When recorded Return to:

Maryland Place Development Company

TITLE INSURANCE COMPANY OF MINNESOTA MOD RS 84 120898

MARYLAND PLACE TOWNHOMES

AMENDED AND RESTATED DECLARATION OF HORIZONTAL PROPERTY REGIME AND DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MARYLAND PLACE TOWNHOMES

TABLE OF CONTENTS

MARYLAND PLACE TOWNHOMES 84 120898

AMENDED AND RESTATED DECLARATION OF HORIZONTAL PROPERTY REGIME AND DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MARYLAND PLACE TOWNHOMES

AMENDED AND RESTATED DECLARATION made as of this 20th day of March, 1984 by MARYLAND PLACE DEVELOPMENT COMPANY, an Arizona corporation.

RECITALS:

A. By that certain "Declaration of Horizontal Property Regime and Declaration of Covenants, Conditions and Restrictions" dated February 11, 1982 recorded in Docket 15827, Page 828 (the ("Declaration"), the Property (as defined in the Declaration) was submitted to a horizontal property regime (the "Regime") known as MARYLAND PLACE TOWNHOMES (the "Project") comprised of thirty-three (33) condominium units ("Units").

B. Maryland Place Development Company, an Arizona corporation holds legal title and Declarant holds title to all of the Units.

C. No other person possess any recorded ownership interest in or any recorded lien or encumbrance against the Project or any Unit.

D. Declarant now desires to amend the Declaration to conform the Project to Federal National Mortgage Association guidelines and requirements.

NOW, THEREFORE, Declarant does hereby amend and restate the Declaration to read as set forth hereinbelow and THIS AMENDED AND RESTATED DECLARATION SHALL IN ALL RESPECTS TAKE PRECEDENCE AND PREVAIL OVER AND SUPERSEDE THE DECLARATION RECORDED IN DOCKET 15827, PAGE 828, and no reference to the Declaration as recorded in Docket 15827, Page 828 shall be necessary to show or establish in any manner the submittal of the Property to a horizontal property regime or the imposition and binding effect of the covenants, conditions and restrictions set forth in the Declaration, as amended hereby; provided, however that nothing contained

W I T N E S S E T H :

84 120898

WHEREAS, Declarant is the sole owner of that certain real property situated in the City of Phoenix, County of Maricopa, State of Arizona, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as the "Parcel"); and

WHEREAS, Declarant desires to submit and subject a portion of the Parcel to a horizontal property regime pursuant to Title 33, Chapter 4.1 of the Arizona Revised Statutes; and

WHEREAS, Declarant further desired to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property (as hereinafter defined), or any part thereof, certain easements and rights in, over and upon said Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, Delcarant desires and intends that the unit owners, mortgagee, beneficiaries and trustees under trust deeds, occupants and all other persons hereafter acquiring and interests subject to, the rights, easements, privileges and restrictions hereinafter set forth, all of which shall run with the land and be binding upon the Property and all parties having or acquiring any right, title or interest in or to the Property, or any part thereof, and shall inure to the benefit of each owner thereof, and all of which are declared to be in furtherance of a plan to promote and protect the cooperative use, conduct and mainenance of the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness thereof.

NOW, THEREFORE, Declarant, as the sole owner of the Parcel and for the purposes hereinafter set forth, declares as follows:

1.1 "Act" means Title 33, Chapter 4.1 of the Arizona Revised Statutes.

84 120898

1.2 "Association" means Maryland Place Town Homes, Inc., and Arizona nonprofit corporation, its successors and assigns, formed or to be formed by the Declarant, and unless otherwise provided, shall mean and include its board of directors, officers and other authorized agents.

1.3 "Board" shall mean the board of directors of the Associations.

1.4 "Building" means each building located or planned to be located on the Property which constitutes or is to constitute a part of the Property, as shown on the Plat.

1.5 "Common Elements" mean the "general common elements", as that term is defined in the Arizona Revised Statutes 33-551(6), including without limitation the land on which the Buildings are constructed, the roofs on the Buildings, parking areas, driveways, landscaped areas, swimming pool, recreational area and all other portions of the Property, except the Units.

1.6 "Declarant" means Longview Development Corp., an Arizona corporation, its successors and assigns in the ownership of the Property for the purpose of the original development and sale thereof.

1.7 "Declaration" means this instrument by which the Property is submitted to a horizontal property regime, as from time to time amended.

1.8 "Institutional Holder" means a Mortgagee which is a bank or savings and loan association, insurance company, mortgage company, or other entity chartered under federal or state laws, or any federal or state agency which owns a obligation, the repayment of which is in whole or in part,

the Association of such Institutional Holder's address and requesting notificiation of and the right to participate in (if applicable) any action to be taken by the Association pursuant to paragraphs 10.2,25, or 32 hereof.

1.9 "Mortgage" means any recorded, filed or otherwise perfected instrument given in good faith and for valuable consideration which is not a fraudulent conveyance under Arizona law as security for the performance of an obligation, including without limitation a deed of trust, but shall not include any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code. "Mortgagee" means a person secured by a Mortgage, including a trustee and beneficiary under a deed of trust; and "Mortgagor" means the party executing a Mortgage. "First Mortgage" means a Mortgage which is the first and most senior of all Mortgages upon the same property.

1.12 "Occupant" means a person or persons, other than an Owner, in rightful possession of a Unit.

1.13 "Owner" means the record owner, whether one or more persons or entities, of the fee simple title, whether or not subject to any Mortgage, to any Unit which is part of the Property, including a purchaser under an agreement for sale within the meaning of A.R.S. 33-741, but excluding those having such interest merely as security for the performance of an obligation. In the case of Units the fee simple title to which is vested of record in a trustee pursuant to Arizona Revised Statutes 33-801 et seq., the trustor shall be deemed to be the owner thereof.

1.14 "Parcel" means the parcel of real property described on Exhibit "A" attached hereto, which is hereby submitted to a horizontal property regime.

1.15 "Guest Parking Space" means any Parking Space in any

to real property.

1.17 "Plat" means the plat of survey of the Property, as hereinbefore and hereinafter more fully described and identified which is attached hereto as Exhibit "B" and incorporated herein by this reference, which is also recorded in Book 240 of Maps, page 2 Records of Maricopa County, Arizona and Certificate of Correction Recorded at Recorder's Number 84 120897 (Exhibit "D")

1.18 "Property" means (a) the Parcel, (b) the Buildings, (c) the Units comprising the horizontal property regime hereby created, and (d) all buildings, improvements and other permanent fixtures of whatsoever kind thereon, all rights and privileges appurtenant thereto, and all fixtures, machinery, equipment, and personal property located thereon, intended for the mutual use, benefit and enjoyment of the Owners; and such term shall in gereral have the same meaning as set forth in Arizona Revised Statutes 33-551 (9) as it relates to the horizontal property regime hereby created.

1.19 "Record" or "Recording" refers to the record or the act of recording, in the office of the County Recorder of Maricopa County, Arizona.

1.20 "Unit" means each of the 33 portions of the Property contained or planned to be contained in the Buildings designed or intended for independent use as a dwelling unit, as shown on Exhibit "B" attached hereto, and as more fully described in paragraph 3.2 hereof, which is also Recorded in Book 240 of Maps Page 2 Records and Certificate of Correction Recorder at Recorders No. 84 120897 of Maricopa County, Arizona. A Unit is an "Apartment" within the meaning of Arizona Revised Statutes 33-551 (1), and includes an undivided interest in the Common Elements as set forth in paragraph 3 hereof.

2. Submission of Property. Declarant hereby submits and subjects the Property to a horizontal property regime pursuant to Title 33, Chapter 4.1 of the Arizona Revised Statutes, to be hereafter known as Maryland Place Town Homes and does hereby declare that all of the Units shall be owned, leased, sold, conveyed and encumbered as

3. Description of the Buildings, the Units and the Common Elements. The entire horizontal property regime shall consist of the Common Elements, and the Units. 84 120898

3.1 Buildings. Reference is hereby made to the Plat attached hereto as Exhibit "B" which is also Recorded in Book 240 of Maps, Pa and Certificate of Correction Recorded at Recorders # 2 Records of Maricopa County, Arizona, for a description of the cubic content space contained in or planned for each of the Buildi and its location or planned location on the Parcel.

3.2 Units. There are or are planned to be a total of 33 Units in the Buildings. Reference is hereby made to the Plat attached hereto as Exhibit "B" which is also Recorded in Book 240 of Maps, and Certificate of Correction Recorded at Recorders Number 84 120897 Page 2 Records of Maricopa County, Arizona, for a description of the cubic content space of each Unit and its location or planned location. Each Unit shall include the space enclosed and bounded by the interior unfinished surfaces of the ceiling, floors, walls and windows or any extensions thereof, together with any plumbing fixtures and electrical equipment which exclusively serves such Uni provided, however, that no portion of the roof, bearing walls or other structural components of the Building in which each Unit is located, and no pipes, wires, conduits, ducts, flues, shafts, or public utility, water, or sewer lines situated within such Unit and forming part of any system serving one or more other Units or the Common Elements shall be deemed to be a part of a Unit. Appurtenant to each Unit there shall be an exclusive easement over and across the patio or balcony, Storage area and Garage immediately adjacent to such Unit as shown on the Plat attached hereto as Exhibit "B" for purposes and Certificate of Correction Recorded at Recorders Number 84 120897 of the use, occupancy and enjoyment of such patio or balcony, storag area and garage. The right to use such patio or balcony, storage ar and garage shall extend to each Occupant and the agents, servants, tenants, family members and invitees of the Owner of the Unit immedi adjacent to such patio or balcony, storage area and garage. The use of such easement shall be subject to such limitations, restrictions,

Unit to which an easement over a ground floor patio area is appurtenant shall have the right to landscape such patio area provided, however, that no trees, shrubbery or other plant material shall be planted in any patio area which will exceed a maximum of six (6) feet in height at maturity. Any such landscaping installed in the patio area by an Owner shall be kept adequately weeded and watered and neatly trimmed by such Owner. Each patio and balcony shall be maintained in a clean, neat and orderly condition by the Owner of the Unit benefited by the easement over such patio or balcony.

3.3 Common Elements. A description of the Common Elements included in and comprising parts of each Building is the description referred to in paragraph 3.1 hereof less the description of the Units referred to in paragraph 3.2 hereof. A description of the other Common Elements is as set forth in paragraph 1.5 hereof.

3.4 Interest in the Common Elements. The percentage interest which each Unit bears to the entire horizontal property regime, which interest shall constitute an undivided interest in the Common Elements appurtenant to each such Unit, shall be as provided in Exhibit "C" attached hereto and incorporated herein by reference.

4. Association. The Association has been, or will be formed, to constitute the "Council of Co-Owners", as that term is defined in Arizona Revised Statutes 33-551 (5). The Association shall serve as the governing body for all of the Owners for the protection, improvement, alteration, expansion, augmentation, disposal, divestment, redescription, maintenance, repair, replacement, administration, and operation of the Property, the assessment of expenses, payment of losses, disposition of hazard insurance proceeds received by the Association, and other matters as provided in the Act and this

of the Association (hereinafter referred to as the "Bylaws"). The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the Owners in accordance with the provisions of this Declaration, the Articles and the Bylaws. Each Owner shall be a Member of the Association as soon and so long as he shall be an Owner. Such membership shall automatically terminate when an Owner ceases for any reason to be an Owner, and the new Owner shall likewise automatically succeed to such membership in the Association. Membership in the Association shall not be transferred, pledged or alienated in any way except upon the sale of the Unit to which it is appurtenant (and then only to such purchaser) or by intestate succession, testamentary disposition, foreclosure of a Mortgage of record or other legal process transferring fee simple title to such Unit (and then only to the Person to whom such fee simple title is transferred). Any attempt to make a prohibited transfer of a membership will be void and will not be recognized by or reflected upon the books and records of the Association. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his name upon the sale of his Unit to the purchaser of such Unit, the Association shall have the right to record a 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.

4.1 Classes of Membership; Voting Rights of Classes. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners in Maryland Place Town Homes with the exception of the Declarant and, except as hereafter provided in the case of an election of directors,

voting for such Unit shall be exercised as such persons among themselves determine, but in no event shall more than one vote be cast with respect to any Class A Unit. If any Owner or Owners casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that such Owner or Owners were acting with the authority and consent of all other Owners of the same Unit.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Unit owned in Maryland Place Town Homes. The total votes which the Declarant shall be entitled to cast may be cast in such proportion on any matter as Declarant may determine. Each Class B membership shall cease and be converted to Class A membership, without further act or deed, upon the happening of any of the following events:

(a) Upon the conveyance by Declarant of any particular Unit to an Owner, other than in connection with an assignment by Dec of all or substantially all of its rights under this Declaration (including a pledge or assignment by Declarant to any lender as security), with respect to the particular Unit or Units so sold or otherwise disposed of; or

(b) With respect to all remaining Class B memberships, upon the first to occur of the following:

(i) Upon the expiration of One Hundred Twenty (120) days following the first date when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership. or

(ii) Three years after the conveyance of the first Unit to an Owner other than Declarant.

Of any lender to whom Declarant has assigned, or hereafter assigns

thereby, and such lender shall hold the Class B memberships on the same terms as such were held by Declarant pursuant hereto.

4.2 Directors. The affairs of the Association shall be managed by a Board of (3) three Directors, who need not be members of the association. The number of Directors may be changed by Amendment of the By-laws of the Association.

4.3 Board's Determination Binding. In the event of any dispute or disagreement between any Owners relating to the Property, or any question of interpretation or application of the provisions of this Declaration, the Articles or the Bylaws, the determination thereof by the Board shall be final and binding on each and all of such Owners.

4.4 Action by Owners. To the extent permitted by the Act, all actions required to be taken by the Owners, acting as a Council of Co-Owners for the Property, shall be taken by the Association acting as such Council of Co-Owners, by and through its directors and officers, such actions to include, without limitation. adoption or ratification of the Bylaws and rules and regulations for the horizontal property regime created hereby.

4.5 Additional Provisions in Articles of Incorporation and Bylaws of the Association. The Articles and Bylaws may contain any provision not inconsistent with law or with this

5. Use of Common Elements. There shall be appurtenant to each Unit a non-exclusive right and easement to use the Common Element in common with all other persons entitled to use the Common Elements as may be required for the purposes of access, ingress and egress to and from, and the use, occupancy and enjoyment of the Units and the Common Elements for their intended purposes as provided herein. Such right and easement shall extend to each Occupant and the agents, servants, tenants, family members and invitees of each Owner. Such right and easement shall be subject to such limitations, restrictions, rules and regulations as may from time to time be promulgated by the Board including, but not limited to. the right of the Board to suspend the right of any Occupant and the agents, servants. tenants, family members and invitees of any Unit Owner to use the recreational facilities which are a part of the Common Elements and/or the right of any Unit Owner to vote pursuant to the provisions of paragraph 4.1 hereof for any period during which the Common Expenses attributable to such Owner's Unit as provided in paragraph 7 hereof remain unpaid or for a periodnot to exceed sixty (60) days for any regulations adopted and published by the Board, and shall be subject to and governed by the provisions of this Declaration the Articles and Bylaws. The Board shall have authority to lease, convey easements or grant concessions consistent with the overall character and use of the Property with respect to parts of the Common Elements and to change the character, description and use thereof, subject to the provisions of this Declaration, and Articles and the Bylaws. Any funds received by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe. Notwithstanding any other provision hereof to the contrary. Declarant shall be entitled to non-exclusive access

6. Guest Parking Spaces. Guest Parking Spaces shall be part of the Common Elements and the Board shall have full authority to establish, operate, and manage the Guest Parking Spaces for and on behalf of all Owners, and the use thereof shall be subject to such rules and regulations as may be imposed by the Board.

7. Common Element Maintenance Expenses and Reserve. As provided herein, each Owner shall pay his proportionate share of the expenses of the administration and operation of the Common Elements, and any other expenses incurred in conformance with this Declaration, the Articles and the Bylaws including by way of illustration, but not of limitation, premiums for insurance, the cost of maintenance and repair of the Common Elements and any and all replacements and additions thereto, and reasonable reserves for contingencies, replacements or other proper purposes (hereinafter referred to as the "Common Expenses"). The Association shall maintain a reasonable reserve for replacement of the Common Elements. The Declarant shall establish a working capital fund for the initial months of the project operations equal to a two months estimated common area charge for each unit. The proportionate share of such common espenses payable by each owner shall be proportionate to that interest in the common elements appurtenant to the particular unit as provided in paragraph 3.4 hereof.

for the sale of a Unit, shall be in such amounts, at such times and in such manner as may be provided in the Articles and Bylaws or as determined by the Board. Notwithstanding anything contained herein or in the Articles or Bylaws to the contrary, assessments for the Common Expenses attributable to unoccupied Units of which Declarant is the Owner, shall commence upon the first day of the first month immediately following (i) the completion of the first Unit as evidenced by the issuance of a Certificate of Occupancy for such Unit by the City of Phoenix, (ii) upon the occupancy of the first Unit, or (iii) upon the expiration of thirty (30) days from the conveyance of the first Unit to a Unit Owner other then Declarant, whichever occurs earlier. With respect to all other Units, assessments for the Common Expenses shall commence upon the first day of the first month immediately following the conveyance of such Unit to a Unit Owner other than Declarant. Payment of each Owner's share of the Common Expenses, together with interest at the rate of six percent (6%) per annum from the due date of such payment, costs, and reasonable attorneys' fees, shall constitute the personal obligation of the person who was the Owner of such Unit at the time such payment became due. The personal obligation for delinquent payments shall not pass to an Owner's successor in title unless expressly assumed by him, provided however, that ther personal obligation shall surviv any voluntary or involuntary transfer of a Unit with respect to the Owner of the Unit at the time such payment became due.

7.2 Lien for Unpaid Common Expenses. If any Owner shall fail or refuse to make any payment for Common Expenses when due, the amount thereof, together with interest thereon at the rate of (6%) per annum from the due date of such payment, costs and reasonable attorneys' fees, shall constitute a lien on such Owner's Unit and on any rents or proceeds therefrom; provided,

Common Expenses and other charges which accrue from and after the date on which the First Mortgagee acquires title to or comes into possession of the applicable Unit, and any lien for unpaid assessments and other charges prior to such date shall upon such date automatically terminate and be extinguished and such First Mortgagee shall not be liable for such unpaid assessments and other charges, provided, however, that the extinguishment of such lien shall not in any way affect the personal obligation of the Owner of the Unit at the time the payment giving rise to such lien became due. Any person acquiring an interest in any Unit shall upon giving written notice to the Board be entitled to a statement from the Association setting forth the amount of unpaid assessments and other charges, if any, and such person shall not be liable for, nor shall any lien attach to such Unit in excess of, the amount set forth in such statement, except for assessments and other charges which accrue or become due after the date thereof The lien provided for in this paragraph may be foreclosed by the Association in any m[illegible] rovided or permitted for the foreclosure of real property mortgages or deeds of trust in the State of Arizona. Until commencement of the first fiscal year of the Association immediately following the conveyance of the first Unit to an Owner, the maximum monthly payment for such Common Expenses payable by each Owner shall be Sixty Five Dollars ($65.00) per Unit. At the commencement of the first fiscal year immediately following the conveyance of the first Unit to an Owner and at the commencement of each and every fiscal year thereafter, the Board shall ascertain an index number for the U.S. Cities All Items Average (1967=100) set forth in the Consumer Price Index for All Urban Consumers of the Bureau of Labor Statistics, United States Department of Labor, for the most recent month for which such Index has been published (represented by the letter "C" in the formula hereinafter set

assessed for such fiscal year (represented by the letter "R" in the formula hereinafter set forth) may be increased to an amoun equal to the then current index number ("C") divided by the U.S. Cities - All Items Average (1967 = 100) set forth in said Consumer Price Index for All Urban Consumers for October, 1980 (represented by the letter "M" in the formula hereinafter set forth) and multiplied by the maximum monthly payment for the immediately preceding fiscal year ($R = \frac{C}{M} X$ maximum annual assessment for the immediately preceding fiscal year). If the Consumer Price Index for All Urban Consumers shall no longer be published, then another index published by the Bureau of Labor Statistics or any other federal agency shall be substituted by the Board. Notwithstanding anything contained herein to the contrary, from and after the commencement of the first fiscal year immediately following the conveyance of the first Unit to an Owner, the maximum monthly assessment may be increased above that established by said Consumer Price Index formula by a vote of the Owners of Units to which more than two thirds (2/3) of the Common Elements is appurtenant.

8. Mortgages. Each Owner shall have the right, subject to the provisions hereof, to make separate Mortgages of his Unit. No Owner shall have the right or authority to make or create or cause to be made or created any Mortgage, or other lien or security interest, on or affecting the Property or any part thereof, except to the extent of his Unit, the interest in the Common Elements appurtenant to such Unit.

9. Insurance Requirements Generally. The Association shall obtain and maintain in full force and effect at all times certain casualty, liability and other insurance as hereinafter provided. All such insurance shall be obtained, to the extent possible, from responsible companies duly authorized to do insurance business in the State of Arizona with a rating in Best's Insurance

Owners. The Board shall review all such insurance at least annually and shall increase the amounts thereof as it deems necessary or appropriate. To the extent possible, such casualty insurance shall:

(1) Provide for a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees and agents and against each Owner and each Owner's employees, agents and invitees, and against each Mortgagee of all and any part of the Property or of any Unit, and any other person for whom the Association, any Owner or Mortgagee may be responsible;

(2) Provide that any "no other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by any Owner or Mortgagee of all or any part of the Property or any Unit and that the insurance policy shall not be brought into contribution with insurance maintained by the Owner or Mortgagee of all or any part of the Property or any Unit:

(3) Contain a standard without contribution mortgage clause endorsement in favor of the Mortgagee of any Unit or all or any part of the Property;

(4) Provide that the policy of insurance shall not be terminated, cancelled or substantially modified without at least thirty (30) days prior written notice to the Association and to each Owner and to each Mortgagee covered by any standard mortgage clause endorsement; and

(5) Provide that the insurer shall not have the option to restore the premises if condominium ownership of the Units and Property is to be terminated or the Units and Property are to be sold as an entirety in accordance with paragraph 10 of this Declaration.

Such public liability and property damage insurance may provide for coverage of any cross liability claims of Owners

against the Association or other Owners and of the Association against Owners without right of subrogation. Any insurance policy may contain such deductible provisions as the Association deems consistent with good business practice.

Certificates of insurance coverage or copies of insurance policies shall be issued to and at the expense of each Owner and each Mortgagee who makes, or on whose behalf written request is made to the Association for any such certificate or copy.

The cost and expense of all insurance obtained by the Association, except insurance covering additions, alterations, or improvements made to a Unit or Restricted Common Elements by an Owner or other insurance obtained at the request of and specifically benefiting any particular Owner, shall be Common Expense.

9.1 Casualty Insurance. The Association shall obtain and maintain casualty insurance covering the Property and each Unit exclusive of the personal property contained therein, but

including all wall and floor coverings, cupboards, cabinets, fixtures and built-in appliances installed in each Unit covering loss or damage by fire and such other hazards as are covered under standard extended coverage policies, for not less than ninety percent (90%) of the replacement cost of the Property, including each Unit, as determined on an annual basis by appraisal made in accordance with the rules and regulations of the Board of Underwriters or like board or body recognized and accepted by the insurance company or companies writing such insurance.

9.2 Public Liability and Property Damage Insurance. The Association shall obtain and maintain comprehensive public liability and property damage insurance covering liability for bodily injury, including death, and liability for property damage occurring in, upon or about the Common Elements. Each

limits of liability for such coverage shall not be less than $1,000,000.00 for each injury or death and $5,000,000.00 for each occurrence with respect to bodily injury and $250,000.00 for each occurrence with respect to property damage.

9.3 Workmen's Compensation and Employer's Liability Insurance. The Association shall obtain and maintain workmen's compensation and employer's liability insurance as may be necessary to comply with applicable law.

9.4 Fidelity Bonding. The Association shall obtain and maintain bonds covering all persons or entities which handle funds or the Association, including without limitation any professional manager employed by the Association and any of such professional manager's employees, in amounts not less than 150% (percent) of the estimated annual budget of the Association from time to time.

9.5 Insurance by Owners. Each Owner shall be free to obtain such additional or other insurance as he deems desirable, including insurance covering his furnishings and personal property, including by way of illustration, but not of limitation, any additions, alterations and improvements he may have made to his Unit, and covering personal liability of himself and his employees, agents and invitees and any other persons for whom such Owner may be responsible. Any insurance policy obtained by an Owner must not diminish or adversely affect or invalidate any insurance or insurance recovery under policies carried by the Association and must, to the extent possible, contain a waiver of the right of subrogation by the insurer as to any claim against the Association, its officers, directors, agents and employees and against other Owners and their employees, agents and invitees and against any Mortgagee of all or any part of the Property or any Unit or

be paid to and received by an independent financial institution or title company selected by the Association authorized to act as escrow agent for the benefit of the Association the Declarant, all Owners and all Mortgagees of any Unit or all or any part of the Property as their respective interests may appear. The Association shall have the right, acting alone, to adjust or settle any claim by it under any insurance maintained by it. Such funds shall be disbursed by said escrow agent in accordance with the following priorities subject to such evidence of application as such escrow agent shall require, and shall be applied by the Association as follows: first, as expressly provided in paragraph 10 hereof; second, to the Owners or persons whom the Association determines are legally or equitably entitled thereto; and third, the balance, if any, to the Owners in proportion to their respective interest in the Common Elements. Notwithstanding any provision contained herein to the contrary, the rights of and lien priority of any First Mortgagee shall not be affected by any loss, damage or destruction and shall continue in any insurance proceeds payable with respect to the Unit subject to such Mortgage in accordance with the provisions of such Mortgage.

9.7 Other Insurance by the Association. The Association shall also have the power and authority to obtain and maintain other and additional insurance coverage, including but not limited to casualty insurance covering personal property of the Association, fidelity bonds or insurance covering employees and agents of the Association and insurance indemnifying officers, directors, employees and agents of the Association. Notwithstanding any other provisions of this Declaration, the Association shall continuously maintain in effect such casualty, flood and liability insurance and fidelity bonds meeting the insurance and fidelity

National Mortgage Association or Government National Mortgage Association.

10. Destruction, Condemnation, Obsolescence, and Restoration or Sale of Property.

10.1 Definitions. As used herein, the following terms shall have the following definitions:

(1) "Substantial Destruction" shall exist whenever the Board determines that, as a result of any casualty, damage to or destruction of the Property or any part thereof, the excess of estimated costs of Restoration (as herein defined) over Available Funds (as herein defined) is fifty percent (50%) or more of the estimated Restored Value of the Property (as herein defined). "Partial Destruction" shall mean any other casualty, damage to or destruction of the Property or any part thereof.

(2) "Substantial Condemnation" shall exist whenever the Board determines that a complete taking of the Property has occurred or that a taking of part of the Property by condemnation or eminent domain or by grant or conveyance in lieu of condemnation or eminent domain has occurred, and that the excess of the estimated costs of Restoration over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Property. "Partial Condemnation" shall mean any other such taking by eminent domain or by grant or conveyance in lieu of eminent domain.

(3) "Substantial Obsolescence" shall exist whenever the Owners of Units to which seventy-five percent (75%) of the undivided interest in the Common Elements is appurtenant determine by vote that the Property or any part thereof has reached an undesirable state of obsolescence or disrepair. "Partial Obsolescence" shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence.

(5) "Restored Value of the Property" shall mean the value of the Property after restoration as determined by the Board.

(6) "Available Funds" shall mean any proceeds of insurance or condemnation awards or payments in lieu of condemnation received by the Association and any uncommitted reserves of the Association other than amounts derived through assessments or special assessments. Available Funds shall not include that portion of insurance proceeds or condemnation awards or payments in lieu of condemnation legally required to be paid to any party other than the Association, including a Mortgagee of all or any part of the Property or of any Unit, or that portion of any condemnation award or payment in lieu of condemnation paid to the Owner of a Unit for the condemnation or taking of that Owner's individual air space.

10.2 Restoration of the Property. Restoration of the Property shall be undertaken by the Association without a vote of the Owners in the event of Partial Destruction, Partial Condemnation or Partial Obsolescence but shall be undertaken in the event of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence only with the consent of the Owners of Units to which seventy-five percent (75%) of the undivided interest in the Common Elements are appurtenant and the unanimous consent of all Institutional Holders.

10.3 Sale of the Property. In the event of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence, the Property shall be sold unless consent to Restoration has been obtained from the Owners of Units to which seventy-five (75%) percent of the undivided interest in the Common Elements is appurtenant and all Institutional Holders who have notified the Association in writing of their desire to consent to any restoration and who have informed the Association of an address to which notices may be sent in the manner provided in paragraph

lieu of condemnation shall be distributed by the Association to each Owner in accordance with such Owner's individual interest in the Common Element. Such payments shall be made to Owners or, as to Units which are subject to a Mortgage of record at the time of such payment, jointly to such Owner and such Mortgagee as their interests may appear.

10.4 Authority of Association to Restore or Sell. The Association is hereby irrevocably appointed as attorney-in-fact, and as such attorney-in-fact for each Owner, shall have full power and authority to restore or to sell the Property and each Unit whenever Restoration or sale, as the case may be, is undertaken as hereinabove provided. Such authority shall include the right and power to enter into any contracts. deeds or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be.

10.5 Special Assessments for Restoration. Whenever Restoration is to be undertaken, the Association may levy and collect assessments from each Owner in proportion to such Owner's undivided interest in the Common Elements, payable over such period as the Association may determine. to cover the costs and expenses of Restoration to the extent not covered by Available Funds. Such special assessments together with interest at the rate of 12 percent per annum from the date such special assessments became due, costs and reasonable attorneys' fees, shall be secured by a lien on the Unit of each such Owner in the same manner as the lien provided for in paragraph 7 hereof. Notwithstanding any other provisions in this Declaration, in the case of Substantial Obsolescence, any such special assessment shall not be a personal obligation of any such Owner who did not vote in favor of or consent to Restoration but, if not paid, may be recovered only by foreclosure of the lien against the Unit of such Owner.

10.6 Receipt and Application of Condemnation Funds.

Except in a case where a Mortgagee or any other person shall have the legal right to receive condemnation awards or payment in lieu of condemnation or eminent domain directly, all compensation, damages or other proceeds constituting awards for condemnation or eminent domain or payments in lieu of condemnation or eminent domain shall be paid to, or if received by the Association shall be turned over promptly, in the identical form received without commingling with any asset or property of the Association, to an independent financial institution or title company selected by the Association authorized to act as escrow agent for the benefit of the Association, the Declarant, all Owners and all Mortgagees of any Unit or all or any part of the Property as their respective interest may appear. The Association shall have the right, acting alone, to adjust or settle any condemnation award or payment in lieu of condemnation or eminent domain payable to it. Such funds shall be disbursed by said escrow agent in accordance with the following priorities subject to such evidence of application as such escrow agent shall require. The amount thereof equitably allocable as compensation for the taking of or injury to the individual air space of a particular Unit or to improvements of an Owner therein shall be apportioned and paid to the Owner of such Unit or, as to Units which are subject to a Mortgage of record at the of such payment, jointly to such Owner and such Mortgagee as their interests may appear. The balance of such funds shall be applied to costs and expenses of Restoration, if undertaken, and, to the extent not so applied, shall be allocated as follows: first, any portion of such funds allocable to the taking of or injury to the Common Elements shall be apportioned among all Owners of the Common Elements in proportion to their respective undivided interest in the Common Elements; secondly, any portion of such funds received or awarded for severance damages shall be

apportioned among Owners of Units whose individual air space was not taken or injured in proportion to their respective undivided interests in the Common Elements; thirdly, any portion of such funds received or awarded for consequential damages or for other purposes shall be apportioned as the Association determines to be equitable under the circumstances. The lien priority of any First Mortgagee shall not be disturbed by any condemnation proceeding and shall continue in the proceeds of any condemnation award attributable to the mortgaged Unit in accordance with the provisions of this paragraph.

10.7 Reorganization in the Event of Condemnation. In the event all of the individual air space within a Unit is taken by condemnation or eminent domain, such Unit shall, uppn payment of compensation as hereinabove provided, cease to be a part of the Property, the Owner thereof shall cease to be a member of the Association, and the undivided interest in Common Elements, appurtenant to that Unit shall automaticlly become vested in the Owners of the ramaining Units in proportion to their respective undivided interest in the Common Elements.

11. Rights of Owners in any Distributions. In the event that any Owner or Mortgagee is entitled to receive any distribution of money, property or other things from the Association for any reason, including without limitation the sale or other disposition of all or any part of the Common Elements or the cessation or termination for any reason of the horizontal property regime created hereby, such distribution shall be in proportion to the interest in the Common Elements appurtenant to the Unit or Units owned by such Owner or Mortgagee, except as provided in paragraphs 9 or 10 hereof.

12. Maintenance, Repairs and Replacements; Right of Acces

) keep the patio, balcony, garage and storage areas to his Unit in a neat, clean and attractive condition. If, due to the willful or negligent act of an Owner or a member of his family or guest or other occupant or visitor of such Owner, or other person for whom such Owner may be responsible, damage shall be caused to the Common Elements or to a Unit or Units owned by others or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Owner if liable such damage under local law, upon receipt from the Board shall pay for such dam and for such maintenance, repairs or replacements as may be determined by the Board. The amount payable for such maintenance, repairs or replacements, together with interest at the rate of 12 per cent from the date such amount is due, costs and attorneys' fees, shall be secured by a lien against the Unit of such Owner as provided in paragraph 7 hereof. An authorized representative of the Board, or of the manager or managing agent of the Building, and all contractors and repairmen employed or engaged by the Board or such manager or managing agent, shall be entitled to access at any time to each of the Units as may be required in connection with maintenance, repairs or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units and the Common Elements.

13. Alterations, Additions or Improvements. No alterations of any Common Elements or any additions or improvements thereto or any alterations, additions or improvements to the patios or balconies associated with any Unit shall be made by any Owner, without the prior written approval of the Board. Any Owner may make nonstructural alterations, additions or improvements within the interior of his Unit (but excluding for purposes of the authority herein granted any patio or balcony) without the prior written approval of the

alterations or additions to any Building without the prior approval of a majority of the Owners given at a regular or special meeting of the members of the Association and the prior approval of all First Mortgagees. Unless otherwise determined at any such meeting, the cost of such alterations or additions shall be paid by means of a special assessment levied and collected from each Owner in proportion to such Owner's undivided interests in the Common Elements. Such special assessment together with interest at the rate of 12 percent from the date such special assessment became due, costs and reasonable attorneys' fees, shall be secured by a lien against each Unit as provided in paragraph 7 hereof.

14. Decorating. Each Owner, at his own expense, shall furnish and be responsible for all of the decorating within his own Unit (but any furnishing or decorating of any patio or balcony shall be subject to the provisions of paragraph 18 hereof) from time to time, including painting, wallpapering, paneling, floor converin[illegible] eries, window shades, curtains, lamps and other furniture and interior decorating. Each Owner shall be entitled to the exclusive use of the interior unfurnished surfaces of the walls, floors and ceiling within his Unit, and each Owner shall have the right to decorate such surfaces from time to time as he may see fit at his sole expense. However, such Owner shall maintain such surfaces in good condition, and all such use, maintenance and decoration shall be subject to regulation by the Board. Decorating and maintenance of the Common Elements and any redecorating of Units to the extent made necessary by any damage caused by maintenance, repair or restoration work by the Association on the Common Elements shall be furnished by the Associarion and paid for as part of the Common Expenses.

Encroachments. If any portion of the Common Elements shall

encroach upon any portion of the Common Elements, or if any Unit or entryway providing ingress and egress thereto or therefrom shall actually encroach upon another Unit or entryway, as the Common Elements and the Units are shown on the Plat and Certificate of Correction Recorded at Recorder # 84 120897 attached hereto as Exhibit "B" whether such encroachment / Exhibit "D" results from the initial construction or from subsequent repair, reconstruction, settlement or shifting, there shall be deemed to be mutual easements in favor of the Owners of the Common Elements and the respective Owners involved to the extent of such encroachment so long as the same shall exist; provided, however, that no such easement shall result from any alteration, addition or improvement made by an Owner, except Declarant, without the prior written approval of the Board. The Association shall at all times have the right to maintain any Common Elements now existing or hereafter constructed, regardless of any encroachment now or hereafter existing of any such Common Elements on any Unit.

16. Purchase of Unit by Association. Upon the consent or approval of a majority of Owners present and voting at a general or special meeting of the members of the Association or in such other manner as may be deemed by the Board to be necessary or expedient, the Board shall have the power and authority to bid for and purchase any Unit at a sale pursuant to a mortgage foreclosure, trustee's sale under a trust deed, or a foreclosure of any lien for assessments provided for in this Declaration, or at a sale pursuant to an order or direction of a court, or other involuntary sale and the Board shall have the power and authority to finance such purchase of a Unit by Mortgage, special assessment or any other financing arangement that the Board may deem necessary or expedient.

17. Use and Occupancy Restrictions. No part of the Property shall be used other than as a dwelling and the related common purposes for which the Property was designed, except that

offices, model units, and signs on the Property, together with rights of ingress and egress therefrom, and to do such other acts and maintain such other facilities as are incidental to the development and sale of the Units now or hereafter existing in the horizontal property regime created hereby. Without limiting the foregoing, no Owner shall permit his Unit to be used for transient or hotel purposes or shall enter into any Lease for less than the entire Unit. Any Lease for any Unit shall be in writing, shall in all respects be subject to and in compliance with provisions of this Declaration, the Articles and Bylaws and shall expressly provide that a violation of any such provisions shall be a default under such Lease, and a copy of any such Lease shall be delivered to the Association prior to the commencement of the term of such Lease. Each Unit or any two or more adjoining Units used together shall be used as a single family residence or for such other purposes as are permitted by this Declaration and for no other purpose. That part of the Common Elements separating any two or more adjoining Units under common ownership and used together for a proper purpose as aforesaid may be altered to afford ingress and egress to and from such adjoining Units at the sole expense of the Owner thereof if and only if specific plans are submitted to and prior approval is obtained from the Board. The foregoing restrictions shall not, however, be construed in any manner as to prohibit an Owner from maintaining his personal and/or a reasonable professional library therein and keeping his personal business records therein.

The Common Elements shall be used only for access, ingress and egress to and from the respective Units by the Owners thereof, their agents, servants, tenants, family members, licensees and invitees and for such other purposes as are incidental to the

unreasonably interfered with by any Owner.

No Owner shall keep or maintain any thing or shall suffer any condition to exist in his Unit or cause any other condition on the Property or the Common Elements which materially impairs any easement or right of any other Owner or otherwise materially impairs or interferes with the use and enjoyment by other Owners of their Units and the Common Elements. No Owner shall keep or permit any pets to be kept in a Unit other than tropical fish and small animals not exceeding a mature weight of five (5) pounds.

If the Board determines that any motor vehicle is creating loud or annoying noises by virtue of its operation within the Property, or that the parking or storage of any vehicle or trailer on the Property is unsightly or detracts from the overall character of the Property, such determination shall be conclusive and final that the operation or storage of such vehicle is a nuisance, and said operation, upon notice by the Board to the owner or operator thereof shall be prohibited within the Property.

No structure of a temporary character shall be permitted on the Property or the Common Elements, and no tent, shack, barn or trailer shall be permitted on the Property or is located thereon by or with prior written consent of the Board.

No barbecue or other incendiary and/or smoke producing cooking devices shall be used or operated on the balcony or patio adjacent to any Unit.

No sign of any nature whatsoever, shall be displayed or placed on any Unit, in any window or on any part of the Property or the Common Elements. No "For Sale" or "For Rent" signs of any nature whatsoever shall be permitted on any part of the Property, and no other signs or graphics shall be permitted on

with a telephone number to call for information. The provisions of this paragraph relating to signs shall not apply to the Declarant until the last Unit owned by Declarant has been sold.

Except as initially installed by Declarant, no spotlights, flood lights or other high intensity lighting shall be placed or utilized upon any building, structure, balcony or patio which in any manner will allow light to be directed or reflected on the Common Elements or any part thereof.

No window air conditioners or portable units of any kind shall be installed in any Building.

All draperies which are visible from the exterior of any Building shall be lined with an opaque white material and no individual window treatments which are visible from the exterior of any Building, including without limitation, shutters, shade screens, mirrors, and stained glass, shall be permitted without the prior written consent of the Board. Enclosures, shades, screens or other items affecting the exterior appearance of any patio or balcony shall not be permitted without the prior written consent of the Board of Directors and shall be subject at all times to the rules and regulations of the Board and to the provisions of paragraph 18 hereof.

No radio, television or other antennas of any kind or nature shall be placed or maintained upon any Unit or any other portion of the Property, except that Declarant shall have the right to install a master antenna or antennas and to provide access to such antenna to the Units.

No clotheslines shall be installed on any balcony or patio and no Owner shall permit any personal property to be stored on any patio or balcony which is visible for the exterior of any Building.

Without limiting the foregoing, each Owner shall maintain and keep his Unit at all times in a safe, sound and sanitary

enjoyment by other Owners of their respective Units or of the Common Elements. Each Owner shall not place or permit any personal property, garbage, debris or refuse to be placed or to accumulate in the corridors, walkways and hallways adjacent to any Unit.

Pursuant to the right of entry provided for in paragraph 20 hereof, the Board or its authorized agents may enter any Unit in which a violation of these restrictions exists and may correct such violation at the expense of the Owner of such Unit.

Such expenses together with interest at the rate of 12 percent from the date such expenses were incurred, costs and reasonable attorneys' fees shall be secured by a lien against such Unit as provided in paragraph 7 hereof.

The Association may modify the foregoing restrictions or otherwise restrict and regulate the use and occupancy of the Property and the Common Elements by reasonable rules and regulations of general application adopted by the Board form time to time.

18. Architectural Control. No building, fence, wall, antenna, tower, awning, sign or other structure of any kind or character shall be constructed, erected, placed or maintained upon the Property, nor shall any exterior addition, change or alteration be made thereto or therein, including without limitation to any exterior wall or balcony, whether or not part of any Unit, which is visible from the exterior of the Building, and no additions to, changes in, or alterations of landscaping, grade or drainage shall be made, until plans and specifications showing the nature, kind, color, shape, height,

and topography by the Board or by an architectural committee appointed by the Board. In the event the Board, or such committee, if one has been appointed, fails to approve or disapprove such proposal at its next regular meeting occuring more than thirty (30) days after proper plans and specifications have been received by it, such approval will not be required, and this paragraph will be deemed to have been fully complied with. The restrictions contained in this paragraph are subordinate to section 13 of this Declaration.

19. Exemption of Declarant from Restrictions. Notwithstandin any thing contained in this Declaration to the contrary, none of the restrictions contained in this Declaration shall be construed or deemed to limit or prohibit any act of Declarant, its employees, agents, and subcontractors or parties designated by it in connection with the construction, completion, sale or leasing of the Units.

20. Entry by Board or its Agent. The Board or its authorized agents may en[illegible] Unit during reasonable hours and upo reasonable notice, when any (2) two members of the Board deem it ne sary or advisable for the enforcement of any restriction hereinabove set forth, to effect emergency or other necessary repairs or otherwise for the protection and preservation of that Unit or other Units. In addition, the Board of its authorized agents may enter any Unit at any time when any member of the Board or its authorized agent believes in his discretion that an emergency exists and that such entry is necessary in order to protect any person or property in such Unit or adjoining Units or for other good cause. If it becomes necessary to break into a Unit because no key or means of access was provided by the Occupant or Owner, as required herein, the Association, its directors, officers and agents shall not be liable for any damage done to the Unit as a result of

notified that the Unit has been entered. Each Occupant or Owner shall either (1) leave a key with the manager of the Association or (2) leave a key with another Occupant or Owner and inform the manager in writing of the name of the Occupant or Owner with whom such key has been left. In the event that the Occupant or Owner with whom such key has been left is not available at a time when it is necessary to exercise this right of entry, the Unit may be forcibly entered pursuant to the conditions stated above.

21. Roof Leaks and Repairs. The Association shall repair promptly all leaks or other damage to the roofs of any of the Buildings of which the Association has notice in writing, provided, however, that the cost of repairing leaks or damage due to the willful or negligent act of an Owner or member of his family or guest or other occupant or visitor of such Owner or other person for whom such Owner may be responsible shall be the obligation of such Owner as provided in paragraph 12 hereof.

22. Public Dedication. Nothing contained in this Declaration shall be deemed to constitute a dedication for public use or to create any rights in the general public. Nothing contained in this Declaration shall be construed as creating an obligation on the part of the City of Phoenix or any other governmental authority having jurisdiction over the Property and the Common Elements to maintain, repair or replace any portion of the Property, the Common Elements or the appurtenances thereto.

23. Copy of Declaration to New Members. The Board shall give each new Owner of a Unit a copy of this Declaration and any and all amendments hereto within sixty (60) days notice of the conveyance of a Unit to such new Owner. However, the failure of the Board to provide such copy shall not relieve the new Owner from complying with this Declaration nor waive any of the rights, conditions or restrictions stated herein or create any liability on the part of the Association, the Board or their agents.

24. Remedies. In the event that any Owner shall fail to comply with the provisions of the Act, this Declaration, the Articles, the By-laws, or the rules and regulations of the Associati the Association shall have each and all of the rights and remedies provided for in the Act, this Declaration, the Articles, the By-laws or said rules and regulations, or which may be available at law or in equity and may prosecute any action or other proceedings against such Owner for enforcement of such provisions or foreclosure of its lien and the appointment of a receiver for the Unit, or damages, or injunctive relief, or specific performance, or judgment for payment of money and collection thereof, or the right to take possession of the Unit and to rent said Unit and apply the rents received to payment of any amounts due and interest threron, or to sell the same as hereinafter provided, or any combination of such remedies or any other and further relief which may be available at law or in equity, all without notice and without regard to the value of such Unit or the solvency of such Owner. The proceeds of any rental or sale sh[illegible]st be applied to discharge court costs, other litigation costs, including without limitation reasonable attorneys' fees, and all other expenses of the proceeding and sale. The reminder of such proceeds shall be applied first to the payment of any unpaid assessments or other charges and the satisfaction of any other damages, and any balance shall be held by the Association for the payment of any future assessments or other charges. Upon the confirmation of the sale, the purchaser of such Unit shall be entitled to a deed to the Unit and to immediate possession of the Unit and may apply to the court for a writ of possession for the purpose of acquiring such possession. The purchaser at any such sale shall take the Unit sold subject to this Declaration. All expenses of the Association in connection with any such action or proceeding, including expenses and all [illegible]

attorneys' fees, until paid, shall be secured by a lien upon the Unit of such defaulting Owner as provided in paragraph 7 hereof. In the event of any such breach by any Owner, the Association shall also have the authority, with or without legal proceedings and with or without notice to such Owner, to correct such default and to do whatever may be necessary for such purpose, and all expenses in connection therewith together with interest at the rate of 12% per annum and reasonable attorneys' fees shall be secured by a lien upon the Unit of such Owner as provided in paragraph 7 hereof. Any and all rights and remedies of the Association may be exercised at any time and from time to time, cumulatively or otherwise.

Notwithstanding any provision of this Declaration to the contrary, any breach of any of the covenants, conditions, restrictions, reservations and servitudes provided for in this Declaration, or any right of reentry by reason thereof, shall not defeat or adversely affect the lien and/or rights of any Mortgagee except as herein expressly provided, each and all of such covenants, conditions, restrictions, reservations and servitudes shall be binding upon and effective against any lessee under any Lease or against any Owner of any Unit whose title thereto is acquired by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise.

24.1 Rights of Action. The Owners Association and any aggrieve unit owner should be granted a Right of Action against unit owners for failure to comply with the provisions of the declaration, By-laws, or equivalent documents, or with decisions of the Owners Association which are made pursuant to authority granted the Owners Association in such documents. Unit owners should have similar Rights of Action against the Owners Association.

25. Amendment. The provisions of this Declaration may be charged, modified or amended by an instrument in writing setting forth such change, modification or amendment, signed by Owners of Units to which not less than 90 percent of the undivided ownership o the Common Elements is appurtenant and acknowledged during the first 20 years, and 75 percent of the ownership there after provided, howe that 75 percent of all Institutional Holders and, so long as any Class B membership remains outstanding, the Veterans Administration

if the Act, this Declaration, the Articles or the Bylaws require the consent or agreement of all of the Owners or the Owners of Units to which a specified percentage of the undivided interest in the Common Elements exceeding two thirds (2/3) is appurtenant and/or any other persons having any interest in the Property for any such amendment or for any action specified in the Act or this Declaration, then any instrument so amending this Declaration or any provision hereof or providing for such action shall be signed by the Owners of not less than such specified percentage. Any such change, modification or amendment accomplished under any of the provisions of this paragraph 25 shall be effective upon recording of the instrument providing therefor signed and acknowledged as provided therin.

26. Notices. Notices provided for in the Act, this Declaration, the Articles or the Bylaws shall be in writing and shall be mailed postage prepaid if to the Association or the Board addressed to the address to which payments of assessments are then sent and if to an Owner addressed to his Unit. The Association or the Board may designate a different address or addresses to which notices shall be sent from time to time by giving written notice of such change of address to all Owners. Any Owner may also designate a different address or addresses to which notices shall be sent by giving written notice of his change of address to the Association. Notices shall be deemed delivered five (5) days after being deposited properly addressed in the United States mail, postage prepaid, by registered or certified mail or when delivered in person.

Upon written request to the Board, which written request specifies an address to which notices may be sent, any Mortgagee shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners of the

the Articles, the Bylaws or the rules and regulations of the Association, or any section, clause, sentence, phrase or word, or the application thereof in any circumstance, is held invalid by a court of competent jurisdiction, the validity of the remainder of this Declaration, the Articles, the Bylaws or the rules and regulations of the Association, and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby, and the remainder of this Declaration, the Articles, the Bylaws or the rules and regulations shall remain in full force and effect as if such invalid part were never included therein, and such invalid part shall be promptly amended as herein provided or reformed by such court so as to implement the intent thereof to the maximum extent permitted by law.

28. Perpetuties and Restraints on Alienation. If any of the easements, privileges, covenants, interests or rights created by this Declaration would otherwise be unlawful, void or voidable for the violation of the rule against perpetuities, then such provision shall continue until twenty-one (21) years after the death of the survivor of the now living descendants of the Governor of Arizona, Bruce E. Babbitt.

29. Rights and Obligations. Each grantee of the Declarant, by the acceptance of a deed of conveyance, each purchaser under any agreement of sale within the meaning of A.R.S. 33-741, by execution of such agreement for sale and each Mortgagee by the acceptance of any instrument conveying any interest in the Property as security for the performance of an of an obligation, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges and the jurisdiction, rights, and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed, shall be deemed and taken to be covenants running with the land and equitable servitudes

though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance, purchase contract or other instrument of transfer, and each such grantee shall be entitled to bring, and shall be subject to, an action for the recovery of damages, or for injunctive relief, or both, resulting from any breach of any such provisions.

30. Performance or Relief. After the date hereof, any person who acquires any interest or estate in all or any part of the Property, other than in connection with an assignment by Declarant of all or substantially all of its rights under this Declaration (including a pledge or assignment by Declarant to any lender as security), agrees by virtue of and upon the acquisition of such interest or estate that said acquiring person shall not look to Declarant but shall look only to the other property Owners or other persons hereafter acquiring an interest or estate in said Property for any performance or enforcement of or relief from any violation of any of the convenants, conditions and restrictions contained herein.

31. Utility Easements. Notwithstanding any other provisions hereof, there is hereby created a blanket non-exclusive easement upon, across, over and under the Common Elements for ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and systems, including by way of illustration, but not of limitation, water, sewer, gas, telephone, electricity, television cable and communication lines and systems. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on the Common Elements and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of the Buildings;

planned and approved by Declarant or as thereafter approved by Declarant or by the Board. This easement shall in no way affect any other previously recorded easements on the Property.

32. Protection for Institutional Holders. Unless seventy-five (75%) percent of all Institutional Holders have given their prior written approval, the Association shall not be entitled to:

a. Change the pro rata interest or obligations of any Unit for the purpose of levying assessments and charges and determining shares of the Common Elements and proceeds to be distributed among the Owners;

b. Partition or subdivide any Unit or the Common Elements;

c. By act or omission seek to rescind or terminate the horizontal property regime created hereby, except as provided by law in the case of substantial loss to the Units and the Common Elements or of a taking by condemnation or eminent domain or in the case of substantial obsolescense;

d. Amend the By-laws or this Declaration.

Any Institutional Holder who has notified the Association in writing of an address to which notices may be sent in the manner provided in paragraph 26 hereof shall be entitled to written notification from the Association of any default by the Mortgagor's of such Unit in the performance of any of such Mortgagor's obligations under this Declaration which is not cured with thirty (30) days. All Institutional Holders who have notified the Association of an address to which notices may be sent in the manner provided in paragraph 26 hereof shall be entitled to written notification by the Association upon the commencement

destruction of any part of the Property. Upon written request all First Mortgagees shall have the right (i) to examine all books and records of the Association during normal business hours; and (ii) to receive an audited financial statement of the Association as soon as available and in any event within ninty (90) days following the end of any fiscal year of the Association; (iii) to receive written notice of all meetings of the Unit Owners and to designate a representative to attend all such meetings.

33. Professional Management Agreement. Any Agreement for professional management of the Property and the Common Elements or any contract providing for services to be performed by the Declarant for the Association shall provide for termination by either party with or without cause and without payment of a termination fee on thirty (30) days written notice, and no such contract or agreement shall be of a duration in excess of one (1) year, renewable by agreement of the parties for successive one (1) year periods.

34. Waiver. Any right or remedy provided for in this Declaration shall not be deemed to have been waived by any act or omission, including without limitation any acceptance of payment or partial performance or any forebearance, except by an instrument in writing specifying such right or remedy and executed by the person against whom enforcement of such waiver is sought.

IN WITNESS WHEREOF, Maryland Place Development Company, an Arizona corporation has executed this instrument this 20th day of March, 1984.

MARYLAND PLACE DEVELOPMENT COMPANY,
an Arizona corporation

BY: _____
Marvin T. Richmond
It's President

State of Arizona)
County of Maricopa) ss

The foregoing instrument was acknowledged before me this 20th day of March, 1984 by Marvin T. Richmond who acknowledged himself to be the President of Maryland Place Development Company, an Arizona corporation and that he being authorized so to do, executed the foregoing instrument for the purposes therein contained, by

84 120898

LEGAL DESCRIPTION

That part of the Northwest quarter of Section 10, Township 2 North, Range 3 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Beginning at a point on the South line of said Northwest quarter of Section 10, distant thereon South 89° 23' 30" West, 342.09 feet from the center of said Section 10;
thence South 89° 23' 30" West, continuing along said South line of the Northwest quarter of Section 10, a distance of 89.63 feet;
thence North 40.00 feet to a point in the North line of Maryland Aven (40 foot half right-of-way);
thence South 89° 23' 30" West 20.00 feet;
thence North 225.00 feet;
thence South 89° 23' 30" West, parallel to said South line of the Northwest quarter of Section 10, a distance of 156.06 feet;
thence North 442.53 feet to a point in the South right-of-way line of the Arizona Canal;
thence along said South right-of-way line, South 44° 04' 05" East, 212.25 feet and South 47° 41' 00" East, 159.67 feet;
thence South 444.71 feet to the Point of Beginning.

Containing an area of 2.52 acres, more or less.

Exhibit "A"

84 120898

ORIGINAL PROPERTY REGIME

EXHIBIT "B"

MARYLAND PLACE

TOWN HOMES

A CONDOMINIUM DEVELOPMENT

A PART OF THE NORTHWEST QUARTER OF SEC. 10, T.2 N., R.3 E., G.&S.R.B.&M., MARICOPA COUNTY, ARIZONA

LEGAL DESCRIPTION

240-2

OWNERS CERTIFICATE

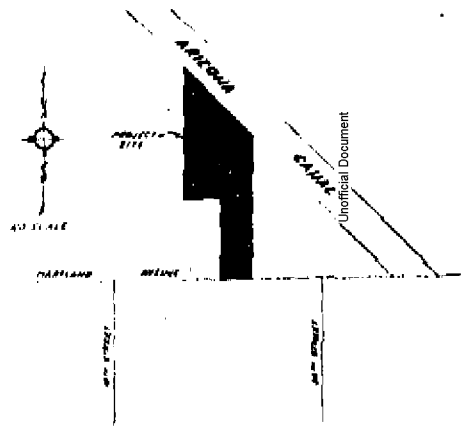
ACKNOWLEDGEMENT

DEDICATION

STATE OF ARIZONA
COUNTY OF MARICOPA

ENGINEERS CERTIFICATE

SUTHERS & ASSOCIATES



84 120898

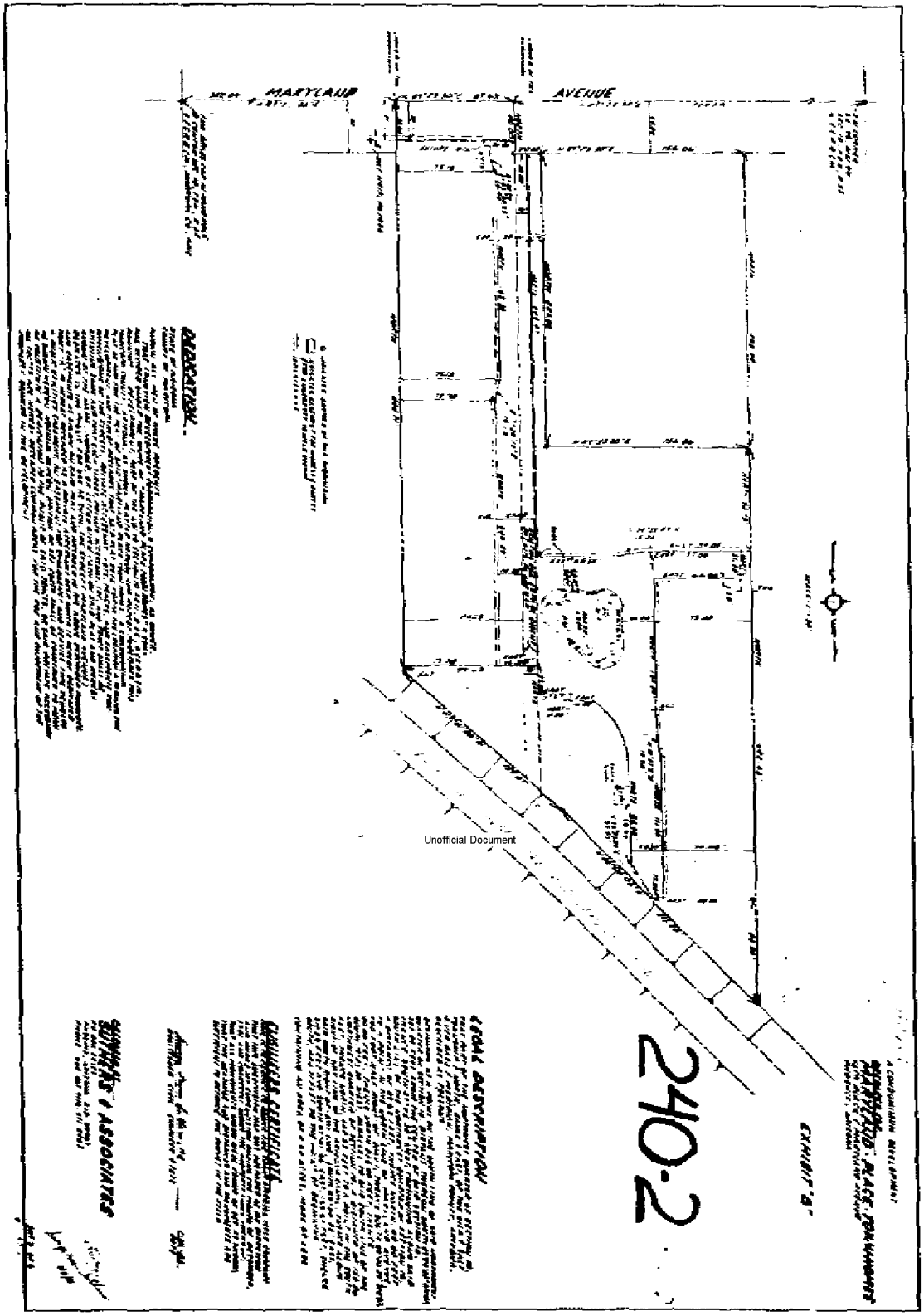
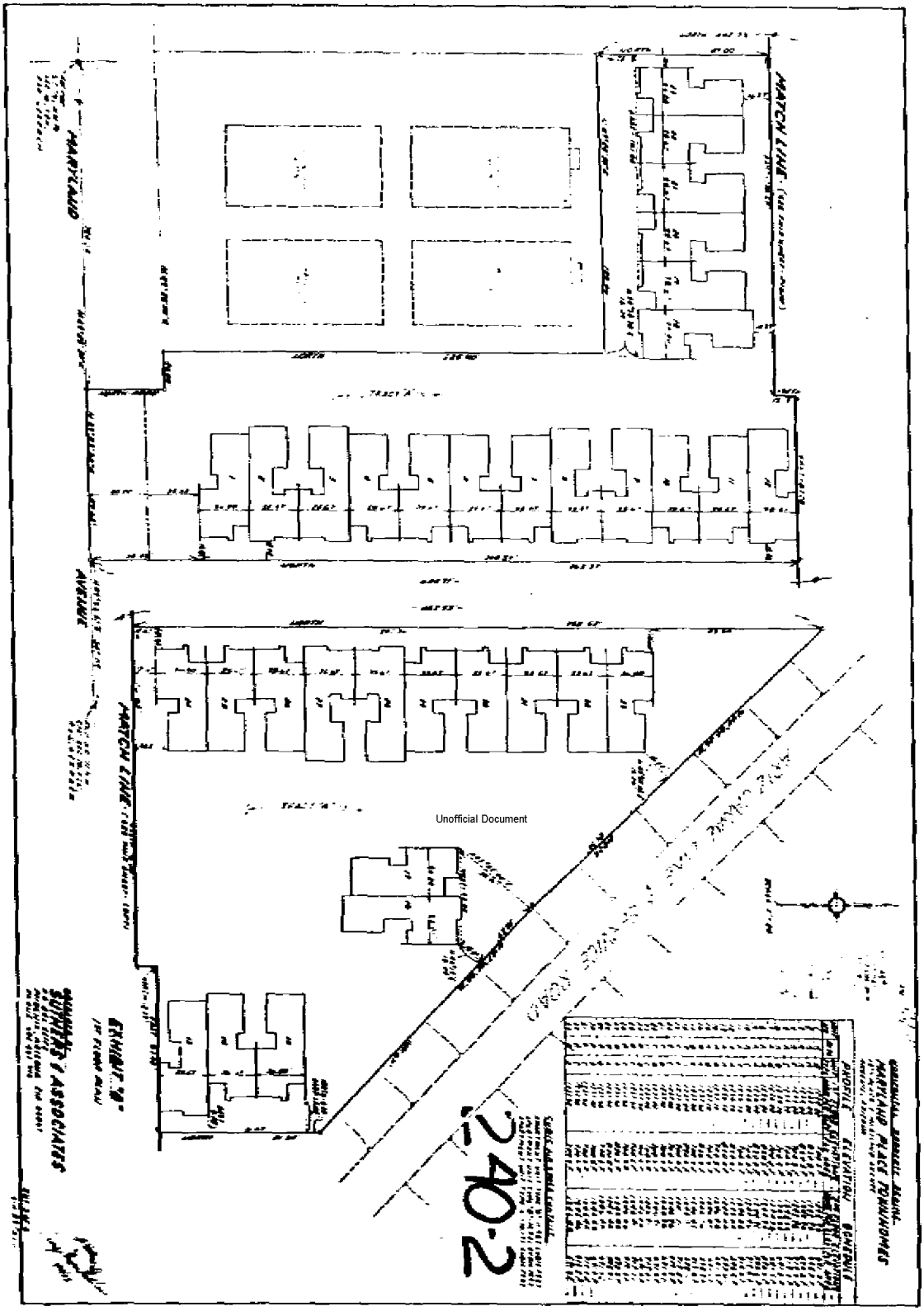


EXHIBIT "B" CONT.

84 120898



84 120898

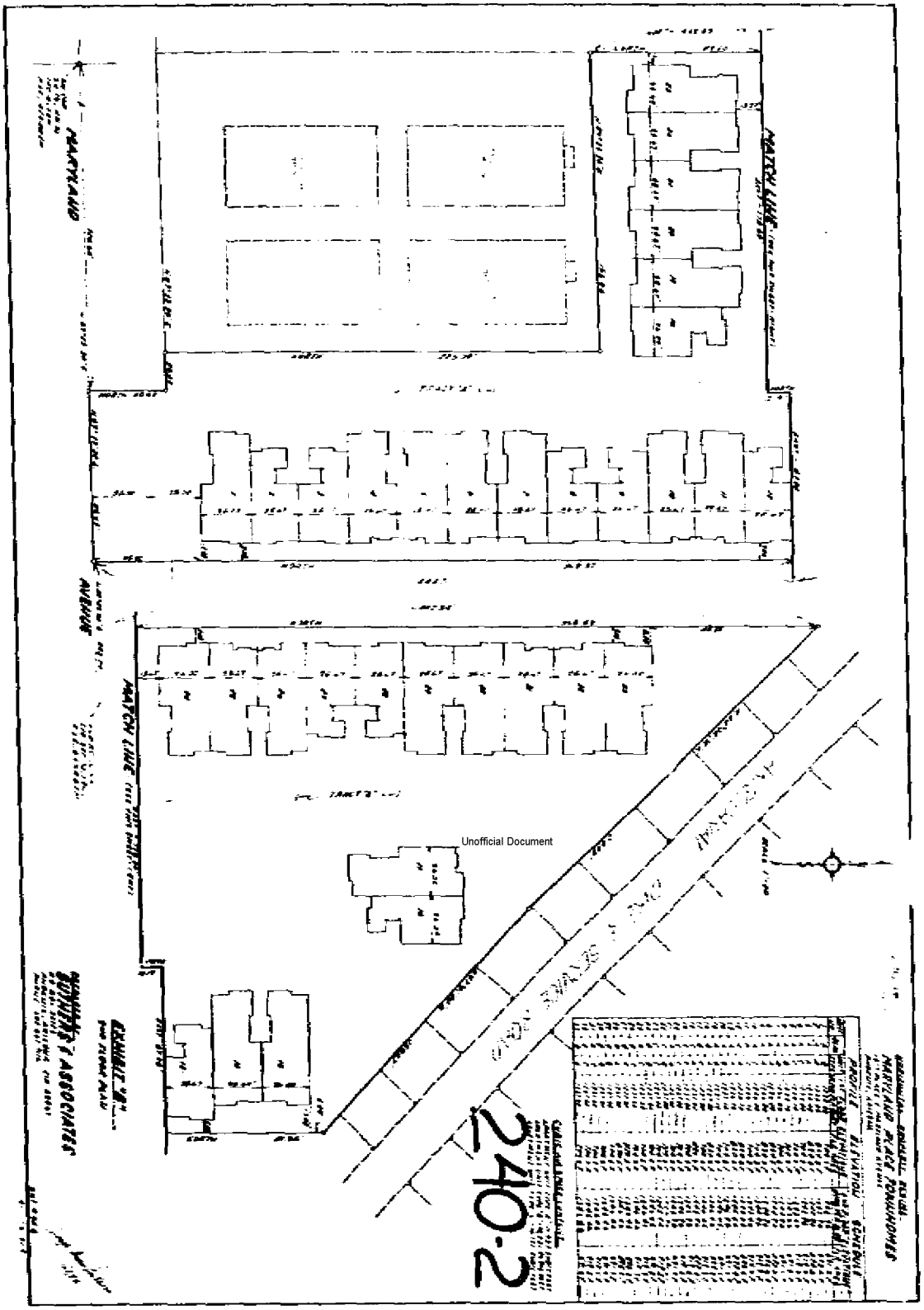
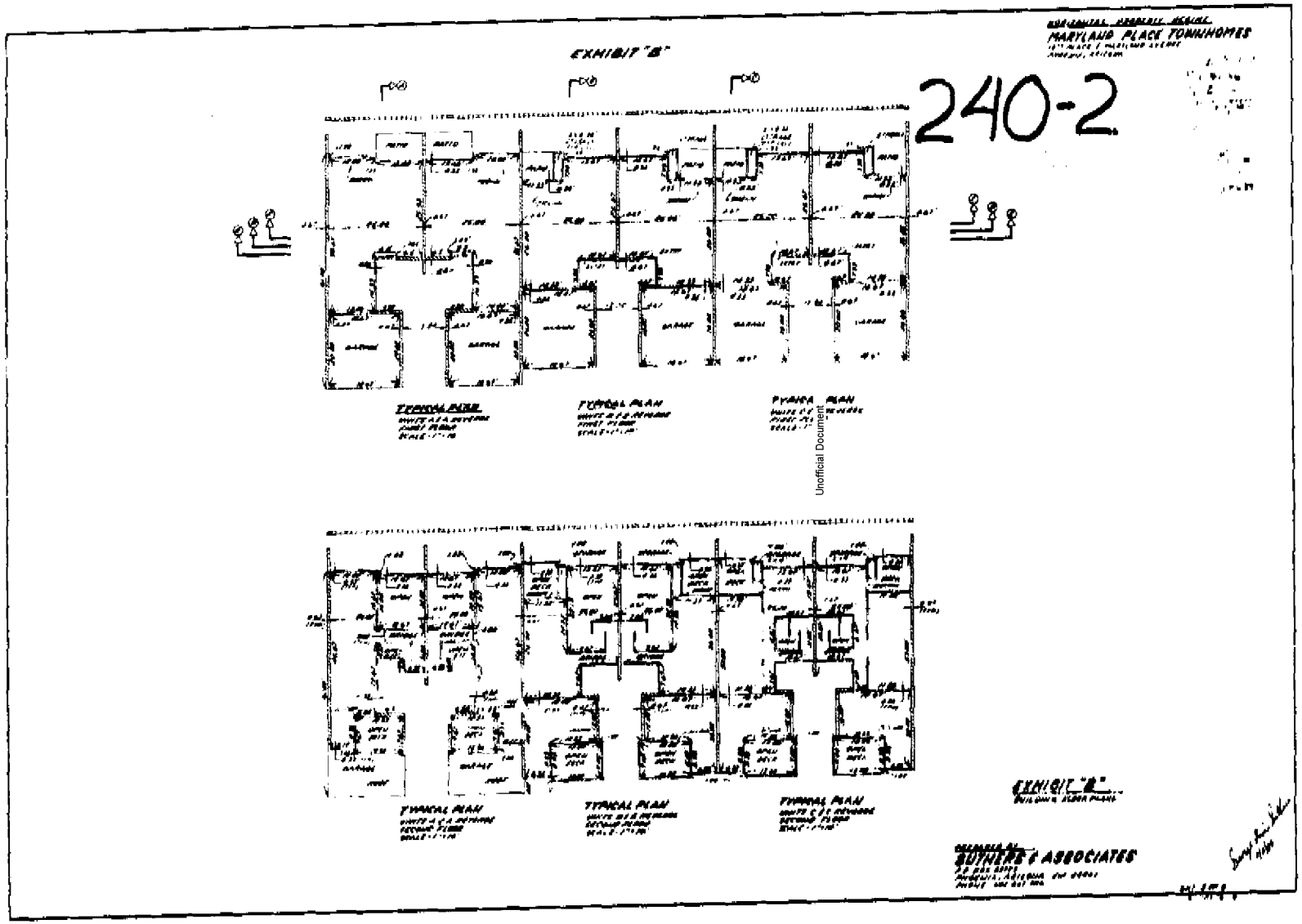


EXHIBIT "B" CONT

84 120898



84 120898

240-2

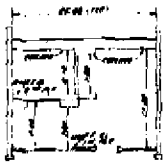


EXHIBIT B

84 120898

PERCENTAGE INTEREST IN COMMON ELEMENTS

Unit	Percent interest
1	3.0303%
2	3.0303%
3	3.0303%
4	3.0303%
5	3.0303%
6	3.0303%
7	3.0303%
8	3.0303%
9	3.0303%
10	3.0303%
11	3.0303%
12	3.0303%
13	3.0303%
14	3.0303%
15	3.0303%
16	3.0303%
17	3.0303%
18	3.0303%
19	3.0303%
20	3.0303%
21	3.0303%
22	3.0303%
23	3.0303%
24	3.0303%
25	3.0303%
26	3.0303%
27	3.0303%
28	3.0303%
29	3.0303%
30	3.0303%
31	3.0303%
32	3.0303%
33	3.0304%

Exhibit "C"

84 120898

Suthers and Associates
13029 North Cave Creek Road #103
Phoenix, Arizona 85022

GEORGE I. SUTHERS, P. E.
Phone (602) 997-8888

Certificate of Correction

The record plat for Maryland Place Townehomes, a Condominium Development as filed for record in book 240 page 2 records of Maricopa County, Arizona is hereby corrected to except those certain common area as described in that document filed for record in docket number 84-094538, Maricopa County records more particularly shown and described on the attached exhibits "A" and "B".

George I. Suthers P.E.
George I. Suthers, P.E.

7373

84 120898

EXHIBIT "A"

PARCEL NO. 1:

That part of the Northwest quarter of Section 10, Township 2 North, Range 3 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

The North 105 feet of the East 10 feet of the South 225 feet of the following described property:

Beginning at a point on the South line of the said Northwest quarter which bears South 89 degrees 23 minutes 30 seconds West, a distance of 431.72 feet from the Southeast corner thereof;
thence South 89 degrees 23 minutes 30 seconds West a distance of 176.06 feet along the South line of the Northwest quarter;
thence North 713.78 feet to the South right of way line of the Arizona Canal;
thence South 42 degrees 55 minutes East, a distance of 216.80 feet;
thence South 47 degrees 41 minutes East, a distance of 38.46 feet along said Canal right of way line;
thence South, a distance of 527.26 feet to the point of beginning;
EXCEPT the South 40 feet thereof.

PARCEL NO. 2:

That part of the Northwest quarter of Section 10, Township 2 North, Range 3 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Beginning at a point on the South line of said Northwest quarter of Section 10, distant thereon South 89 degrees 23 minutes 30 seconds West, 342.09 feet from the center of said Section 10;
thence South 89 degrees 23 minutes 30 seconds West, continuing along said South line of the Northwest quarter of Section 10, a distance of 89.63 feet;
thence North 40.00 feet to a point in the North line of Maryland Avenue; (40 foot half right-of-way);
thence South 89 degrees 23 minutes 30 seconds West 20.00 feet;
thence North 225.00 feet to the Trust Point of Beginning of this described parcel of land;
thence South 89 degrees 23 minutes 30 seconds West, parallel to said South line of the Northwest quarter of Section 10, a distance of 156.06 feet;
thence North, 6.65 feet;
thence East, 166.05 feet;
thence South 5.00 feet;
thence West, 10.00 feet to the True Point of Beginning.

84 120898