not to exceed a height of six (6) feet measured from the developer-graded ground elevation to the highest point of the wrought iron fence or fence posts. Landscaping shall be planned for any units bordering a golf course so as to avoid any obstruction of the view of the golf course from the unit upon which the landscaping is planned and planted, and from the neighboring units.

The cement block and steel grill fences installed by the developer on lots adjoining the golf course shall be maintained in their original condition and shall not be allowed to deteriorate.

8. No prefabricated building or structure of any nature whatsoever, permanent or temporary, attached or detached from a dwelling, shall be moved or placed upon or assembled or otherwise maintained on any lot; provided, however, that a temporary office,

tool shed, saw shed, lumber shed and sales office may be maintained upon any lot or lots by any building contractor for the purpose of erecting and selling dwellings on any lot or lots, but such temporary structures shall be removed upon completion of construction or of selling of dwellings, whichever later occurs.

9. All equipment, service yards, wood piles, or storage piles shall be kept screened by a solid wall, a solid fence or a hedge so as to conceal them from view of neighboring lots, streets, park areas, or golf courses. No outside clothes line shall be allowed or maintained. All rubbish, trash or garbage shall be regularly removed at least once a week from each lot and shall not be allowed to accumulate thereon, and shall not be burned.

10. Any addition to the dwelling unit constructed by Developer must be of like material, color and craftmanship. No solar units for heating or cooling or other purposes shall be erected, constructed, installed or maintained on any lot if it is visible from the front of the lot or from the side of the intersecting street if it is on a corner lot. A solar unit may be erected, constructed, installed or maintained on the rear of the house if it consists of flat plate collectors lying flush with the roof surface and protruding therefrom no more than six inches (6") or the solar unit is boxed in by a solid wall covered with shingles to match the color and texture of the existing roof.

11. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors whether attached to a building or structure or otherwise.

12. No advertising (except one of not more than five (5) square feet "For Rent" or "For Sale" sign per lot), 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, safety or welfare of the owner of any dwelling or any resident thereof. These restrictions shall not apply to the business activities, signs, billboards, or the construction or maintenance of buildings, if any, of Developer, its agents or designees, during the construction and sale period, and of ABM and the Association, their successors and assigns, in furtherance of their powers and purposes, as set forth herein.

13. Except as landscaped, planted, planned or constructed by Developer, no landscaping or plantings shall be made, and no building, fence, wall, patio cover, awning or other structure shall be commenced, erected or maintained upon the property within FTV-1, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location with thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this paragraph will be deemed to have been fully complied with. The members of the committee shall serve without compensation.

All approved additions, changes or plantings shall be maintained by the Association and the owner of the lot expressly agrees to reimburse the Association for any additional costs and expenses incurred thereby. Payment to the Association for any additional costs and expenses incurred together with interest thereon at ten percent (10%) per annum and reasonable attorneys' fees incurred in the collection thereof shall be the personal obligation of the owner of the lot and shall be a continuing lien upon the property. If the owner fails to reimburse the Association as provided herein, the Association shall have the right and obligation to bring an action at law against the owner who is personally obligated and/or to foreclose the lien against the property. The Board may grant the owner upon his written request, permission to maintain such approved additions, changes or plantings within the standards set by the Association. If the required standards are not maintained, the Association shall have the right to maintain said additions, changes or plantings at the owners expense as stated above.

14. Except as planned or constructed by Developer, no solar heating or cooling units or other type of solar unit shall be constructed, erected, placed or maintained upon any lot or structure within FTV-1, nor shall any changes or additions thereto be made, until the plans and specifications showing the nature, kind, shape, height, material, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to the lot and structure and to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Control Committee composed of three (3) or more representatives appointed by the Board. In considering the plans and specifications for approval, the Board or the Committee shall not permit any solar unit to be placed so as to be visible from the golf course. The Board or the Committee shall further require that solar units installed on units with built up roofs be boxed in by stuccoed screening which is harmonious with the structure and that on units with asbestos shingles only flat plate collectors which are an integral part of the roof structure be approved.

ARTICLE III

PROPERTY RIGHTS

1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of use in and to the common areas which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of ABM to suspend the voting rights and right to use of the common areas by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for each infraction of its published rules and regulations;

(b) The right of ABM 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 agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

(c) The right of the Association to suspend the voting rights and right to use of the restricted common areas by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for each infraction of its published rules and regulations.

(d) The right of the Association to dedicate or transfer all or any part of the restricted 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 agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

2. Delegation of Use. Any owner may delegate, subject to compliance with this Declaration and the Articles of Incorporation, Bylaws and rules and regulations of ABM and the Association, his right of use of the common areas and restricted common areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property. All parties to whom these rights are delegated shall be subject to compliance with this Declaration and all rules and regulations referred to herein as may, from time to time, be duly adopted by an authorized corporation or entity. No such delegation shall relieve the owner of his obligations to comply with all terms and conditions of this Declaration and with the Articles of Incorporation, Bylaws and rules and regulations of ABM and the Association, nor shall such delegation relieve the owner of responsibility for payment for all assessments applicable to his lot.

3. Waiver of Use. No owner may exempt himself from personal responsibility for compliance with this Declaration or for the payment of assessments duly levied by ABM and the Association, nor release the lot owned by such owner from the liens and charges hereof, by waiver of the use and enjoyment of the common areas or restricted common areas, or the facilities thereon, or by the abandonment of his lot, or by the delegation of his right of use of such areas and facilities.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN ABM

1. Every owner of a lot which is subject to assessment shall be a member of ABM. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

2. ABM shall have two clases of voting membership:

Class A. Class A members shall be all Lot owners, with the exception of the Declarant, and they shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any one lot. In the event more than one vote is cast with respect to any one lot, all such votes shall be disregarded.

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

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) On January 1, 1988.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS OF ABM

1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within FTV-1 hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to ABM: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The ABM annual and special assessments, together with interest, costs and reasonable attorneys' fees, incurred in the collection of such assessments, 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 interest, costs and reasonable attorneys fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

2. Purpose of Assessments. The assessments levied by ABM shall be used exclusively to promote the recreation, health, safety and welfare of the residents within AHWATUKEE by providing for the improvement and maintenance of the common areas and parks within AHWATUKEE, and to permit the Board of Directors to carry out their obligations consistent with this Declaration and the purposes of Ahwatukee Board of Management.

3. Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance of the first lot to an owner, the maximum assessment shall be Forty dollars********** ($ 40.00) per lot.

(a) From and after January 1st of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

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

(c) The Board of Directors may fix the annual assessment at an amount not to exceed the maximum.

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

5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. The notice and quorum requirements for any action authorized under Sections 3 and 4 shall be as set forth in the Bylaws of ABM.

6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and shall be collected on an annual or other basis as determined from time to time by the Board of Directors.

7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on the first day of the month following the conveyance to the Owner. The first annual assessment shall be adjusted according to the number of months remaining in the assessment year. The first assessment shall be paid through escrow upon purchase of the lot and annually thereafter. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The ABM shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the corporation setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the ABM as to the status of assessments on a lot is binding upon the ABM as of the date of its issuance.

8. Effect of Nonpayment of Assessments: Remedies of the ABM. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The ABM may bring an action at law against the owner personally obligated to pay the same, and/or foreclose the lien against the property, and the ABM shall be entitled to recover its costs, expenses and reasonable attorneys fees incurred in the collection of the delinquent assessments. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the common areas or abandonment of his lot.

9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessment thereafter becoming due or from the lien thereof.

10. Abandoned or Unattended Lot. If a lot is abandoned or left unattended, ABM shall have the right and power to enter the lot and perform all repairs and maintenance work necessary to keep

said lot in a reasonably nice appearance. Provided that, ABM give thirty (30) days written notice of its intent to enter and remedy deficiencies in repairs and maintenance. Notice shall be sent by first class mail to the address provided to ABM for assessment purposes and shall be deemed effective upon mailing.

The cost and expenses incurred by ABM in entering the lot to perform necessary repair and maintenance work together with interest thereon at the rate of ten percent (10%) per annum and reasonable attorneys' fees incurred in the collection thereof shall be the personal obligation of the owner of the lot and shall be a continuing lien upon the premises. ABM shall have the right and obligation to recover these sums by bringing an action at law against the owner who is personally obligated and/or by foreclosing the lien against the property.

ARTICLE VI

MEMBERSHIP AND VOTING RIGHTS IN FTV-1 HOMEOWNERS ASSOCIATION

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

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

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

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

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) On January 1, 1988.

ARTICLE VII

COVENANTS FOR MAINTENANCE ASSESSMENTS OF FTV-1 HOMEOWNERS ASSOCIATION

1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within FTV-1 hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Asaociation: (1) annual assessments or charges and (2) special assessments for capital

improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys fees incurred in the collection of such assessments, 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 interest, costs and reasonable attorneys fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of FTV-1 and for the improvement and maintenance of the restricted common areas, and to permit the Board of Directors to carry out their obligations consistent with this Declaration and the purposes of the Association.

3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be $600.00 per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased each year by ten percent (10%) or an amount equal to the percentage increase, if any, in the Consumer Price Index (published by the U.S. Department of Labor, Washington, D.C.) for the preceding year, whichever is higher, without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above that set forth in subparagraph (a) above, by a vote of two-thirds (2/3) of each class of members for a voting person or by proxy, a meeting duly called for this purpose.

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

4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair and replacement of a capital improvement upon the restricted common areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

5. Notice and Quorum for any Action Authorized Under Sections 3 and 4 of this Article. The notice and quorum requirements for any action authorized under Sections 3 and 4 shall be as set forth in the Bylaws of the Association.

6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and shall be collected on an annual or other basis as determined from time to time by the Board of Directors.

7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided herein shall commence on the first day of the month following the conveyance to the owner. Assessments for the months remaining in the year in which the conveyance takes place shall be paid through escrow upon purchase of the lot and annually thereafter. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period.

Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the corporation setting forth whether the assessments on a specified lot have been paid. A properly executed certificate from the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same and/or foreclose the lien against the property, and the Association shall be entitled to recover its costs, expenses and reasonable attorneys' fees incurred in the collection of the delinquent assessments. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the restricted common areas or abandonment of his lot.

9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage or deed of trust foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VIII

PARTY WALLS

The rights and duties of the owners of lots with respect to party walls shall be governed by the following:

(a) Each wall, including patio and lot line walls, which is constructed as part of the original construction of improvements, any part of which is placed on the dividing line between separate lots, 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) The cost of reasonable repair and maintenance of a party wall shall be shared by the adjoining owners of such wall in proporation to the use thereof, without prejudice, however, to the right of any owner to call for a larger contribution from the adjoining owner under any

rule of law regarding liability for negligent or willful acts or omissions.

(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 proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense.

(d) Notwithstanding any other provision of this Article, an owner who, by his negligent or willful act, causes any party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) The right of any owner to contributions from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

(f) 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 dwelling unit in any manner which requires the extension or other alteration of any party wall, shall first obtain the written consent of the adjoining owner.

(g) 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 matter shall be submitted to three arbitrators, one chosen by each of the owners and the third by the two so chosen, or, if the arbitrators cannot agree as to the selection of the third arbitrator within five (5) days, then by any Judge of the Superior Court of Maricopa County, Arizona. A determination of the matter signed by any two of the three arbitrators shall be binding upon the owners, who shall share the cost of arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after personal receipt of a request in writing for arbitration from the other party, then said other party shall have the right and power to choose both arbitrators.

(h) 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.

ARTICLE IX

EXTERIOR MAINTENANCE

In addition to maintenance upon the restricted common areas, the Association shall provide exterior maintenance to each lot which is subject to assessment hereunder as follows: paint,

repair, replace and care for exterior building surfaces, front yard desert landscaping, trees, shrubs, walks, parking areas and other exterior improvements. All other repair, replacement and maintenance shall be done by the respective Owners, including but not limited to the care for grass or other vegetation within private patio areas, the cleaning and replacing of windows or other glass surfaces, the maintenance, repair and replacement of roofs, heating and cooling equipment and any exterior hardware.

In the event any common areas or restricted common areas or improvements thereon, or any dwelling unit, garage, storage area or other improvement is damaged or destroyed through the negligent or culpable act of any owner or any of his guests, agents, members of his family or occupants of his dwelling unit, such owner does hereby irrevocably authorize ABM and/or the Association to repair such damages in a good workmanlike manner in conformance with the original plans and specifications. The owner shall then reimburse ABM and/or the Association in the amount expended for such repairs.

Each owner further agrees that these charges for repairs, if not paid within ten (10) days after completion of the work, shall become a lien until fully paid. The amount owed by said owner shall be a debt and shall be collectible by any lawful procedure allowed by the laws of the State of Arizona. Said lien shall be foreclosed in the same manner as provided in this Declaration for the foreclosure of assessment liens, and ABM and/or the Association shall be entitled to recover its costs, expenses and reasonable attorneys' fees incurred in collecting the debt and/or foreclosing the lien.

ARTICLE X

INTERIOR AND OTHER MAINTENANCE

Each owner shall be responsible for the upkeep and maintenance of the interior of his dwelling unit, and for the upkeep and maintenance of individual patios and all other areas, features or part of his dwelling unit and property not otherwise maintained by ABM or the Association. All fixtures and equipment installed within a dwelling unit, shall be maintained and kept in repair by the owner. An owner shall perform no act or work which will impair any easement or hereditament, or perform any act or allow any condition to exist which will adversely affect the other dwelling units or their owners.

ARTICLE XI

INSURANCE

The Board of Directors of the Association, or its duly authorized agent, shall have the right and power to obtain insurance for all the buildings, including all dwelling units, against loss or damage by fire, or other hazards in an amount sufficient to cover eighty percent (80%) of the 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 restricted common areas. Premiums for such insurance shall be common expenses. Such insurance coverage shall be written in the name of the Board of Directors of the Association, as Trustee, for each of the lot owners proportionately. Nothing contained herein shall prejudice the right of each owner to insure his own dwelling unit for his or her own benefit. It shall be the individual responsibility of each owner to provide, as he or she sees fit,

homeowner's liability insurance, theft and other insurance covering personal property damage and loss. In the event of damage or destruction to the property by fire or other casualty, the Board of Directors of the Association 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 signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall contract with any licensed contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction and 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 owner of the damaged lot shall make up any deficiency. In the event of destruction or damage to any restricted common area, any deficiency incurred shall be paid by having the Board of Directors levy a special assessment against all lot owners. 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. The assessments shall be levied against said lot owners in the proportion to their ownership interest in FTV-1.

ARTICLE XII

EASEMENTS

1. Blanket Easement for Utilities. There is hereby created a blanket easement upon, across, over and under the common areas and restricted common areas for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewers, gas, telephones and electricity, irrigation facilities and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the providing electrical, utility and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said dwelling units. 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 Board of Directors of ABM in the event the common areas are involved, or approved by the Board of Directors of the Association in the event the restricted common areas are involved. This easement shall in no way affect any other recorded easements on said premises.

2. Special Easement for Utilities. There is hereby created a special easement under the roof, floor and within the walls of each dwelling unit erected upon each lot, for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, common water, sewer, telephone and electric facilities, which serve more than one dwelling unit, and a master television antenna system. The Association shall have the obligation to repair and maintain said facilities and systems, and it shall be expressly permissible for the Association, or its authorized agent, to enter upon any owner's lot and

dwelling unit for the purpose of effecting such repairs and maintenance.

3. Easement for Encroachment Due to Construction. Each lot and the common areas and restricted common areas shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed and for the maintenance of same, so long as it stands, shall and does exist. In the event any improvements are partially or totally destroyed and then rebuilt, the owners agree that minor encroachments on parts of the adjacent lots or common areas or restricted common areas due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist. Notwithstanding any provision herein to the contrary, any encroachment permitted herein shall not exceed five (5) feet.

ARTICLE XIII

GENERAL PROVISIONS

1. Restriction Against Partition. The common areas and restricted common areas shall remain undivided, 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 areas and restricted common areas. No owner shall have the right to bring an action for partition.

2. Right to Lease. No lot nor dwelling unit shall be leased by an owner, nor landlord-tenant relationship established unless such lease or landlord-tenant relationship is in writing and the lessee or tenant has agreed in writing that the lease is subject in all respects to the provisions of the Declaration, the Articles of Incorporation, the Bylaws and all rules and regulations duly adopted by ABM and the Association. Said writing shall provide that any failure of the lessee or tenant to comply with the terms of such documents or rules and regulations shall be a default under the lease.

3. Management Agreements. ABM and the Association, through their respective Board of Directors, are each authorized to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the respective corporations, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the corporation to terminate the same.

Each such corporation, through its Board of Directors, shall have the express authorization, right and power to enter into one or more management agreements with third parties in order to facilitate efficient operations and to carry out its obligations. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of such corporation's property and all improvements thereon, and to assess, collect and apply the management and common expenses, and to enforce the Declaration. The terms of said management agreements shall be as determined by the appropriate Board of Directors to be in the best interests of the corporation, and shall be subject to the Articles of Incorporation, the Bylaws and this Declaration affecting said property. Notwithstanding the above, any and all such management agreements shall be written for a term not to exceed one year, subject to renewal by agreement of the parties for successive one year periods, and shall further provide that said

management agreement may be cancelled and terminated by the appropriate Board of Directors for any reason whatsoever upon giving thirty (30) days written notice of such cancellation and termination to the managing entity. Said Board of Directors shall make all necessary arrangements for continuity of management and maintenance prior to the expiration of the term of any prior management agreements or the termination of the same. Any and all management agreements shall be entered into with a responsible party or parties having considerable experience with the management of a project of this type.

Each owner shall be bound by the terms and conditions of all management agreements entered into. A copy of all management agreements shall be available to each owner upon request.

4. Indemnification. Every director or every officer of ABM and the Association shall be indemnified by their respective corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved, by reason of his being or having been a director or officer of the corporation, or any settlement thereof, whether or not he is a director or officer at the time such expenses are incurred, except such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the corporation. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

5. Saving Clause. The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect 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 herein 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. In the event that any provision or provisions of this instrument appear to be violative of the Rule against Perpetuities, such provision or provisions shall be construed as being void and of no effect as of twenty-one (21) years after the death of the last surviving incorporator of the Association, or twenty-one (21) years after the death of the last survivor of all of said incorporators' children or grandchildren who shall be living at the time this instrument is executed, whichever is the later.

6. Injunctive Relief. Failure of the owner or any occupant of a lot to comply with the provisions of this Declaration, as from time to time amended, the Articles of Incorporation, the Bylaws and the rules and regulations of ABM and the Association shall be grounds for an action to recover sums due for damages and/or for injunctive relief.

7. Enforcement. ABM, the Association, Developer, Declarant or any owner of a lot within AHWATUKEE shall have the right to enforce, by any proceeding at law or in equity, compliance with the Articles of Incorporation, Bylaws, rules and regulations of ABM and the Association and all restrictions, conditions, covenants,

reservations, liens and charges now and hereafter imposed by the provisions of this Declaration, as amended from time to time. Failure of any party to enforce any covenant, condition or restriction, or compliance with the Articles of Incorporation, Bylaws or rules and regulations shall in no event be deemed a waiver of the right to do so hereafter. In the event legal action is filed pursuant to this paragraph, the nonprevailing party shall pay to the prevailing party, all attorneys fees and costs incurred by the prevailing party in addition to any other relief or judgment ordered by the court.

8. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

9. Annexation. The Developer of AHWATUKEE shall have the right to annex additional residential property and common areas to AHWATUKEE and to include those common areas within the properties to be maintained by ABM.

10. Assessments. Assessments shall not be levied, nor shall the Developer be obligated to pay assessments on lots which have not been developed and sold. The assessment of the lot shall be made and payment due thereon upon conveyance of a lot to an owner.

11. Amendments. This Declaration may be amended at any time by an instrument signed by the owners of not less than two-thirds (2/3) of the lots. This Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time it shall be automatically extended for successive periods of ten (10) years, unless, at any time from the date of its recording, it is amended pursuant to this paragraph. No amendment shall be effective until recorded. No amendment shall relieve an owner from mandatory membership in ABM and the Association or from the payment of any assessments payable to any of said entities.

12. FHA/VA Approval. As long as there is a Class B membership, in either ABM or the Association, and if this subdivision is approved for mortgage insurance commitments by FHA/VA, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of Additional Properties, Dedication of Common Areas or Restricted Common Areas, and Amendment of this Declaration of Covenants, Conditions and Restrictions.

13. FNMA/GNMA Approval. For as long as a period of time as may be required to fully amortize any mortgage or deed of trust upon any of the lots upon which the Federal National Mortgage Association (FNMA) or the Government National Mortgage Association (GNMA) has an interest, no amendment shall be made which would be deemed to be in conflict with, or contrary to, the terms of any promissory note, mortgage, deed of trust, regulatory agreement or document executed by the ABM or FTV-1 Homeowners Association or any of the owners for purposes of obtaining financing which involves FNMA or GNMA without obtaining written approval and consent of FNMA or GNMA, as the case may be.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 4th day of April, 1983.

CHICAGO TITLE AGENCY OF ARIZONA, INC., an Arizona corporation, as Trustee

BY: Terri Faught
Its Trust Officer

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this, the 4th day of April, 1983, before me, the undersigned Notary Public, personally appeared Terri Faught, who acknowledged herself to be the Trust Officer of CHICAGO TITLE AGENCY OF ARIZONA, INC, an Arizona 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 herself as such officer.

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

Notary Public

My Commission Expires:

July 28, 1986

84 017301

CHICAGO TITLE AGENCY OF ARIZONA

When Recorded Return To:

Lars O. Lagerman, Esq.
6900 E. Camelback Rd., #800
Scottsdale, Arizona 85251

JAN 13 1984-2 00
BILL [illegible] Y, COUNTY RECORDER
FEE 5.00 PGS 3

AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
AHWATUKEE FTV-1

The undersigned, owner of that certain real property situated in Maricopa County, State of Arizona, to wit:

> AHWATUKEE FTV-1, according to a Plat thereof recorded in the office of the Maricopa County Recorder in Book 252 of Maps, at Page 46 (hereinafter referred to as FTV-1).

WHEREAS, a certain Declaration of Covenants, Conditions and Restrictions has been placed on said property and has been recorded on May 16, 1983, with the Maricopa County Recorder's Office at No. 83-184002;

WHEREAS, as part of said Declaration of Covenants, Conditions and Restrictions the right to amend is granted to the owners of not less than two-thirds (2/3) of the Lots;

WHEREAS, the undersigned represents the owners of not less than two-thirds (2/3) of the Lots; and

WHEREAS, the undersigned is desirous of amending said Declaration of Covenants, Conditions and Restrictions.

NOW, THEREFORE, the Declaration of Covenants, Conditions and Restrictions of AHWATUKEE FTV-1, recorded on May 16, 1983 with the Maricopa County Recorder at No. 83-184002, shall be amended as follows:

1. Delete Paragraph 7, Article II, and substitute the following Paragraph therefor:

> 7. Except as planned or erected by Developer, no wall, fence, hedge, or other improvements shall be erected or maintained nearer to the front property line than the walls, attached open porch, carport, or balcony of the dwelling erected on said tracts. No side or rear wall, fence or hedge other than the wall of a building constructed on said tracts, shall be more than six (6) feet in height measured from the developer-graded ground elevation to the highest point of the fence or the fence posts, wall or wall posts or the hedge. Except as planned

or erected by Developer, no wall, fence, hedge, or other improvements of any nature shall be built, erected, placed or permitted to remain on lots bordering a golf course at a height greater than two and one-half (2-1/2) feet within fifteen (15) feet of the rear property line, however a wrought iron fence may be constructed upon the two and one-half (2-1/2) foot fence but not to exceed a height of six (6) feet measured from the developer-graded ground elevation to the highest point of the wrought iron fence or fence posts. Landscaping shall be planned for any units bordering a golf course so as to avoid any obstruction of the view of the golf course from the unit upon which the landscaping is planned and planted, and from the neighboring units.

The cement block and aluminum fences installed by the developer on lots adjoining the golf course shall be maintained in their original condition and shall not be allowed to deteriorate.

2. All other Articles, Sections, Paragraphs and Subparagraphs of the Declaration of Covenants, Conditions and Restrictions for AHWATUKEE FTV-1 shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein has hereunto set its hand and seal this 13th day of January, 1984.

CHICAGO TITLE AGENCY OF ARIZONA, INC.
an Arizona corporation, Trustee

By T. A. Norris
Its Trust Officer

STATE OF ARIZONA)
)
County of Maricopa)

On this 13th day of January, 1984, before me, the undersigned Notary Public personally appeared T.A. Norris, who acknowledged himself to be the Trust Officer of CHICAGO TITLE AGENCY OF ARIZONA, INC., an Arizona corporation, the owner in trust of Lots 5943 through 5986 *, inclusive, of AHWATUKEE FTV-1, which constitute more than two-thirds (2/3) of the lots in said subdivision, 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.* Also Lots 5902, 5904, 5905, 5810 thru 5815, and 5817 thru 5839.

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

Notary Public

My Commission Expires:
2-22-85

CHICAGO TITLE AGENCY OF ARIZONA

When Recorded Return To:

Lars O. Lagerman, Esq.
PAVILACK, SPACK & MULCHAY, P.C.
6900 E. Camelback Rd., #800
Scottsdale, Arizona 85251

RECORDED IN OFFICIAL RECORDS
OF MARICOPA COUNTY, ARIZONA

FEB 28 '84-8 00

BILL HENRY, COUNTY RECORDER

FEE 5.00 PGS 3

84 079717

SECOND AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
AHWATUKEE FTV-1

The undersigned, owner of that certain real property situated in Maricopa County, State of Arizona, to wit:

> AHWATUKEE FTV-1, according to a Plat thereof recorded in the office of the Maricopa County Recorder in Book 252 of Maps, at Page 46 (hereinafter referred to as FTV-1).

WHEREAS, a certain Declaration of Covenants, Conditions and Restrictions has been placed on said property and has been recorded on May 16, 1983, at No. 83-184002, and an Amendment thereto has been recorded on January 13, 1984 at No. 84-017301, with the Maricopa County Recorder's Office;

WHEREAS, as part of said Declaration of Covenants, Conditions and Restrictions the right to amend is granted to the owners of not less than two-thirds (2/3) of the Lots;

WHEREAS, the undersigned represents the owners of not less than two-thirds (2/3) of the Lots; and

WHEREAS, the undersigned is desirous of amending said Declaration of Covenants, Conditions and Restrictions.

NOW, THEREFORE, the Declaration of Covenants, Conditions and Restrictions of AHWATUKEE FTV-1, recorded on May 16, 1983, at No. 83-184002, and the Amendment thereto recorded on January 13, 1984, at No. 84-017301, with the Maricopa County Recorder's Office, shall be amended as follows:

1. Delete Paragraph 7, Article II, and substitute the following Paragraph therefor:

> 7. Except as planned or erected by Developer, no wall, fence, hedge, or other improvements shall be erected or maintained nearer to the front property line than the walls, attached open porch, carport, or balcony of the dwelling erected on said tracts. No side or rear wall, fence or hedge other than the wall of a building con-

structed on said tracts, shall be more than six (6) feet in height measured from the developer-graded ground elevation to the highest point of the fence or the fence posts, wall or wall posts or the hedge. Except as planned or erected by Developer, or as approved by the Board of Directors of the Association or by an Architectural Control Committee composed of three (3) or more representatives appointed by the Board and consented to in writing by the owners of all adjacent lots, no wall, fence, hedge, or other improvements of any nature shall be built, erected, placed or permitted to remain on lots bordering a golf course at a height greater than two and one-half (2-1/2) feet within fifteen (15) feet of the rear property line, however a wrought iron fence may be constructed upon the two and one-half (2-1/2) foot fence but not to exceed a height of six (6) feet measured from the developer-graded ground elevation to the highest point of the wrought iron fence or fence posts. Landscaping shall be planned for any units bordering a golf course so as to avoid any obstruction of the view of the golf course from the unit upon which the landscaping is planned and planted, and from the neighboring units.

The cement block and aluminum fences installed by the developer on lots adjoining the golf course shall be maintained in their original condition and shall not be allowed to deteriorate.

2. All other Articles, Sections, Paragraphs and Subparagraphs of the Declaration of Covenants, Conditions and Restrictions for AHWATUKEE FTV-1 shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein has hereunto set its hand and seal this 24th day of February, 1984.

CHICAGO TITLE AGENCY OF ARIZONA, INC.
an Arizona corporation, Trustee

By _____
Its Trust Officer

84 079717

STATE OF ARIZONA)
)
County of Maricopa)

On this 24th day of February, 1984, before me, the undersigned Notary Public personally appeared T.A. Noreus, who acknowledged himself to be the Trust Officer of CHICAGO TITLE AGENCY OF ARIZONA, INC., an Arizona corporation, the owner in trust of Lots SEE** through SEE**, inclusive, of AHWATUKEE FTV-1, which constitute more than two-thirds (2/3) of the lots in said subdivision, 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 hereunto set my hand and official seal.

Deborah A. Hill Curtis
Notary Public

My Commission Expires:

_____

DEBORAH A. [illegible]
NOTARY PUBLIC
MARICOPA COUNTY
My Comm. Expires Feb. 22, 1985

**Lots 5802, 5804, 5805, 5810 thru 5815, 5819 thru 5835, 5837 & 5839.

RETURN TO
E-Z MESSENGER

When recorded return to:

Ekmark & Ekmark, L.L.C.
6720 N. Scottsdale Road, Suite 261
Scottsdale, Arizona 85253

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2003-0326782 03/17/03 16:49
1 OF 6
REITZD

THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF AHWATUKEE FTV-1

FTV-1 Homeowners Association ("Association") hereby amends the Declaration of Covenants, Conditions and Restrictions of Ahwatukee FTV-1 ("Declaration") recorded at recording number 83-184002, of the records of Maricopa County, Arizona Recorder("Declaration"), along with all amendments that exist thereto, as follows:

Article XI is amended in its entirety as follows:

1. Property Insurance. The Association shall maintain, to the extent reasonably available, property insurance on the Common Area, against loss or damage by fire, hazards covered by a standard extended coverage endorsement, and such other hazards as are customarily insured against in similar projects in the Maricopa County, Arizona area, including all perils normally covered by the standard "all risk" endorsement, in an amount sufficient to cover at least eighty percent (80%) of the replacement cost. The Association shall also obtain a broad form public liability policy. Such policies of insurance shall contain a waiver of subrogation rights by the insurer against individual Owners, and shall provide that the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of all of the Owners. Premiums for this insurance shall be common expenses included in the annual assessment. In the event of damage or destruction to the property by fire or other casualty, the Board of Directors of the Association 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. In the event that the insurance proceeds are insufficient to properly repair the damage, any deficiency incurred shall be paid by having the Board of Directors levy a special assessment against all lot owners, in proportion to their ownership interest in FTV-1. In the event that the insurance proceeds exceed the cost of repair, the excess proceeds shall be deposited into the general operating fund or reserve account of the Association, and used at the Board's discretion.

2. Insurance by Owners. Each Owner shall be responsible for obtaining property insurance for his own benefit and his own expense covering his entire Lot, including the

residence and all structures located thereon, and all appliances, fixtures, personal property and other contents located in his residence and on his Lot. Each Owner shall also be responsible for obtaining at his own expense personal liability coverage for death, bodily injury or property damage arising out of the use, ownership or maintenance of his Lot to the extent not covered by the Association. No Association-acquired insurance coverage, as required under this Article XI, shall be brought into contribution with insurance purchased by individual Owners, or their mortgagees.

The President of the Association hereby certifies that this amendment was approved by the required percentage of the Membership according to the terms of the Declaration.

DATED this 12th day of March, 2003.

FTV-1 HOMEOWNERS ASSOCIATION

By: Gerald D Davenport

Its: President

STATE OF ARIZONA)
) ss.
County of Maricopa)

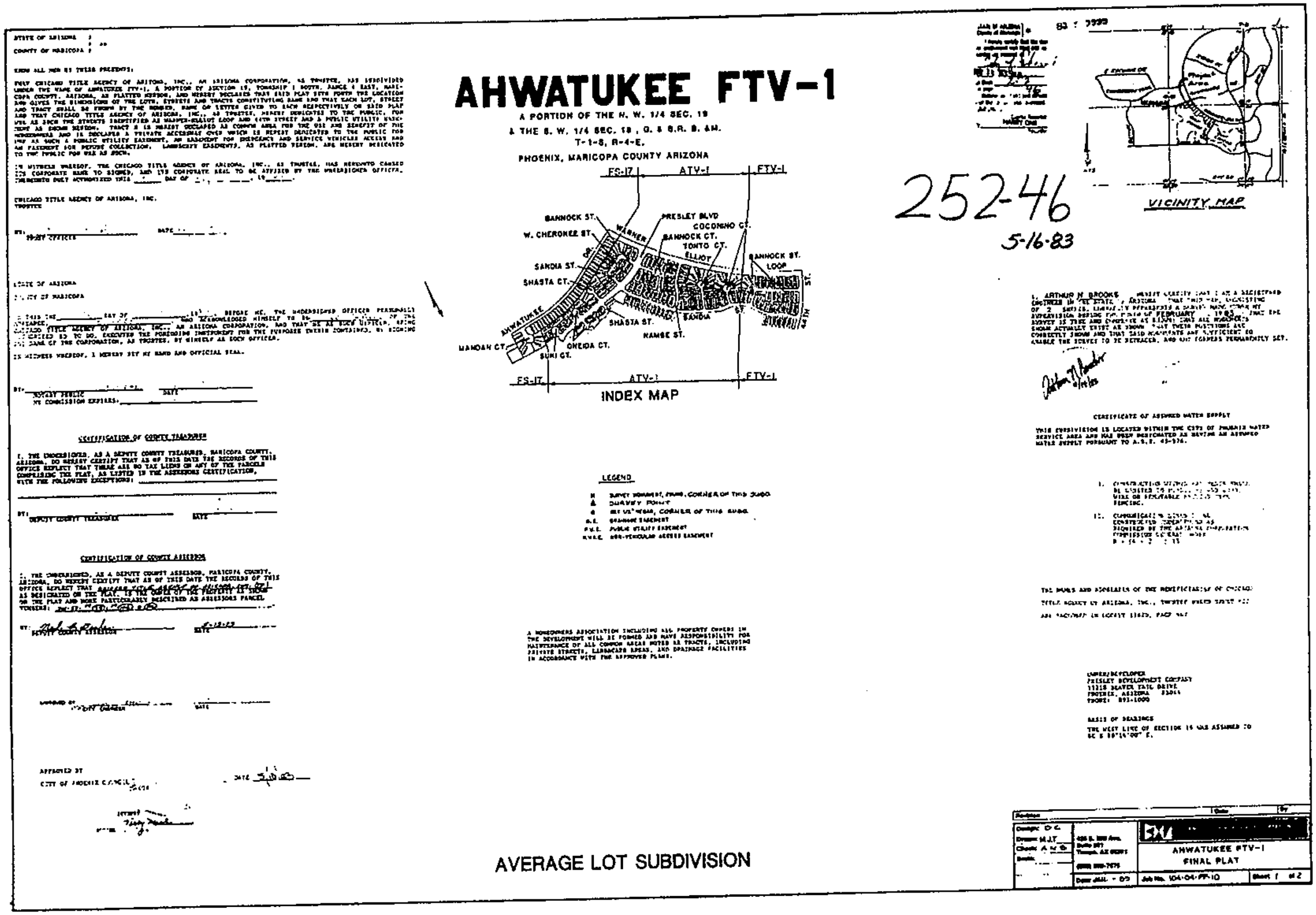
On this 12th day of March, 2003, before me the undersigned Notary Public, personally appeared Gerald D. Davenport who acknowledged to me that he is the President of the Association and that he executed the foregoing agreement on behalf of the Association for the purposes expressed therein.

OFFICIAL SEAL
LINDA R. SORIANO
NOTARY PUBLIC-ARIZONA
MARICOPA COUNTY
My Comm. Expires June 22, 2005

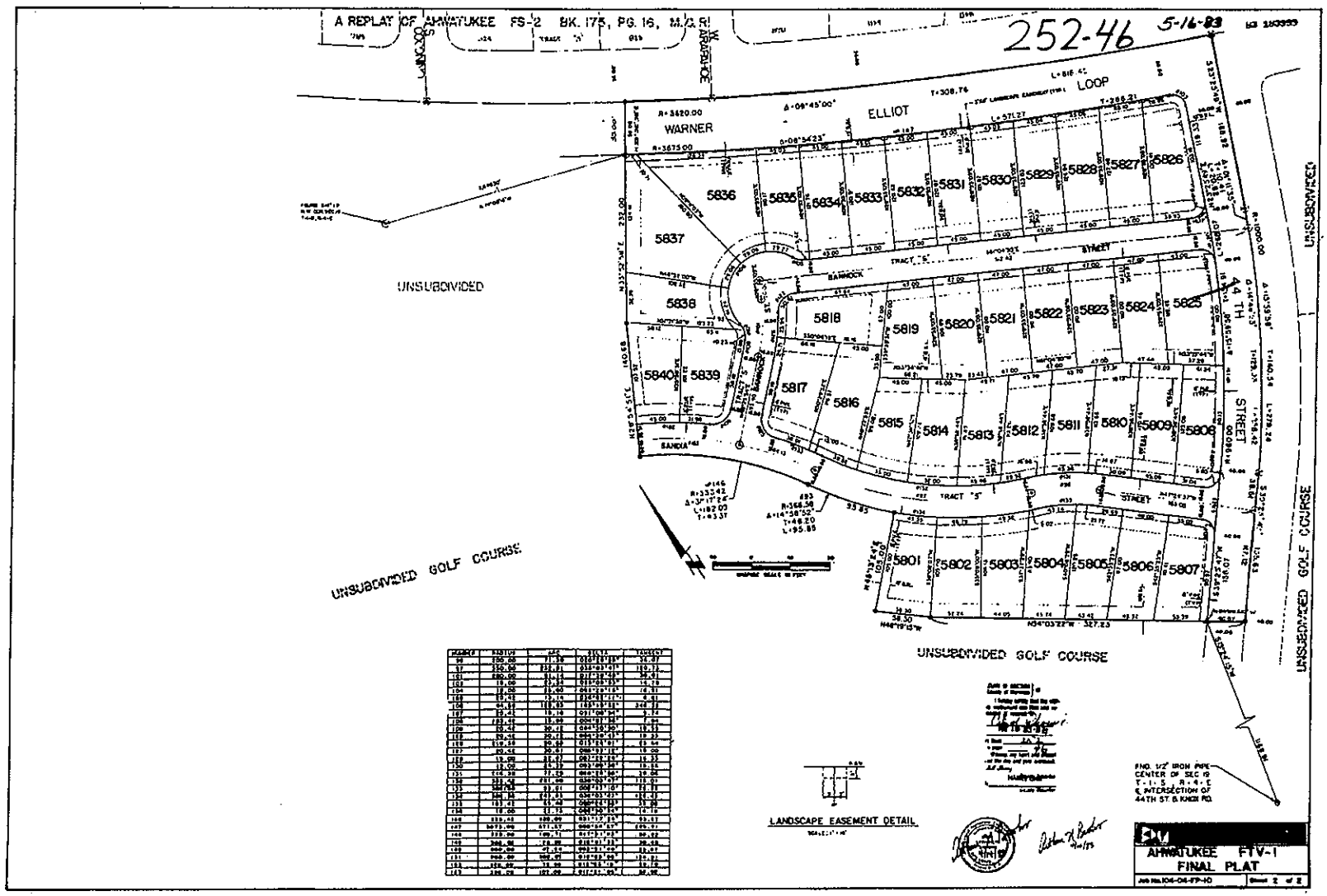
Linda R. Soriano
Notary Public

My Commission expires: June 22, 2005

F:\HOA\FTV-1\General Counsel\Insurance Provisions\Documents\Certificate of amendment with notary.wpd



THIS MAP SHOULD BE USED FOR REFERENCE PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.



THIS MAP SHOULD BE USED FOR REFERENCE PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.