

When recorded return to:

Albert B. Spector, Jr., P.^oRSI\A
 5141 North 40th Street
 Suite 100
 Phoenix, Arizona 85018

RECORDED IN OFFICIAL RECORDS
 OF MARICOPA COUNTY, ARIZONA

JAN 18 '84 -3 30

BILL HENRY COUNTY RECORDER

FEE . 39 PGS 39 . f;

AMENDED AND FIRST RESTATED
 DECLARATION OF HORIZONTAL PROPERTY REGIME
 AND OF
 COVENANTS, CONDITIONS AND RESTRICTIONS
 FOR
 THE BOARDWALK AT THE VILLAGES OF CHANDLER

This Amended and First Restated Declaration of Horizontal Property Regime and of Covenants, Conditions and Restrictions (hereinafter Declaration) is made on the 30th day of December, 1983 by Park Homes Company, Arizona corporation authorized to do business in the State of Arizona, and hereby supersedes and replaces in its entirety the Declaration dated August 12, 1983 and recorded August 12, 1983 in the office of the County Recorder, Maricopa County, Arizona in Document No. 83323518.

TABLE OF CONTENTS

Article I.	DECLARATION OF HORIZONTAL PROPERTY REGIME	
	1. Description	4
	2. Declaration	4
	3. Cubic Content Space	4
	4. Vertical Dimension	6
ARTICLE II.	DEFINITIONS	
	1. Articles	6
	2. Board	6
	3. Building	6
	4. Bylaws	6
	5. Co-Owner	6
	6. Co-Owner's Interest	6
	7. Council	7
	8. Covered Property	7
	9. Declarant	7

10.	Declaration	.7
11.	Developer	7
12.	Dwelling	7
13.	General Common Elements	8
14.	Improvement	8

ARTICLE II.	DEFINITIONS (CONTINUED)	<u>Page</u>
	15.. Institutional Mortgages	8
	16. Lease	8
	17. Member	8
	1a.. Mortgage, Mortgagor and Mortgagee	8
	19. Property	8
	20. Recreation vehicle	8
	21. Unit	9
ARTICLE III.	INTEGRATED NATURE OF THE COVERED PROPERTY	
	1. Development of the Covered Property	9
	2. Supplementary Declarations	9
	3. Annexation Without Approval and Pursuant to General Plan	10
	4. Mergers, Consolidations or Affiliation	10
	5. Limitation Upon Annexation	10
ARTICLE IV.	PROPERTY RIGHTS	
	1. Owner's Right of-Enjoyment	10
	2. Delegation of Use	11
ARTICLE V.	COUNCIL OF CO-OWNERS	
	1. Purpose	11
	2. Formation	11
ARTICLE VI.	COVENANT FOR ASSESSMENTS	
	1. Personal Obligation of Assessments	12
	2. Purpose of Assessments	12
	3. Uniform Rate of Assessment	13
	4. Date of Commencement of Annual Assessments	13
	5. Maximum Assessment	13
	6. Special Assessments	14
	7. Notice and Quorum for any Action Authorized Under Sections 5 and 6	14
	8. Subordination of Assessment Lien	14
	9. Certificate of Payment	14
ARTICLE VII.	MEMBERSHIP AND VOTING RIGHTS	
	1. Membership Non-Severable	15
	2. Two Classes of Voting Membership	15

ARTICLE VIII.

1.	Residential Use	--16
2.	Animals	16

ARTICLE VIII. RESTRICTIONS ON USE (CONTINUED)

3.	Antennas	17
4••	Utility Service	17
5.	Improvements and Alterations	17
6.	Temporary Occupancy	17
7.	Vehicles	17
8,	Repair and Maintenance	18
9.	Nuisances	19
10.	Trash Containers and Collection	20
11.	Clothes Drying	20
12.	Restriction on Further Subdivision	20
13.	Signs	20
14.	Easements	• 21
15. "	Common Walls	21
16.	Insurance	22
17.	Enforcement	22
18.	Severability	23
19.	Duration, Amendment	23
20.	Prior Approval for Amendment	23::
21.	Violations and Nuisance	23
22.	Violation of Law	23
23.	Binding Effect	23
24.	Leasing	24
25.	Exemption of Owner	24
26.	Owner's Responsibility	24
27.	Ad Valorem Taxation	24
28.	Damage or Destruction; Sale	24
29.	Condemnation	24
30.	Reduction in Number of Units	25
31.	Mortgagee Protection	25
32.	Interpretation	26

ARTICLE IDECLARATION OF HORIZONTAL PROPERTY REGIME

Section 1. DESCRIPTION. Declarant is the owner of all of the real property in Chandler, Maricopa County, Arizona, known as The Boardwalk at the Villages of Chandler, a development of Tract D of the Villages of Chandler in the City of Chandler, Arizona, as recorded in Book 254 of Maps, Page 16, records of Maricopa County Recorder, a reduced copy of which plat is attached hereto as Exhibit A.

The real property shown as Tract Don Exhibit A is also platted as a Horizontal Property Regime according to the plat recorded in the office of the County Recorder of Maricopa County, Arizona, in Book 255 of Maps at page 39, a reduced copy of which is attached hereto as Exhibit B. All of the real property legally described on Exhibit A-1, including only Buildings 4, 9 and 24 will be the initial Covered Property under this Declaration, hereinafter Phase One. Declarant shall be the owner, when constructed, of Buildings 1, 2, 3, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23, which may, from time to time, be annexed pursuant to this Declaration and become a part of the Covered Property. Prior to the date of this Amended and First Restated Declaration, Building 1 and 3, constituting Phase Two were annexed by that certain Declaration of Annexation dated September 14, 1983, and recorded in Document No. 83373066, records of Maricopa County, Arizona (the Declaration of Annexation). The Declaration of Annexation is hereby ratified and affirmed.

Section 2. DECLARATION. Pursuant to Chapter 4.1, Article I, Sections S3-551 to 33-561, inclusive, Arizona Revised Statutes, 1962, as amended, Declarant does hereby submit the Covered Property, including the improvements to be constructed thereon, and all easements, rights and appurtenances belonging thereto, all of which may hereinafter be referred to as the "Property," "Covered Property," or "Condominium Property," to a Horizontal Property Regime and the Declarant does further hereby declare that all of such Property shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are declared to be in furtherance of a plan for the improvement, development and sale of such Property and are: established for the purpose of enhancing and perfecting the value and desirability of such Property and every part thereof. No property is deemed subject to this Declaration unless and until specifically made subject thereto, as provided herein.

Section 3. CUBIC CONTENT SPACE.

(a) DESCRIPTION OF THE SPACE OF THE BUILDING. Initially there shall be three (3) multi-unit buildings in the Horizontal Property Regime, namely Buildings 4, 9 and 24 as shown on Exhibit B. The cubic content space of each Building with reference to its location on the land is as more fully set forth and described in the recorded Horizontal Property Regime referred to in Section 1 above. Such cubic content space is measured to the outside of the building walls.

(b) DESCRIPTION OF SPACE OF DWELLING.

The Horizontal Property Regime initially shall be composed of the forty-eight (48) individual Dwelling Units in Buildings 4, 9 and 24 which shall be for sale in Phase One. Each Dwelling in the Horizontal Property Regime shall be numbered as shown in Exhibit B. The cubic content space of each Dwelling is as is more fully set forth and described in Exhibit B, as shown on Book 255 of Maps, page 39, records of Maricopa County, Arizona.

(c) DESCRIPTION OF GENERAL COMMON ELEMENTS. The General Common Elements shall include all of such Covered Property, including the land upon which the Dwellings are located, the Buildings, all bearing walls, columns, vertical supports, roofs, floors, foundations, slabs, all waste, water and gas pipes, ducts, flues, chimneys, conduits, wires, swimming pool, ramadas, pool equipment, tennis and sport courts, landscaping, fences, trash collection bins, walkways, streets, private drives, parking spaces, utility meters and all other devices and premises designed for common use or enjoyment by more than one Owner or Owners of a single Dwelling, all as is more fully set forth and described herein and in the recorded plat and Horizontal Property Regime as referred to in Section 1 above, and except for a Dwelling as defined, and except for the outlets of utilities when located within a Dwelling. Such ownership shall be evidenced by the deed of ownership for each of such Dwellings.

(d) DESCRIPTION OF SPACE OF EXCLUSIVE USE. There shall be additional areas constituting a portion of the General Common Elements which are hereby set aside and located for the exclusive use of the Dwellings as follows:

(1) Each Dwelling shall have exclusive use of the mailbox designated with the corresponding Dwelling number.

Gi. Each Dwelling that is two bedrooms shall have exclusive use of one covered and one uncovered parking space and each Dwelling that is one bedroom shall have exclusive use of one covered parking space as designated by a combination of letters and numbers which includes the number of the Dwelling to which the spaces are assigned. The parking spaces are more fully shown on Exhibit B. Unassigned parking spaces, if any, are for guest use and may not be used by Owners and Residents of a Dwelling.

(3) Each Dwelling shall have the exclusive use of a space of a size and location adequate to install, operate and maintain refrigeration and heating units, such areas to be as originally designed, designated and installed by Developer or as subsequently approved by the Board.

(4) Each Dwelling shall have exclusive use of an area of a size and location adequate to install operate and maintain utility meters, such areas to be as originally designed, designated and installed by Developer or as subsequently approved by the Board.

(5) Each Dwelling shall have exclusive use of the terrace, patio or deck available to that Unit.

(6) Each Dwelling, as it is brought within the Covered Property, shall have exclusive use of that portion of the entry and stairway serving each such Dwelling which is not included in the Dwelling, except that for such Dwellings which share a stairway, such stairway shall be a Limited Common Element [as that term is defined in A.R.S. S33-551(7)(1962)], for the exclusive use of those Dwellings sharing such stairway.

(7) Each Dwelling shall have exclusive use of any or entryway, stairway, closet storage space originally built to be available exclusively to such Unit. Such areas shall be maintained by the Owner of such Unit pursuant to the section and subsection "Repair and Maintenance," "By Owner" of the Article, "Restrictions on Use."

(e) FRACTIONAL INTEREST. Until or unless changed, pursuant to the Article titled "Integrated Nature of the Covered Property," each Dwelling shall bear an undivided fractional interest in the Common Elements as set forth hereinafter: 1/48. As additional Units are brought within the Horizontal Property Regime the fractional interest of each Unit shall be represented by a fraction with "1" as the numerator and the number of Units as the denominator. Such change shall be set forth in the Supplementary Declaration pursuant to Article III. The maximum fractional interest of any Owner in Phase One shall be 1/48. The minimum fractional interest of any Owner in the Covered Property when fully developed shall be 1/356.

Section 4. VERTICAL DIMENSION. All reference to vertical dimensions made in this document or on the recorded plat referred to above, shall be based upon a bench mark being 1204.74 elevation on the top of a brass cap found on top of an irrigation structure at the northeast corner of Ray Road and Alma School Road Chandler, Arizona.

ARTICLE II

DEFINITIONS

Section 1. "Articles" means the Articles of Incorporation of the Villages of Chandler: The Boardwalk Homeowners Association, Inc. which are or shall be filed in the office of the Corporation Commission of the State of Arizona, or its successor, as such Articles may be amended from time to time.

Section 2. "Board" means the Board of Directors of the Villages of Chandler: The Boardwalk Homeowners Association, Inc.

Section 3. "Building" means and refers to the structures designated as buildings on Exhibit B in accordance with Arizona Revised Statute 33-551(2) (1962).

Section 4. "Bylaws" means the Bylaws of the Villages of Chandler: The Boardwalk Homeowners Association, Inc. as such Bylaws may be amended from time to time.

Section 5. "Co-Owner" means a person, corporation, partnership or other legal entity capable of holding or owning an interest in real property who owns all or an interest in a Dwelling as described herein (sometimes referred to herein as "Owner"), and shall enjoy all the privileges thereof.

Section 6. "Co-Owner's Interest" means the fractional interest ascribed to each Dwelling by this Declaration.

Section 7. "Council" means all ..of the Owners of the Dwellings, pursuant to A.R.S. § 33-551 (5) and refers to the Villages of Chandler: The Boardwalk Homeowners Association, Inc., an Arizona nonprofit corporation, formed as an entity pursuant to A.R.S. § 10-1002, et seq., through which the Owners shall act as a Council of Co-Owners in accordance with Arizona law permitting Horizontal Property Regimes and the organization and management thereof.

Section 8 .

"Covered Property" means all of the real property legally described on Exhibit A-.1 including only Buildings 4, 9 and 24. Subsequent to the annexation of all additional property pursuant to the Article of this Declaration titled "Integrated Nature of the Covered Property," Covered Property shall also include Buildings 1, 2, 3, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21; 22, and 23.

Section 9. "Declarant" means Park Homes Company, an Arizona corporation, its successors in interest and assigns.

Section 10. "Declaration" means this document, as same may be amended and supplemented from time to time.

Section 11. "Developer" means Park Homes. Company, an Arizona corporation, its successors in interest and assigns,, other than a purchaser of one Unit, not for resale.

Section 12. "Dwelling" means a separate freehold estate consisting of an airspace defined as follows:

- (a) The lower vertical boundary is the top of the unfinished floor thereof.
- (b) The upper vertical boundary coincides with the elevation of the bottom of the unfinished ceiling or ceilings thereof.
- (c) The lateral boundaries are the unfinished interior surfaces of the perimeter walls, windows and doors thereof and vertical planes coincidental with the unfinished interior surfaces of the perimeter walls thereof, extended upwards to intersect the upper horizontal boundary.
- (d) Each such Dwelling includes the surfaces so described, and the airspace contained within such boundaries. Each such Dwelling shall also include the range, garbage disposal units, and other household appliances lying within such boundaries or appurtenant areas.
- (e)" The airspace for the storage closet is part of the Dwelling.
- (f) Unless otherwise indicated, all airspace boundary lines intersect at right angles.

The following are not part of a Dwelling: Structural parts of the Building, bearing walls, columns, vertical supports, roofs, floors, foundations, slabs, all waste, water and gas pipes, chimneys, ducts, flues, air conditioning and heating units, conduits, wires and other utility and installation lines wherever located, except the outlets and traps thereof when located within the Dwelling. In interpreting deeds, plats, declarations, and plans, the existing physical boundaries of a Dwelling or a Dwelling reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the description expressed in the deed, plat, plan or declaration, regardless of settling or lateral movement of the Building, and regardless of minor variances between the boundaries as shown on the plan or in the deed and declaration and those of the Building.

Section 13. "General Common Elements" means all of the Property not Included in the Dwellings, as described in Article I, Section 3(c) above and in A.R.S. S 33-551(6) (1962). The General Common Elements may sometimes hereinafter be referred to as "Common Elements."

Section 14. "Improvement" means all physical structures including, but not limited to, the Buildings, private drives, parking areas, fences and walls, cabana, swimming pool, other recreational facilities and all landscaping, including, but not limited to, hedges, plantings, trees and shrubs of every type and kind.

Section 15. "Institutional Mortgages" or "Institutional Lender" means a mortgagee, as defined herein, which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.

Section 16. "Lease" means and refers to any agreement for the leasing or rental of the Unit whether written or oral and, includes any agreement written or oral for the exchange or use of a Unit by one other than the Owner whether payment of rental is a provision or not.

Section 17. "Member" means any person, corporation, partnership, joint venture or other legal entity **which** is a member of the Villages of Chandler: The Boardwalk Homeowners Association, Inc. and is synonymous with "Co-Owner."

Section 18. "Mortgage," "Mortgagor" and "Mortgagee" mean and refer to all instruments establishing a security interest, including Deeds of Trust, and includes Trustors, Trustees, and Beneficiaries under Deeds of Trust.

Section 19. "Property" means and refers to the land, whether committed to the Horizontal Property Regime in fee or as a leasehold interest, the buildings, all other Improvements located thereon, and all easements, rights and appurtenances belonging thereto.

Section 20. "Recreation vehicle" means a camper, motor home, fifth wheeler, or trailer for sleeping purposes, with or without cooking and bathroom facilities, boat and trailer for transporting any of the foregoing. The Board may change or supplement this definition without amending this Declaration.

Section 21. "Unit" means a Dwelling with the appurtenant easements plus a Co-Owner's Interest. ...

ARTICLE III

INTEGRATED NATURE OF THE COVERED PROPERTY

Phases shall be as follows:

Phase 2 - Buildings 1, 3, and sufficient land, parking spaces, private drives and related facilities to adequately serve phase .Two (2).

Phase 3 - Buildings 5, 6, 7, 8 and sufficient land, parking spaces, private drives and related facilities to adequately serve phase Three (3).

Phase 4 - Buildings 10, 11, 12, 13 and sufficient land, parking spaces, private drives and related facilities to adequately serve phase Four (4).

Phase 5 - Buildings 14, 15, 16 and 17and sufficient land, parking spaces, private drives and related facilities. to adequately serve phase Five (5).

Phase 6 - Buildings 18, 19 and 20 and sufficient land, parking spaces, private drives and related facilities to adequately serve phase Six (6).

Phase 7 - Buildings 21, 22, and 23 and sufficient land, parking spaces, private drives and related facilities to adequately serve phase Seven (7).

Phase 8 - Building 2 and sufficient land, parking spaces, private drives and related facilities to adequately serve phase Eight (8).

Phases 2 through 8 (hereinafter .in. this Article referred to collectively as "Annexation Property") may be annexed to and become subject of this Declaration by any of the methods set forth hereinafter in this Article as follows; however, the Declarant will not be obligated to annex the property in the priority or order or sequence listed for each Phase.

Section 1. DEVELOPMENT OF THE COVERED PROPERTY.

(a) Developer intends to sequentiall1• develop the Annexation Property on a phased basis. Although Declarant shall have the ability to annex the Annexation Property provided in this Article, Declarant shall not be obligated to do so, and the Annexation Property shall not become subject to this Declaration unless and until a supplementary declaration shall have been so executed and recorded.

(b) Phase One shall include sufficient land, parking spaces, private drives, and related facilities to serve adequately, Phase One. The swimming pool and related facilities will be sufficient to serve all phases. When further Buildings are constructed, such construction shall be in accordance with the plan of Exhibit B. Where all of the proposed Buildings are constructed, the fractional interest attributed to each Unit shall be 1/356. In the event additional Annexation Property is brought within the Covered Property, the fractional interest of each Unit shall be adjusted as set forth in Article I, Section .3(e).

Section 2. SUPPLEMENTARY DECLARATIONS. A Supplementary Declaration shall be a writing in recordable form which amends this Declaration and which incorporates by reference essentially all of the covenants, conditions, restrictions, easements and other provisions of this Declaration and shall describe the Buildings to be erected or which are erected, shall describe the Units contained therein, shall publish and declare that such land and any Improvements thereon and the Owners and others having interest therein are brought within this Declaration and shall set forth the necessary adjustments in fractional interest of ownership of the Common Elements applicable to each Unit. Upon the recordation of such supplement to this Declaration in the Official Records of the County Recorder of Maricopa County, Arizona, any such subjection of Property therein to the provisions of this Declaration shall be automatically effective, as though originally included herein.

Section 3. ANNEXATION WITHOUT APPROVAL AND PURSUANT TO GENERAL PLAN. All or any part of the Annexation Property may be annexed to and become subject to this Declaration and subject to the jurisdiction of the Council without the approval, assent or vote of the Council or its Members, provided that a Supplementary Declaration covering the portion of the Annexation Property to be annexed, shall be executed and recorded by Declarant provided, however, no Supplementary Declaration shall be so executed and recorded pursuant to this Section more than seven (7) years subsequent to the recordation of this Declaration. The recordation of such Supplementary Declaration shall constitute and effectuate the annexation of the Annexation Property described therein, making the Annexation Property subject to this Declaration and subject to the functions, powers and jurisdiction of the Council, and thereafter the Annexation Property shall be part of the Covered Property and all of the Owners of Units in the Annexation Property shall automatically be Members. As long as there is Class B membership, annexation of additional properties will require approval of the Veteran's Administration.

Section 4. MERGERS, CONSOLIDATIONS OR AFFILIATION. Upon a merger, consolidation or affiliation of the Council with another council, the Council's properties, rights and obligations may, by operation of law, be transferred to the surviving, consolidated or affiliated council, or, alternatively, the properties, rights and obligations of another council may, by operation of law, be added to the properties, rights and obligations of the Council. The surviving or consolidated Council may administer the covenants, conditions and restrictions established by this Declaration within the Covered Property, together with the covenants and restrictions established upon any other property as one plan. Management, maintenance and government of property not committed to a Horizontal Property Regime may be affiliated with the management, maintenance and government of the Covered Property in order to achieve economics of scale. Such affiliation shall be approved by a majority of the Board. Any merger pursuant to this section shall require prior approval of the Veterans Administration.

Section 5. LIMITATION UPON ANNEXATION. Notwithstanding the foregoing Sections of this Article, no annexation of additional property to this Declaration, unless there has been approval thereof by a majority of the voting power of this Council, shall have the effect of either overburdening the common interests of the then existing Owners, except as set forth in this Declaration or of substantially increasing the Assessments of such Owners.

ARTICLE IV

PROPERTY RIGHTS

Section 1. OWNER'S RIGHT OF ENJOYMENT. Each Owner shall have the right to use the Common Elements in common with all other Owners within the Covered Property as may be required for the purposes of access and ingress and egress to and use and occupancy and enjoyment of the respective Unit owned by such Owner, and for such other related purposes as from time to time may be prescribed by the Board. Such right to use the Common Elements shall extend to each Owner and the agents, servants, tenants, family members and invitees of each Owner. Such rights to use and possess the Common Elements shall be subject to all of the easements, covenants, conditions, restrictions and other provisions of record, shall be governed by this Declaration, the Articles and Bylaws and the rules and regulations promulgated by the Board and shall be subject to the following:

(a) The right of the Council to limit the number of guests of Owners.

(b) The right of the Council to establish reasonable rules, regulations and fees for use of Common Elements including, but not limited to, recreational facilities.

(c) The right of each Owner to have exclusive use of spaces provided in Article I above.

(d) The rights of the Council to suspend the right of an Owner to use the recreational facilities or any portion thereof designated by the Board during any time in which any assessment against his Unit remains unpaid and delinquent or for a period not to exceed thirty (30) days for any single infraction of the rules and regulations of the Council, provided that any suspension of such right to use such recreational facilities, except for failure to pay assessments, shall be made only by the Council or a duly appointed committee thereof, after notice and hearing given and held in accordance with the Bylaws. Notwithstanding the foregoing, the Council shall not have the right hereunder to suspend any Owner's right to use any portion of the Common Elements necessary for such Owner to gain access to his Dwelling.

(e) The right of the Council to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility, pursuant to Article VIII, Section 14.

Section 2. DELEGATION OF USE. Any Owner may delegate his rights of enjoyment to the Common Elements to the members of his family or his tenants who reside in his Dwelling, or to a reasonable number of guests, subject to the provisions of this Declaration, the Articles, Bylaws and rules and regulations adopted by the Council.

ARTICLE V

COUNCIL OF CO-OWNERS

Section 1. PURPOSE. It is desirable for the efficient management of the Covered Property and the preservation of the value, desirability and attractiveness of the Covered Property to create a corporation to which should be "delegated and assigned the powers of managing the Common Elements of the Covered Property, maintaining and administering the Common Elements and administering and enforcing these covenants, conditions and restrictions and collecting and disbursing funds pursuant to the assessments and charges hereinafter created and referred to and to perform such other acts as shall generally benefit the Covered Property.

Section 2. FORMATION. In furtherance of the purposes set forth in Article I the Developer shall cause the Villages of Chandler: The Boardwalk Homeowners Association, Inc. an Arizona nonprofit corporation formed as an entity pursuant to A.R.S. § 10-1002, et seq., to be incorporated through which the Owners shall act as a Council of Co-Owners in accordance with Arizona statutes permitting Horizontal Property Regimes and the organization and management thereof.

(a) The Board of Directors of the Council shall be empowered to determine and decide all questions regarding enforcement of these restrictions and assessments or charges necessary for maintenance of common Areas, for the use and benefit of all Owners, except as provided in the Bylaws, and shall be empowered to make rules for the use of Common Elements. Any rule, a copy of which is delivered or mailed to an Owner at his last known address or which is posted on a central bulletin board, shall be enforceable to the extent and in the same manner as this Declaration thirty (30) days following such delivery, mailing or posting.

(b) The Board of Directors of the Council shall have the right to contract for services or to transfer to any other corporation, person or partnership, all of its rights and obligations hereunder, but upon such transfer and the assumption of such obligations by the transferee, the enforcement of covenants shall remain the sole responsibility of the Council.

(c) Except as otherwise provided herein, any action which may be taken by the Council, may be taken by the Board of Directors of the Council.

ARTICLE VI

COVENANT FOR ASSESSMENTS

Section 1. PERSONAL OBLIGATION OF ASSESSMENTS. Each Owner of any Dwelling, by acceptance of a deed therefor, except as provided for in this Article, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Council; (1) annual assessments for commonly metered utilities, insurance, maintenance, management, utilities for common areas, and other general expenses, hereafter referred to as "annual.

assessments" and (2) special assessments for capital improvements, such assessments to be established and collected as provided in the Articles and Bylaws. The annual and special assessments, late payment penalties, if any, together with interest, costs, and reasonable attorney's fees, shall be a lien upon the Unit as created by the Articles or Bylaws. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time the assessment was levied. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them, or unless prior to the transfer of title as evidenced by the records of the County Recorder or other appropriate governmental agency, a lien for such assessment shall have been filed or recorded.

Section 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Council shall be used exclusively to promote the recreation, health, safety, and welfare of all Owners, for the improvement and maintenance of the Common Elements, and for all purposes set forth in the Articles including, but not limited to, management fees, insurance premiums, expenses for maintenance, repairs and replacements of Common Elements, reserves for contingencies, charges for all commonly metered utilities for the Property and other utilities for the Common Elements, and enforcement of this Declaration, the Articles, Bylaws and rules.

The Council shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve funds of an amount to be designated from time to time by the Board of Directors. Such funds shall be deposited in an FDIC insured bank or FSLIC insured savings and loan. The reserve fund is for the purpose of effecting replacement or repair because of damage, depreciation, or obsolescence of Common Elements.

Section 3. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate for all Units and, except as provided in Section 4 of this Article, shall be determined by the fractional interest specified in Section 3(e) of Article I or the last recorded Supplemental Declaration, whichever is more recent. Assessments may be collected on a monthly, quarterly or annual basis.

Section 4. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS. The annual assessment shall commence as to all Units in each Phase on the first day of the month following the occupancy of the first Dwelling or the close of escrow of the first Unit in the Phase by Declarant to an individual Owner, whichever occurs earlier. It is provided, further, that in the event the amount budgeted to meet common expenses for the then current year proves to be excessive in light of the actual common expenses, the Board in its discretion may either reduce the amount of the annual assessment or may abate collection of assessments as it deems appropriate. Until such time as voting control of the Council passes from Declarant to the Owners, in no event shall a reduction in the amount of the abatement in the collection of regular assessments pursuant to this Section result in a quantity or quality of services diminished from those upon which the budget for the year in question is based.

Sections. MAXIMUM ASSESSMENT. Until January 1 of the year immediately following the conveyance by Declarant of the first Unit to an Owner, the monthly assessment shall be no more than seventy (\$70,00) dollars.

--

/(a): From and after January 1 of the year immediately following the conveyance the first Unit to an Owner, the maximum annual assessments may be increased each year above the maximum assessments for the previous year without a vote of the membership in an amount no more than the percentage of increase in the cost of living during such period in the Greater Phoenix Area shown by the Bureau of Labor Statistics, Consumer Price Index or five percent (5%) of the maximum assessment for the previous year, whichever is greater.

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

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

Section 6. SPECIAL ASSESSMENTS. In addition to the annual assessments authorized above, the Council may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for any other reason if the budget is not sufficient for that year, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 7. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 5 AND 6. Written notice of any meeting called for the purpose of taking any action authorized under Sections 5 or 6 shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called; the presence of Members or of Proxies entitled to cast sixty percent (60%) all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 8. SUBORDINATION OF ASSESSMENT LIEN. The lien for assessments provided for herein will be subordinate to the lien of any first Mortgage. (Such Mortgage being hereinafter referred to as a "prior Mortgage.") The sale or transfer of any Unit shall not affect either the assessment lien provided for herein nor the creation and enforcement thereof in accordance with this Declaration on account of delinquent assessments whether such assessments become due prior to, on or after the date of such sale or transfer, and regardless of whether or not the Owner of a Dwelling as to which such lien is so created and enforced is personally obligated to pay any or all of the delinquent assessments as to which such lien is created; however, the sale or transfer of any Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments which become due prior to such sale or transfer. For the purposes of this Section, a sale or transfer of a Dwelling shall occur on the date of recordation on a deed or other instrument of title conveying record title to the Dwelling to the purchaser or transferee.

G.F. 020789

Section 9. CERTIFICATE OF PAYMENT. The Council shall, upon demand, furnish to any Owner liable for assessments, a certificate in writing signed by an officer or authorized agent of the Council, setting forth whether the assessments on a specified Unit have been paid, and the amount of delinquency., • if any. A reasonable charge not to. exceed twenty-five percent (25%) of the monthly maintenance assessment may be collected by the Board for the issuance of such certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

ARTICLE VII

• MEMBERSHIP AND VOTING RIGHTS

Section 1. MEMBERSHIP NON-SEVERABLE. Every Owner of a Dwelling which is subject to assessments shall be a Member of the Council. Membership shall be appurtenant to and may not be separated from ownership of a Dwelling which is subject to assessment. The rights and obligations of an Owner and membership in the Council shall not be assigned, transferred, pledged, conveyed, or alienated in any way except by transfer of ownership to such Dwelling, whether by purchase, intestate succession, testamentary disposition, foreclosure of a Mortgage of record, or such other legal process as is now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Dwelling shall operate to transfer such membership to the new Owner thereof.

Section 2. TWO CLASSES OF VOTING MEMBERSHIP.

(a) Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Dwelling owned. When more than one person holds an interest in any Dwelling all such persons shall be Members. • The vote for such Dwelling shall be exercised as the Owners determine among themselves, but in no event shall more than one vote be cast with respect to any Dwelling and fractional votes shall not be allowed. In the event more than one vote is cast for a particular Dwelling, none of the votes for such Dwelling shall be counted and such votes shall be deemed void, unless Arizona statutes require otherwise.

(b) Class B. The Class B Members shall be the Declarant and shall be entitled to three votes for every Unit which has not been conveyed to an original Owner. In the event additional property is annexed to the Covered Property, voting rights for the Units within that Phase shall commence upon recordation of the supplemental declaration of that Phase. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events whichever occurs earlier:

(1) within 120 days after the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(2) December 31, 1989, or

(3) the Declarant elects to convert its Class B membership to Class A membership.

(c) Control in Developer.

(1) It is recognized that because of the sequential development of the-Covered Property, management or control of the Council by the Developer is likely to continue after one hundred percent (100%) of the Units in Phase One are sold.

(2) In the event voting control of the Council passes to the Owners prior to annexation of additional property and such annexation restores voting control-to the Developer, all other Developer rights herein shall be restored as though never discontinued and all Class B votes shall be restored to Units annexed by Developer.

ARTICLE VIII

RESTRICTIONS ON USE

Section 1. RESIDENTIAL USE. A Dwelling shall be used, improved and devoted exclusively to Residential Use. No gainful occupation, profession, trade or other nonresidential use shall be conducted on any such property. Nothing herein shall be deemed to prevent any of the following:

(a) Lease of a Dwelling or portion thereof from time to time by the Owner subject to all the provisions of this Declaration.

(b) Any promotional, sales, leasing, construction or management activities on the Covered Property by the Developer, whether in a Unit or elsewhere.

(c) Use of one or more Units as offices by a broker, manager or other agent of the Council of Co-Owners or Developer.

Section 2. ANIMALS. No animals, birds, fowl, poultry or livestock, other than a reasonable number of domestic dogs, cats, fish, and birds in cages shall be maintained in any Dwelling and then only if they are kept therein solely as domestic pets and not for commercial purposes. No animal or bird shall be allowed to make an unreasonable amount of noise, nor to become a nuisance. No animal shall be chained or tied outdoors or in an exterior stairwell. No structure for the care, housing or confinement of any animal or bird shall be maintained so as to be visible from a neighboring Dwelling or street. Upon the written request of any Owner, the Council shall conclusively determine, in its sole and absolute discretion, whether, for the purpose of this paragraph, a particular animal or bird is a generally recognized household pet, or a nuisance, or whether the number of animals or birds on any such Property is reasonable. Any decision rendered by the Council shall be enforceable in the same manner as other restrictions contained herein. The Council shall have the right to prohibit maintenance of any animal or bird. which constitutes, in the opinion of the Council, a nuisance to any other Owner. As used in this Declaration, the term "reasonable number" shall be deemed to limit the number of dogs, cats, and birds to two of any combination of the above animals. Dogs and other animals must be kept on a leash when not confined in the Owner's Dwelling. No Owner shall permit its dog or animal to create unsanitary conditions anywhere on the Common Elements. When such conditions are created, the Owner will be

assessed \$25.00 per incident for cleanup expenses by the Council, and the Council or any Owner may seek other satisfaction as permitted by law and this Declaration. The amount of assessment may be changed by the Board without amending this Declaration.

Section 3. ANTENNAS. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any Property.

Section 4. UTILITY SERVICE. No lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals shall be erected, placed or maintained anywhere in or upon any Property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on Buildings or other structures approved by the Board. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incidental to the construction of Buildings or structures approved by the Board, not to abrogate any rights granted by the Article herein titled "Easements".

Section 5. IMPROVEMENTS AND ALTERATIONS

(a) No exterior changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the Board or any committee established by the Board for that purpose. By way of illustration, but not of limitation, the following are considered exterior changes: painting, landscaping, except within the enclosed patio, repairs, excavation, patio covers, screens, doors, evaporative coolers, fireplaces, skylights; storage buildings, solar collectors, shade screens, awnings, window coating or tinting, decorative alterations or other work which in any way alters the exterior appearance of any Property. The Board or committee established by the Board for that purpose may designate design, style, model and manufacturer of any exterior improvement or alteration which is acceptable to the Board. Such designations shall be for the purpose of achieving uniformity of appearance and preservation of property values.

(b) No interior structural changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the Board or any committee established by the Board for that purpose. By way of illustration, but not of limitation, the following are considered interior structural changes: moving, removing, adding or altering walls, doorways, plumbing fixtures, permanently installed safes, and the like.

Section 6. TEMPORARY OCCUPANCY. No temporary buildings, tents, vehicles or structure of any kind shall be used at any time for a residence on the Property. By way of illustration, but not limitation, no recreation vehicle may be used for overnight accommodation on the Property. However nothing herein shall prevent the use of a mobile construction office, sales office and caretaker's residence during construction and sales.

Section 7. VEHICLES.

(a) No inoperable motor vehicle shall be permitted to remain on the Property nor shall be repaired on the Property except for

emergency repairs required to remove the vehicle from the Property or to make the vehicle operable. No recreation vehicle other than a vehicle which is the sole transportation vehicle for a resident of any Unit, shall be permitted to remain upon the Covered Property, including, without limitation, private streets, alleys or driveways. No vehicle may exceed the height which will fit within the covered parking.

(b) Any vehicle which is parked in violation of this Declaration or of fire and safety regulations of the City of Chandler, which regulations pertain to private streets and driveways, shall be towed from the premises at the direction of the Board or the Property manager. Whenever possible, a notice of intent to tow shall be placed on the vehicle for eight

(8) hours prior to towing, or for such period of time as is consistent with safe practices. The recording of this Declaration shall constitute legal notice of intent to tow, as though the Property were posted in accordance with state and local law.

Section 8. REPAIR AND MAINTENANCE.

(a) BY OWNER. Each Owner of a Dwelling shall maintain, repair, replace and restore at his own expense all portions of the Dwelling, including the heating and cooling equipment, and such maintenance, repair, replacement or restoration shall be subject to control and approval of the Council. No Owner shall remove, alter, injure or interfere with any shrubs, trees, grass or plantings placed or preserved upon any Property by Developer or the Council without first obtaining the written consent of the Board. Each Owner of a ground floor Dwelling shall be responsible for installation and maintenance of the patio Landscaping in such a manner as not to interfere with the use and enjoyment of any other Owner of any of the Property, including the Common Area. Each Owner whose Dwelling is served by an entry, stairway, closet or storage space for which such Owner has a right to exclusive use shall clean, decorate and otherwise keep such area in safe and sanitary condition to the same extent as though such area were included within the Dwelling.

(b) BY THE COUNCIL_- The Council shall have full power to control, and it shall be its duty to maintain, repair and make necessary improvements to, all Common Elements and the Improvements thereon with the exception of outlets of all utility installations of the Building when located in the Dwellings, and with the exception of those areas of exclusive use designated to be maintained by individual Units. The Council shall further be empowered with the right and duty to periodically inspect all Common Elements in order that minimum standards of repair, design, color and landscaping shall be maintained for beauty, harmony and conservation of values within the entire project.

(c) RIGHT OF ENTRY FOR MAINTENANCE. The Council shall have a limited right of entry in and upon all Common Elements and the exterior of all Dwellings for the purpose of taking whatever corrective action may be deemed necessary or proper by the Council. When so required to enter a Dwelling for the purpose of performing installation, alterations or repairs to the mechanical or electrical services, including water, sewer and other utility services, reasonable requests for entry shall be made and such entry shall be at a time reasonably convenient to the Owner whose Dwelling is

to be entered. Nothing in this Article shall in any manner limit the right of the Owner to exclusive control over the interior of his Dwelling; provided, however, that an Owner shall grant the right of entry therein to the Council or any other Owner, or their authorized representatives, or any other person, *in* case of an emergency originating in or threatening his Dwelling, whether the Owner is present or not.

(d) **REPAIR NECESSITATED BY OWNER.** In the event that the Council determines that the Common Elements are in need of improvement, repair, restoration or painting, that private patio landscaping is in need of maintenance, trimming or other care, or that the Common Area landscaping is in need of installation, repair, or restoration which has been caused by an Owner, or any person designated by the Owner under the provisions of the Article titled "Property" Rights" and section titled "Delegation of Use" above, or the Owner's pets, then the Council shall give written notice to the Owner of the conditions complained of. Unless the Board has approved in writing corrective plans proposed by the Owner to remedy the condition complained of within such reasonable period of time as may be determined by the Board after such written notice is first given, and such corrective work so approved is not completed thereafter within the time allotted by the Board, the Council shall undertake to remedy such condition or violation complained of. The cost thereof, to the extent not covered by insurance, shall be deemed to be an Assessment to such Owner and his Dwelling, and subject to levy, enforcement and collection provided for in the Articles or Bylaws. The Council shall have the same right of entry in and upon all Common Elements and a Dwelling as defined in the Subsection titled "Right of Entry for Maintenance" above. The Board shall have the sole right to determine whether any such costs expended by the Council are related to general maintenance or are repairs necessitated by an Owner; however, the liability of the Owner shall not exceed that for which the Owners would be legally responsible under Arizona law.

Section 9. NUISANCES. No nuisance shall be permitted to exist or operate upon any Property so as to be offensive or detrimental to any other Property in the vicinity thereof or to its occupants. Without limiting the generality of the foregoing, the following shall be presumed to be a nuisance:

(a) rubbish, debris, building material or personal property of any kind which is placed or permitted to accumulate upon or adjacent to any Property or any odors which arise therefrom, so as to render any such Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity thereof or to its occupants;

(b) any exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes;

(c) any article which is draped, hung or attached to an exterior surface or patio enclosure so as to be visible from outside the Dwelling;

(d) any mineral collection, cactus ribs, old bottles, license plate or other memorabilia displayed so as to be visible outside the Dwelling. This provision shall be interpreted to preserve the dignity and aesthetic appearance of the Property and not to control the interior decoration of any Dwelling;

(e) any use of aluminum foil in windows;

(f) any use of a Dwelling or use of the Common Elements which will increase the rate of insurance upon the Property;

(g) any private patio planting which encroaches on any other Dwelling or the Common Elements.

The Board in its sole discretion shall have the right to determine the existence of any nuisance, shall give notice to the owner, and if the nuisance is not removed within the reasonable time stated in the notice, shall have the nuisance removed and the cost thereof shall be a lien upon the Unit. Nothing herein shall prevent the Developer from storing building materials nor from accumulating debris during the construction of Improvements.

Section 10. TRASH CONTAINERS AND COLLECTION. No garbage or trash shall be placed or kept on the Property except in covered containers of a type, size and style which are approved by the Board. In no event shall individual trash containers be maintained so as to be visible from neighboring Property.

Section 11. CLOTHES DRYING. There shall be no outdoor clothes drying on the Property which is visible outside the Dwelling, including but not limited to towels and bathing suits.

Section 12. RESTRICTION ON FURTHER SUBDIVISION. No Owner shall convey a time share interest or other fractional portion of a Unit.

Section 13. SIGNS. No signs whatsoever (including, but not limited to, commercial, political, sale or rental and similar signs) shall be erected or maintained on any Property whether in a window or otherwise, except:

(a) such signs as may be required by legal proceedings;

(b) one house number identification as originally placed by the Developer;

(c) during the time of construction of any Building or other Improvement, one job identification sign not larger than eighteen (18) by twenty-four (24) inches in height and width and having a face area not larger than three square feet or as required by statute; and

(d) such signs, the nature, number, and location of which have been approved by the Board in advance.

Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Developer or its duly authorized agents, of structures, Improvements or signs necessary or convenient to the development, sale, operation or other disposition of Property.

Section 14. EASEMENTS.

(a) UTILITY EASEMENTS. There is hereby created an easement upon, across, over and under the Common Elements for reasonable ingress, egress, installation, replacing, repairing and maintaining of all utilities, including, but not limited to, water, sewer, gas, telephone, electricity and cable television. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment on the property and to affix and maintain electrical, gas and/or telephone lines, wires, conduits and circuits on, above, across, and under the Common Elements, including the Buildings. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, gas lines, water lines, cables, or other utilities may be installed or relocated on the Property except as initially programmed and approved by the Developer of the Condominium or thereafter approved by the Developer or the Board. This easement shall in no way affect any other recorded easement on the Property.

(b) EASEMENTS RESULTING FROM ENCROACHMENT. Each Dwelling and the Common Elements shall be subject to an easement for encroachments, including, but not limited to, encroachments of walls, ceilings, ledges, floors, and roofs created by construction, settling and overhangs as originally designed or constructed, or as created by discrepancies between the plat and the actual construction. If any portion of the Common Elements shall actually encroach upon any Dwelling, or if any Dwelling shall actually encroach upon any portion of the Common Elements, or if any Dwelling shall actually encroach upon another Dwelling, as the Common Elements and the Dwellings are shown by the plat, a valid easement for any of such encroachments and for the maintenance thereof, so long as they stand, shall and does exist. In the event that any Dwelling or structure is repaired, altered or reconstructed, the owners of the Units agree that similar encroachments shall be permitted and that a valid easement for such encroachments and for the maintenance thereof shall exist. Owners and any other parties acquiring any interest in the Property shall acquiesce and agree to the existence of such easements by accepting a deed from any seller or by acquiring any interest whatsoever in the Property.

(c) EASEMENT FOR DEVELOPER. Developer, its agents, employees and subcontractors shall have a temporary easement upon the Covered Property as is necessary for development of adjacent property, whether such property is brought **within** the Covered Property or not.

Section 15. COMMON WALLS. The rights and duties of Owners with respect to Common Walls shall be as follows:

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

(b) In the event that any Common Wall is damaged or destroyed through the act of an Owner or tenant or any of their agents or guests or members of their family, such Owner shall only be required to rebuild or repair such wall.

(c) In the event any such Common Wall is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act of an adjoining Owner, tenant, their agents, guests, or family, or in the event adjudication referred to in Paragraph (b) is not obtained, it shall be the obligation of the Board to rebuild and repair such wall.

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

(e) In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a Common Wall, or with respect to the bearing of the cost thereof, the Owners shall submit the dispute to the Board for decision.

Section 16. INSURANCE. The Board, or its duly authorized agent, shall have the authority to, and shall obtain insurance for, all the Property except contents of individual Dwellings, in an amount sufficient to cover the full replacement cost of any repair or reconstruction work, in the event of damage or destruction from all reasonable hazards. The Board, or its duly authorized agent, shall also obtain a broad form public liability policy covering all Common Elements, and all damage or injury caused by the negligence of the Board or any of its agents and shall obtain and maintain fidelity bond coverage equal to one and one-half times the annual budget. Such insurance may include coverage against vandalism. All such insurance coverage obtained by the Board shall be written in the name of the Council for the benefit of the Council and the Owners and their Mortgagees as their interests may appear. The Board shall hold all insurance proceeds collected by it in trust for the purposes stated in this Declaration, including, but not limited to, rebuilding the damaged Common Elements, Dwellings, Building or Buildings, and for the benefit of the Owners and their Mortgagees. The Board shall have exclusive authority to negotiate with the insurance carrier and to adjust losses, make settlements, and give releases to the insurance carrier and to collect monies from the insurance carrier. The Board is irrevocably appointed agent for each Owner subject to the provisions contained herein, to adjust all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims, and the Board has full and complete power to act for the Council in this regard. It shall be the individual responsibility of each Owner at his own expense to provide, as he sees fit, personal liability, theft and other insurance covering personal property damage and loss, and all other insurance he deems advisable.

Section 17. ENFORCEMENT. The Council or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Council or by

an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 18. SEVERABILITY. Should any covenant or restriction herein, or any portion thereof, be held invalid or void, such invalidity shall not affect the rest of this instrument, or any valid provision contained herein.

Section 19. DURATION, AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they can be extended for successive periods of ten (10) years. During the first twenty (20) year period, this Declaration may be amended by instrument signed by not less than ninety percent (90%) of the votes of each class of members entitled to vote at a meeting called for such purposes. Thereafter, the Declaration may be amended by an instrument signed by not less than seventy-five percent (75%) of the Unit Owners.

Section 20. PRIOR APPROVAL FOR AMENDMENT. As long as there is Class B membership, the prior approval of the Federal Housing Administration or the Veterans Administration must be obtained to annex additional property and to amend this Declaration of Horizontal Property Regime.

Section 21. VIOLATIONS AND NUISANCE. Every act or omission whereby any provision of this Declaration is violated may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Developer, the Council or any Owner or Owners of Dwellings.

Section 22. VIOLATION OF LAW. Any violation of any state, municipal; or local law, ordinance, or regulation, pertaining to the ownership, occupation or use of any Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 23. BINDING EFFECT. By acceptance of a deed or by acquiring any ownership interest in any of the Property included within this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, agrees to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the real property covered hereby and thereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained or authorized herein shall run with the land and be binding on all subsequent and future Owner's, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners. Developer, its successors, assigns and grantees, covenant and agree that the Dwellings and the membership in the Council and the other rights created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Dwelling even though the description in the instrument of conveyance or encumbrance may refer only to the Dwelling.

Section 24. LEASING. Every Lease, by its terms, shall require the lessee to abide by all requirements of the Declaration, Articles, and Bylaws of the Council of Co-Owners, as they may be amended from time to time, and shall provide that non-compliance by the lessee shall terminate the Lease. This provision shall be deemed to be a part of every Lease, whether oral or written. No Lease shall be granted for a term of less than thirty (30) days.

Section 25. EXEMPTION OF OWNER. No Owner of a Dwelling may exempt himself from liability for his assessed contribution towards the common expenses by waiver and non-use of any of the Common Elements and facilities or by the abandonment of his Dwelling.

Section 26. OWNER'S RESPONSIBILITY. Each Owner shall be responsible for compliance by such Owner's agent, tenant guest, invitee, lessee, licensee, their respective servants and employees with the provisions of this Declaration, Articles, Bylaws and Council rules as they may be amended from time to time. The Owner's failure to so insure compliance by such persons shall be grounds for the same action available to the Council by reason of such Owner's own noncompliance.

Section 27. AD VALOREM TAXATION. Each Dwelling shall be assessed separately for all taxes, assessments and other charges of or imposed by the State of Arizona, any political subdivision, special improvement or assessment district, or of any other taxing or - assessing authority. For the purpose of such assessment, the valuation of the, General Common Elements shall be apportioned among the Owners based upon the Fractional Interest (as defined in Article I, Section 3(e) above) assigned to each of them. The Board shall furnish to the County Assessor or other responsible official of any such taxing or assessing authority all necessary information with respect to the apportionment of such assessments and shall request that each Dwelling be carried on the tax records as a separate and distinct parcel of property. No forfeiture or sale of any Dwelling for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Dwelling.

Section 28. DAMAGE OR DESTRUCTION; SALE. In the event that any Buildings and/or other Improvements on the land are damaged or destroyed by fire or other casualty or disaster, such Buildings and/o other Improvements shall be promptly repaired, restored or reconstructed to the extent required to restore them to substantially the same condition in which they existed prior to the occurrence of the damage or destruction, with each Dwelling and the Common Elements having the same vertical and horizontal boundaries. Such repairs, restoration or reconstruction shall be paid for out of any insurance proceeds received on account of the damage or destruction; provided, however, that if the insurance proceeds are not sufficient for such purpose, the deficiency shall be assessed as a Common Expense.

Section 29. CONDEMNATION. In the event of a taking by eminent domain of part or all of the Common Elements, or for the sale made under threat thereof, the award made for such taking shall be payable to the Council. The Board on behalf of the Council shall arrange for the repair and restoration of such Common Elements and the Board shall disburse proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments.

Section 30. REDUCTION IN NUMBER OF UNITS. If any Dwelling is taken by eminent domain proceedings or is destroyed and not rebuilt, so that a co-ownership ceases to exist, the undivided fractional interest of each Co-Owner in the entire Horizontal Property Regime shall be adjusted proportionately pursuant to the Subsection titled "Fractional Interest" of the Section titled "Cubic Content Space" of the Article "Declaration of Horizontal Property Regime."

Section 31. MORTGAGEE PROTECTION. This section 31 shall not be effective unless the provisions hereof are required by VA, FHA, FNMA, GNMA or FHLMC as a prerequisite to guaranteeing or purchasing a purchase money mortgage pertaining to the first sale to an Owner of one Unit.

(a) Notwithstanding the provisions of the Section titled "Duration, Amendment" of this Article, unless at least two-thirds (2/3) of the Mortgagees (based upon one (1) vote for each Mortgage owned) or Owners (other than the Declarant, Developer or Builder) of the individual Units have given their prior written approval, the Council of Co-Owners shall not be entitled to:

(1) By act or omission, seek to abandon or terminate the Horizontal Property Regime.

(2) Change the pro rata interest or obligations of any individual Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance, proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit in the Common Elements;

(3) Partition or subdivide any Unit.

(4) Notwithstanding the foregoing, as long as Arizona statutes require a greater proportion of, or 100% of, Owners' and mortgagees' approval such greater proportion shall prevail.

(b) No breach of any provision herein contained nor the enforcement of any Assessment lien as provided herein shall defeat or render invalid the lien of any prior Mortgage made in good faith and for value encumbering any Dwelling but all of the provisions hereof shall be binding upon and shall be effective against any Owner whose title is derived through judicial foreclosure of trustee's sale or otherwise; however, any first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage or foreclosure of the Mortgage will not be liable for such Unit's unpaid dues or charges which accrue prior to the acquisition of title to such Unit by the Mortgagee.

(c) Upon written request of a first Mortgagee, the Council shall give written notice of:

(1) Any proceeding in eminent domain;

(2) Any substantial damage or destruction to the Common Elements;

(3) Upon written request by a first Mortgagee, the Council shall give written notification to such Mortgagee of the default of

the corresponding Mortgagor in the performance of any obligation pursuant to this Declaration, the Articles or Bylaws which is not cured within sixty (60) days.

Section 32. INTERPRETATION.

(a) DESCRIPTIVE HEADINGS. The descriptive headings of the several sections of this instrument are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

(b) CAPITALIZATION. Capitalization of a common noun indicates the noun is used as defined in the Article titled "Definitions," unless the context requires otherwise.

(c) GOVERNING-LAW. This instrument and the rights and obligations of the parties hereunder shall be construed in accordance with and shall be governed by the laws of the State of Arizona.

(d) CONFLICTS. In the event of conflicts among this Declaration, the Articles, Bylaws and Rules of the Association, the Declaration, Articles and Bylaws shall prevail, in that order.

Park Homes Company, an
Arizona corporation

By, _____
Albert B. Spector Jr.
President

STATE OF ARIZONA
SS.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 18th of
January, 1984 by Albert B. Spector, Jr., President of Park Homes
Company, an Arizona corporation, on behalf of the corporation.

Sylvia Jean Pico-Bennett
Notary Public

My Commission Expires:

MY. Commission Expires Sept..10, 1984



CONSULTING ENGINEERS
727 East Bethany Home Road, Suite 225
Phoenix, Arizona 85014
(602) 241-0722

EVANS, KUHN & ASSOCIATES, INC.

GEORGE L. EVANS, P.E.
JOHN D. KUHN JR., P.E.
MOSES D. MOYA, P.E.
KEITH E. BENNETT, P.E.
FRED L. BAKER, L.S.
DARREL E. WOOD, P.E.

November 29, 1984 **84 023786**
EKA #2009
Phase 1
Page 1 of 5

LEGAL DESCRIPTION of a PARCEL OF LAND

Situated in the Southwest quarter of Section 21, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

COMMENCING at the West quarter corner of said Section 21; THENCE N 89°37'55" E, along the North line of said Southwest quarter, 559.07 feet, to the Northerly prolongation of the West line of Tract "D" of VILLAGES OF CHANDLER, a subdivision, recorded in Book 254 of Maps, Page 16, records of Maricopa County;

THENCE S 00°22'05" E, along said West line and its Northerly prolongation, 339.34 feet, to the TRUE POINT OF BEGINNING;

THENCE N 89°37'55" E, 29.00 feet;

THENCE N 00°22'05" W, 9.67 feet;

THENCE N 89°37'55" E, 24.00 feet; Official Document

THENCE S 00°22'05" E, 32.00 feet;

THENCE N 89°37'55" E, 16.50 feet;

THENCE S 00°22'05" E, 9.00 feet;

THENCE S 89°37'55" W, 16.50 feet;

THENCE S 00°22'05" E, 92.84 feet;

THENCE N 89°37'55" E, 190.00 feet;

THENCE N 00°22'05" W, 61.27 feet;

THENCE S 58°33'42" E, 88.28 feet;

THENCE N 31°26'18" E, 58.52 feet;

THENCE S 58°33'42" E, 161.03 feet;

THENCE S 00°09'06" E, 14.65 feet;

THENCE S 89°50'54" W, 34.42 feet;

THENCE S 00°09'06" E, 142.00 feet;

THENCE N 89°50'54" E, 55.50 feet;

THENCE S 00°09'06" E, 48.66 feet;

THENCE N 75°09'06" W, 208.01 feet;

THENCE S 14°50'54" W, 73.00 feet;

THENCE S 75°09'06" E, 50.61 feet;

THENCE S 38°49'35" E, 59.60 feet, to Point "A", used as a reference later in this description, said Point "A" being in a non-tangent curve, concave Southerly, the center of said curve bears S 36°49'35" E, 40.00 feet;

EXHIBIT A-1

84 023786

Legal Description
EKA #2009/Phase 1

November 29, 1983
Page 2 of 5

THENCE Easterly along the arc of said curve, through a central angle of $90^{\circ}00'00''$, 62.83 feet;
 THENCE N $51^{\circ}10'25''$ E, 33.23 feet;
 THENCE S $75^{\circ}09'06''$ E, 94.05 feet;
 THENCE S $00^{\circ}09'06''$ E, 59.80 feet;
 THENCE N $89^{\circ}50'54''$ E, 29.00 feet;
 THENCE S $00^{\circ}09'06''$ E, 16.50 feet, to Point "C", used as a reference later in this description;
 THENCE N $89^{\circ}50'54''$ E, 166.00 feet;
 THENCE S $00^{\circ}09'06''$ E, 82.85 feet;
 THENCE N $89^{\circ}50'54''$ E, 29.00 feet, to the East line of said Tract "D";
 THENCE S $00^{\circ}09'06''$ E, along said East line, 36.00 feet;
 THENCE S $89^{\circ}50'54''$ W, 29.00 feet;
 THENCE S $00^{\circ}09'06''$ E, 316.73 ^{feet} to the Southwest line of said Tract "D", said point being in a non-tangent curve, concave Northeastly, the center of said curve bears N $02^{\circ}00'24''$ E, 770.00 feet;
 THENCE Northwestly along the arc of said curve, and along said Southwest line, through a central angle of $2^{\circ}14'10''$, 30.05 feet;
 THENCE N $00^{\circ}09'06''$ W, 29.09 feet, to a point in a non-tangent curve, concave Northeastly, the center of said curve bears N $04^{\circ}24'55''$ E, 741.00 feet;
 THENCE Northwestly along the arc of said curve, through a central angle of $26^{\circ}02'44''$, 336.84 feet;
 THENCE S $30^{\circ}27'38''$ W, 29.00 feet, to said Southwest line, said point being in a non-tangent curve, concave Northeastly, the center of said curve bears N $30^{\circ}27'38''$ E, 770.00 feet;
 THENCE Northwestly along the arc of said curve, and along said Southwest line, through a central angle of $1^{\circ}23'30''$, 18.70 feet;
 THENCE N $31^{\circ}51'05''$ E, 29.00 feet, to a point in a non-tangent curve, concave Northeastly, the center of said curve bears N $31^{\circ}51'09''$ E, 741.00 feet;
 THENCE Northwestly along the arc of said curve, through a central angle of $1^{\circ}23'30''$, 18.00 feet;
 THENCE S $33^{\circ}14'39''$ W, 29.00 feet, to said Southwest line, said point being in a non-tangent curve, concave Northeastly, the center of said curve bears N $33^{\circ}14'39''$ E, 770.00 feet;
 THENCE Northwestly along the arc of said curve, and along said Southwest line, through a central angle of $10^{\circ}14'40''$, 137.68 feet;
 THENCE N $43^{\circ}29'19''$ E, 29.00 feet, to a point in a non-tangent curve, concave Northeastly, the center of said curve bears N $43^{\circ}29'19''$ E, 741.00 feet;
 THENCE Northwestly along the arc of said curve, through a central angle of $29^{\circ}42'35''$, 384.23 feet, to the beginning of a compound curve, concave Northeastly, said curve having a radius of 68.56 feet;

84 023786

Legal Description
EKA #2009/Phase I

November 29, 1983
Page 3 of 5

THENCE Northwesterly along the arc of said curve, through a central angle of $8^{\circ}53'39''$, 13.75 feet;
THENCE S $74^{\circ}15'31''$ W, 29.94 feet, to said Southwest line, said point being in a non-tangent curve, concave Northeasterly, the center of said curve bears N $74^{\circ}15'31''$ E, 770.00 feet;
THENCE Northwesterly along the arc of said curve, and along said Southwest line, through a central angle of $15^{\circ}22'24''$, 206.60 feet, to a point of tangency;
THENCE N $00^{\circ}22'05''$ W, along said tangent, and along the East line of said Tract "D", 179.50 feet, to the TRUE POINT OF BEGINNING.

EXCEPT:

COMMENCING at aforesaid Point "A", said point being in a curve, concave Easterly, the center of said curve bears S $38^{\circ}49'35''$ E, 40.00 feet;
THENCE Southerly along the arc of said curve, through a central angle of $22^{\circ}05'24''$, 15.42 feet, to the TRUE POINT OF BEGINNING;
THENCE continuing Southerly along the arc of said curve, through a central angle of $53^{\circ}46'15''$, 37.54 feet, to Point "B", used as a reference later in this description;
THENCE S $52^{\circ}35'17''$ W, 211.88 feet, to a point in a non-tangent curve, concave Northeasterly, the center of said curve bears N $53^{\circ}32'55''$ E, 716.00 feet;
THENCE Northwesterly along the arc of said curve, through a central angle of $19^{\circ}39'00''$, 245.56 feet, to the beginning of a compound curve, concave Northeasterly, said curve having a radius of 63.56 feet;
THENCE Northwesterly along the arc of said curve, through a central angle of $12^{\circ}00'29''$, 13.32 feet;
THENCE N $74^{\circ}15'31''$ E, 90.32 feet;
THENCE N $60^{\circ}13'18''$ E, 74.07 feet;
THENCE S $29^{\circ}44'42''$ E, 82.42 feet;
THENCE S $79^{\circ}13'04''$ E, 55.96 feet;
THENCE S $37^{\circ}01'06''$ E, 57.43 feet, to the TRUE POINT OF BEGINNING.

AND EXCEPT:

COMMENCING at aforesaid Point "B";
THENCE S $52^{\circ}35'17''$ W, 42.88 feet;
THENCE S $37^{\circ}24'43''$ E, 24.00 feet, to the TRUE POINT OF BEGINNING;
THENCE continuing S $37^{\circ}24'43''$ E, 16.50 feet;
THENCE S $52^{\circ}35'17''$ W, 36.00 feet;
THENCE N $37^{\circ}24'43''$ W, 16.50 feet;
THENCE N $52^{\circ}35'17''$ E, 36.00 feet, to the TRUE POINT OF BEGINNING.

84 023786

Legal Description
EKA #2009/Phase I

November 29, 1983
Page 4 of 5

AND EXCEPT:

COMMENCING at aforesaid Point "C";
 THENCE S 00°09'06" E, 24.00 feet, to the TRUE POINT OF BEGINNING;
 THENCE continuing S 00°09'06" E, 16.50 feet;
 THENCE S 89°50'54" W, 49.15 feet;
 THENCE S 00°09'06" E, 89.16 feet, to Point "D", used as a
 reference later in this description;
 THENCE S 52°25'30" E, 12.18 feet;
 THENCE S 27°37'27" W, 189.89 feet, to a point in a non-tangent
 curve, concave Northeasterly, the center of said curve bears
 N 26°39'50" E, 716.00 feet;
 THENCE Southeasterly along the arc of said curve, through a
 central angle of 22°34'14", 282.05 feet;
 THENCE N 00°09'06" W, 282.16 feet;
 THENCE S 89°50'54" W, 16.50 feet;
 THENCE N 00°09'06" W, 18.00 feet;
 THENCE N 89°50'54" E, 16.50 feet;
 THENCE N 00°09'06" W, 56.00 feet;
 THENCE S 89°50'54" W, 20.00 feet;
 THENCE S 00°09'06" E, 16.50 feet;
 THENCE S 89°50'54" W, 18.00 feet;
 THENCE N 00°09'06" W, 16.50 feet;
 THENCE S 89°50'54" W, 104.00 feet, to the TRUE POINT OF
 BEGINNING.

AND EXCEPT:

COMMENCING at aforesaid Point "D";
 THENCE S 27°37'27" W, 23.00 feet;
 THENCE N 62°22'33" W, 12.00 feet, to the TRUE POINT OF BEGINNING;
 THENCE continuing N 62°22'33" W, 113.45 feet;
 THENCE S 40°32'37" W, 138.40 feet, to a point in a non-tangent
 curve, concave Northeasterly, the center of said curve bears
 N 40°32'37" E, 699.50 feet;
 THENCE Southeasterly along the arc of said curve, through a
 central angle of 5°09'37", 63.00 feet;
 THENCE S 35°23'00" W, 16.50 feet, to a point in a non-tangent
 curve, concave Northeasterly, the center of said curve bears
 N 35°23'00" E, 716.00 feet;
 THENCE Southeasterly along the arc of said curve, through a
 central angle of 2°56'56", 36.85 feet;
 THENCE N 32°26'04" E, 16.50 feet, to a point in a non-tangent
 curve, concave Northeasterly, the center of said curve bears
 N 32°26'04" E, 699.50 feet;
 THENCE Southeasterly along the arc of said curve, through a
 central angle of 2°12'42", 27.00 feet;

84 023786

Legal Description
EKA #2009/Phase I

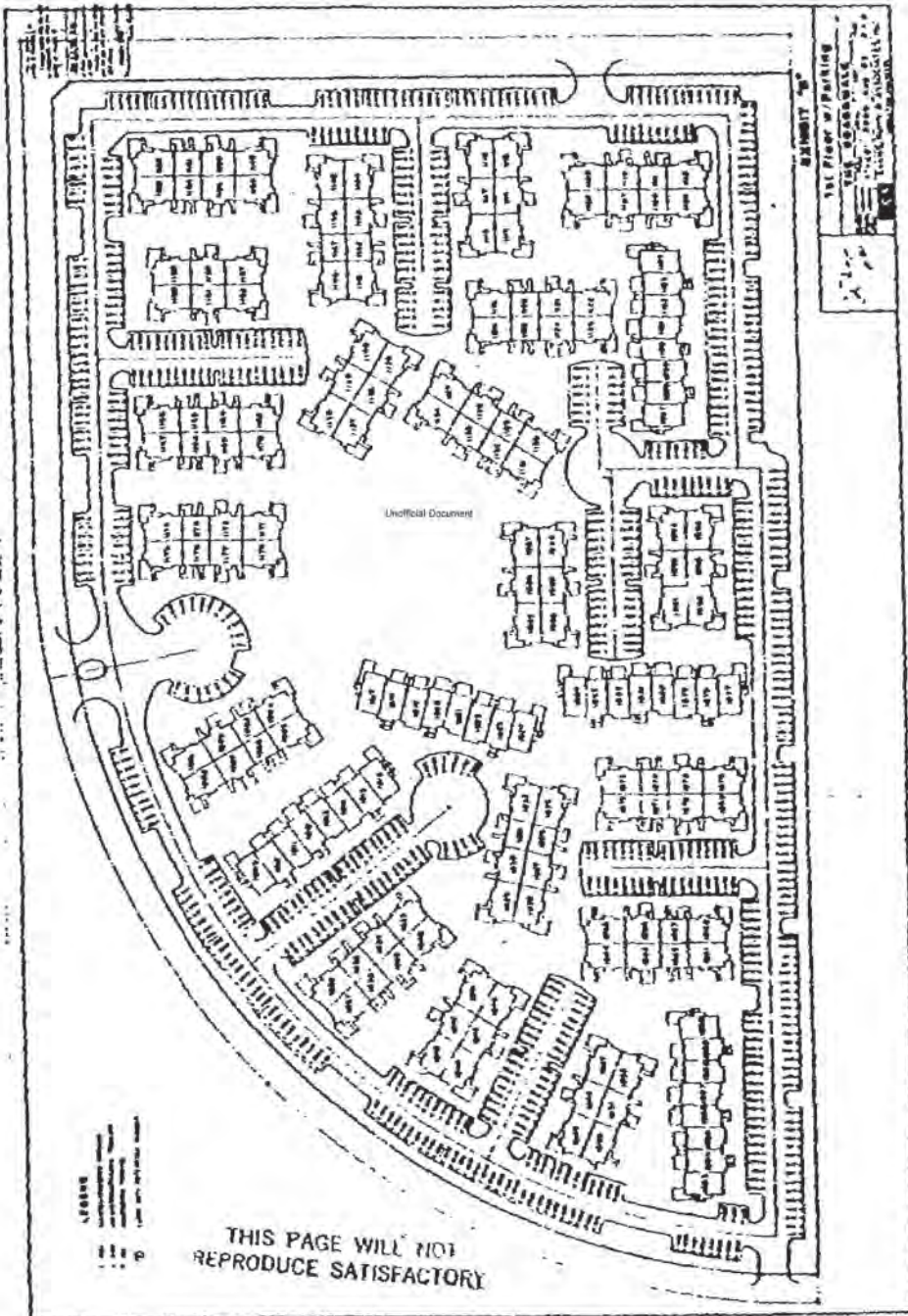
November 29, 1983
Page 5 of 5

THENCE S $30^{\circ}13'23''$ W, 16.50 feet, to a point in a non-tangent curve, concave Northeasterly, the center of said curve bears N $30^{\circ}13'23''$ E, 716.00 feet;
THENCE Southeasterly along the arc of said curve, through a central angle of $1^{\circ}38'18''$, 20.47 feet;
THENCE N $27^{\circ}37'27''$ E, 115.00 feet;
THENCE N $62^{\circ}22'33''$ W, 16.50 feet;
THENCE N $27^{\circ}37'27''$ E, 18.00 feet;
THENCE S $62^{\circ}22'33''$ E, 16.50 feet;
THENCE N $27^{\circ}37'27''$ E, 36.00 feet, to the TRUE POINT OF BEGINNING.

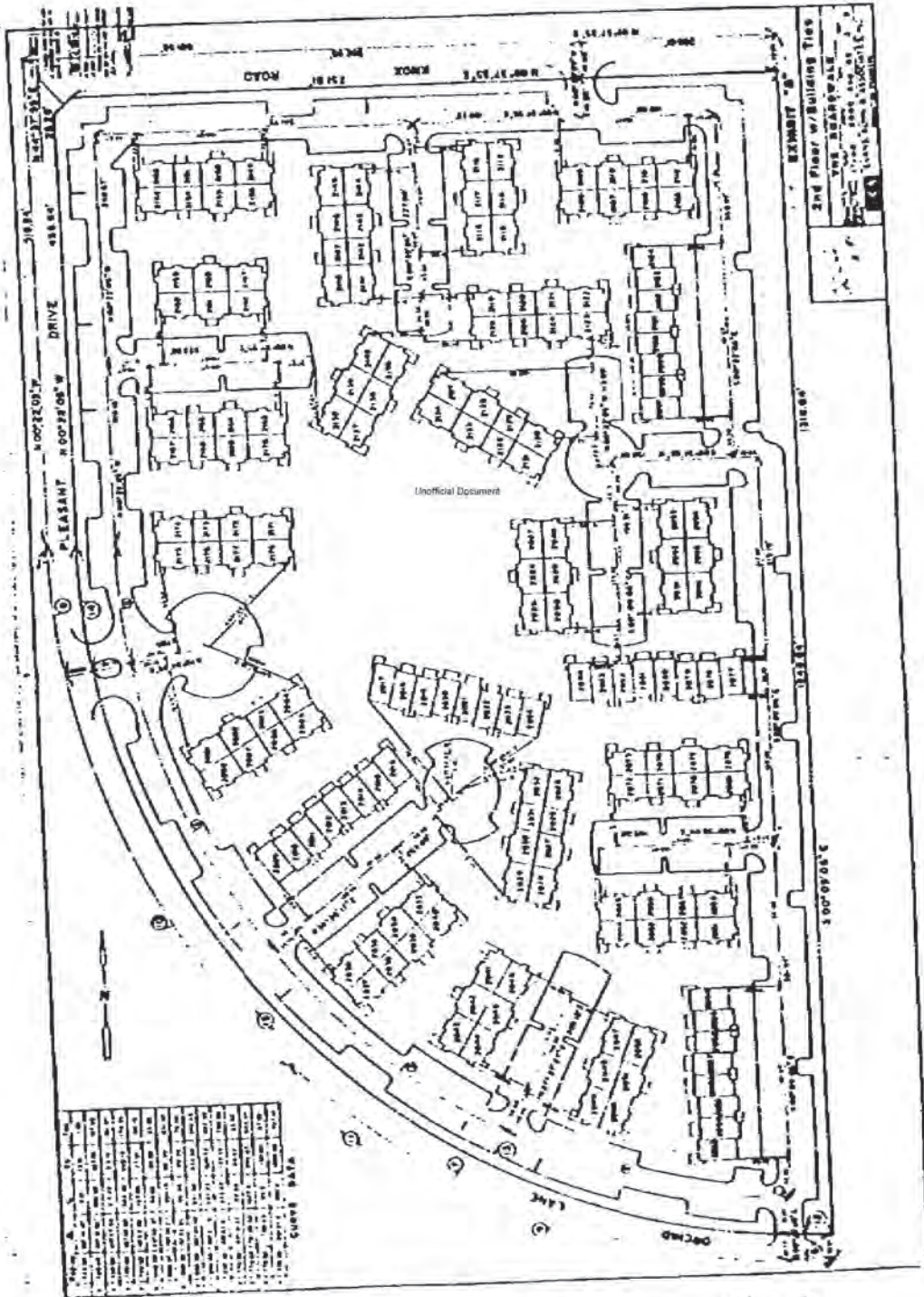
Said Parcel containing 224,869 square feet or 5.162 acres, more or less.

Subject To: Existing rights-of-way and easements.

84 023786

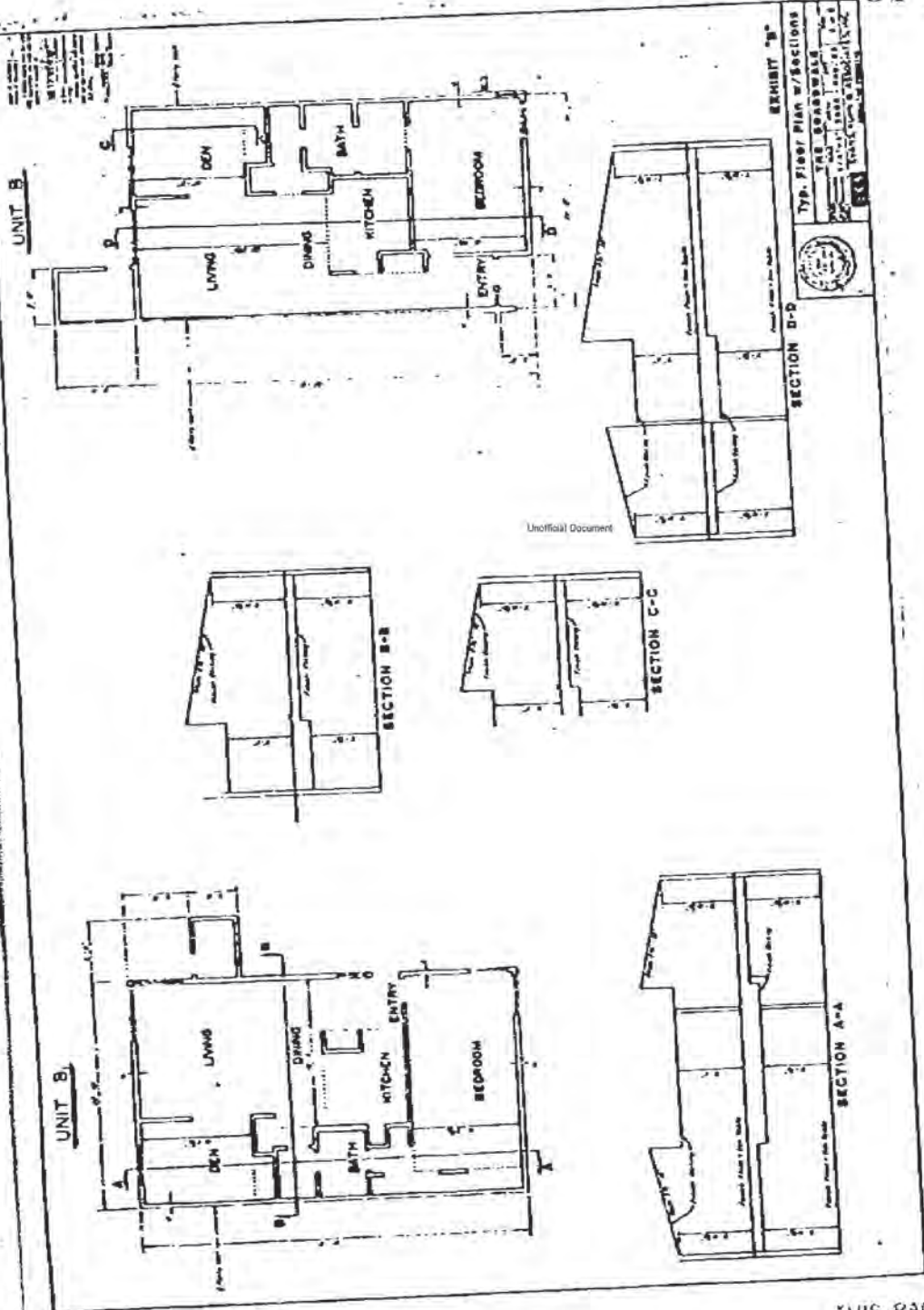


84 023786



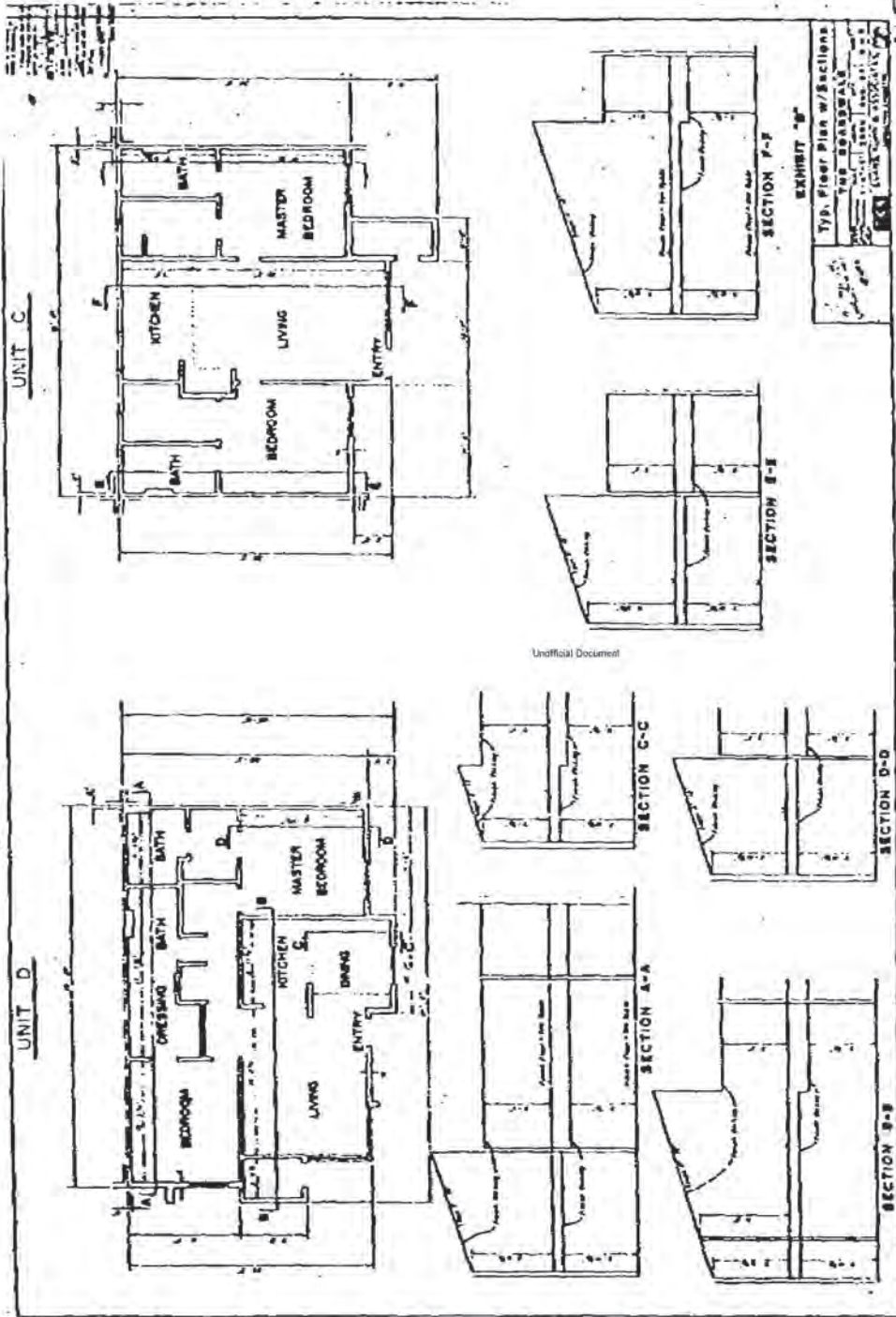
THIS PAGE WILL NOT REPRODUCE SATISFACTORY

84 023786



Unofficial Document

THIS PAGE WILL NOT REPRODUCE SATISFACTORILY



Unofficial Document

4 023786

THIS PAGE WILL NOT REPRODUCE SATISFACTORY