DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by the lot owners of Park Premiere Townhouses, hereinafter referred to as "Declarants".

<u>WITNESSETH:</u>

WHEREAS, Declarants are the owners of certain property in the County of Maricopa, State of Arizona, which is more particularly described as:

> Lots One (1) through Seventy-seven (77) inclusive and including Tract I, PARK PREMIERE TOWNHOUSES UNIT ONE, according to the plat thereof recorded in the office of the County Recorder of Maricopa County, in Book 140 of Records, page 17 thereof, and

Lots Seventy-Eight (78) through One Hundred Fifty-seven (157) inclusive, PARK PREMIERE TOWNHOUSES UNIT TWO, according to the plat thereof recorded in the office of the County Recorder of Maricopa County, Arizona in Book 140 of Maps, page 21 thereof;

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to PARK PREMIERE TOWNHOUSE ASSOCIATION, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area' shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

> Tract "I", PARK PREMIERE TOWNHOUSES UNIT ONE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 140 of Maps, page 17 thereof.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

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

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

Section 2. The Association shall have one class of voting membership:

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

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

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

The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the properties and for the improvement and maintenance of the common Area, and of the homes situated upon the properties.

Section 3. Annual Assessment.

(a) From and after January 1 of the year immediately following the adoption of these C.C.& Rs, the maximum annual assessment may be increased each year not more than six percent (6%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the adoption of these C.C.& R.s., the maximum annual assessment may be increased above six percent (6%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or replacement of damaged or destroyed common elements or townhouse where the owner or owners thereof have failed to replace or rebuild pursuant to Article IX herein, including fixtures and personal property related thereto, <u>provided that</u> any such assessment shall have the assent of twothirds (2/3) of the vote of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of 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 (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

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

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. the Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within ten (10) days after the first day of the month shall be assessed a late charge of ten (10) percent of the amount delinquent per month. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

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

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained on the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association at their next meeting following submission of the proposal.

ARTICLE VI

PARTY WALLS

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

(a) Each wall, including patio walls, which is constructed as part of the original construction of the townhouse multifamily structure, any part of which is placed on the dividing line between separate townhouse units, shall constitute a party wall. With respect to any such wall, each of the adjoining owners shall assume the burdens and be entitled to the benefits of these restrictive covenants, and, to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.

(b) In the event any such party wall is damaged or destroyed through the act of one adjoining owner, or any of his guests, tenants, licensees, agents, or members of his family (whether or not such act is negligent or other culpable) so as to deprive the other adjoining owner of the full use and enjoyment of such wall, then the first of such owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly without cost to the adjoining owner.

(c) In the event any such party wall is damaged or destroyed by some cause other than the act of one of the adjoining owners, his agents, tenants, licensees, guests or family (including ordinary wear and tear and deterioration from lapse of time), then in such event both such adjoining owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense.

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

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

(f) In addition to meeting the other requirements of these restrictive covenants and of any building code or similar regulations or ordinances, any owner proposing to modify, make additions to or rebuild his townhouse in any manner which requires the extension or other alteration of any party wall shall first obtain the written consent of the adjoining owner.

(q) In the event of a dispute between owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then upon written request of one of such owners addressed to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association. If no such rules have been adopted, then the matter shall be submitted to three arbitrators, one chosen by each of the owners and the third by the two so chosen, or if the two arbitrators cannot agree as to the selection of the third arbitrator within five (5) days, then by any Judge of the Superior Court of Maricopa County, Arizona. A determination of the matter signed by any two of the three arbitrators shall be binding upon the owners, who shall share the cost of arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after personal receipt of a request in writing for arbitration from the other party,

then said other party shall have the right and power to choose both arbitrators.

(h) These covenants shall be binding upon the heirs and assigns of any owners, but no person shall be liable for any act or omission respecting any party wall except such as took place while an owner.

ARTICLE VII

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each lot which is subject to assignment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

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

ARTICLE VIII

INTERIOR AND OTHER MAINTENANCE

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

ARTICLE IX

DAMAGE OR DESTRUCTION OF PROPERTY

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

In the event any townhouse is damaged or destroyed by an owner or any of his guests, tenants, licensees, agents or members of his family, such owner shall, within sixty (60) days from the date of the occurrence of the damage or destruction, enter into a binding bona fide contract for the repair and rebuilding the exterior of said townhouse and any damage to adjacent townhouses or property in a good workmanlike manner in conformance with the original plans and specifications used in the construction of said townhouses. In the event such owner refuses or fails to so repair and rebuild any and all such damage to the exterior of the townhouse and adjacent property within a reasonable time, not to exceed six (6) months from the date of the occurrence of the damage or destruction, the Association by and through its Board of Directors, is hereby irrevocably authorized by such owner to repair and rebuild any such townhouse and/or adjacent property in a good workmanlike manner in conformance with the original plans and specifications of the townhouses. The owner shall then repay the Association in the amount actually expended for such repairs.

ARTICLE X

USE RESTRICTIONS

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

Section 2. Use of Individual Units. No unit or Townhouse Building thereon shall be occupied and used except for single family residential purposes by the Owners, their tenants and social guests, and no trade or business shall be conducted therein, which impacts upon or involves the use of, the common areas.

Section 3. Pets. All household pets shall be licensed, and maintained in conformance with Tempe City ordinances. All pets shall be leashed when not within the owner's residence or patio area. All owners shall be responsible for cleaning up after their pets in the common areas. Section 4. No advertising signs (except one of not more than five (5) square feet "for rent" or "for sale" sign per parcel), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any townhouse or any resident thereof. Further, no business activities of any kind whatever shall be conducted in any building or in any portion of the premises, except business conducted solely by an owner or tenant within the owner's or tenant's residence. Provided, further, however, the foregoing covenants shall not apply to the business activities, or the construction and maintenance of buildings, if any, of the Association, its successors and assigns, in furtherance of its powers and purposes as herein set forth.

Section 5. All clotheslines, equipment, garbage cans, service yards, woodpiles, or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring townhouses and streets. All rubbish, trash or garbage shall be regularly removed from the premises, and shall not be allowed to accumulate thereon. All clotheslines shall be confined to patio areas. No clothes, laundry, or other personal items are to be hung on fences.

Section 6. Except in the individual patio areas, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said premises except such as are installed in accordance with the initial construction of the buildings located thereon or as approved in accordance with architectural control provisions in Article V herein.

Section 7. The common elements shall remain undivided, and shall at all times be owned by the Association or its successors, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the operation and management of the common elements.

Section 8. Radio and Television Antennas. No alteration to or modification of a central radio or television antenna system or cable television system, whichever is applicable, if any, shall be permitted, and no Owner may be permitted to construct, use or operate his own external radio or television antenna without consent of the Board.

Section 9. Vehicles. No vehicle of any type which is abandoned or inoperable shall be stored or kept in the complex, including in the Exclusive Areas appurtenant to any townhouse unit and any portion of the Common Areas. No trucks, with or without camping attachments, house trailers, buses, vans, recreational or other motorized four-wheeled vehicles in excess of twenty-one (21) feet in length, motorized three-wheeled vehicles of any size or any boats, shall be permitted on the street or in a parking place for a period of more than twentyfour hours without the prior written permission of the Board. Failure to comply with these restrictions may result in the vehicle being towed, after notice to the lot owner, or the owner of the vehicle, at the lot owner's expense.

Section 10. Parking. The Association shall permanently assign 2 vehicular parking spaces for each townhouse, which shall be as near and convenient to said Townhouse as reasonably possible, together with the right of ingress and egress in and upon said parking areas. Unmarked spaces may be used on a first come, first served basis.

Section 11. Right to Lease. During the lease period, the lessee and the members of his family shall have the right to use the Common Elements subject to the provisions of this Declaration and the unit Owner shall have no right to use the same until the termination or expiration of lease.

ARTICLE XI

EASEMENTS

There is hereby created a blanket easement upon, across, over and under the common area for ingress, egress installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewers, gas, telephones and electricity, and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said townhouses. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities, the easement shall in no way affect any other recorded easements on said premises.

Each townhouse and the common elements shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the original builder. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event the multi-family structure is partially or totally destroyed, and then rebuilt, the owners of townhouses agree that minor encroachments of parts of the adjacent townhouse units or common elements due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist. Notwithstanding any provision herein to the contrary, any encroachment permitted herein shall not exceed one (1) foot.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, 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 Association or by any 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 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of ten (10) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This declaration may be amended by an instrument signed by not less than sixty-six per cent (66%) of the eligible lot owners. Any amendment must be recorded.

IN WITNESS WHEREOF, the undersigned, being the owners hereof, have hereunto set their hands, as shown by the attached listing of the required number of signatures. When recorded mail to:



OFFICIAL RECORDS OF MARICOPA COUNTY RECORDER HELEN PURCELL 95-0024361 01/13/95 04:45 CATHY 1 OF 1

PARK PREMIERE

CAPTION HEADING:

DO NOT REMOVE

This is part of the official document.

§ 11-480. Requirements for form of instruments

A. Only an instrument which upon presentation to a county recorder for recordation fails to meet any of the following conditions may be rejected for recordation at the time of presentation for recordation:

4. Effective January 1, 1991, each instrument shall be no larger than eight and one-half inches in width and no longer than fourteen inches and shall have a print size no smaller than ten point type.

5. Effective January 1, 1991, each instrument shall have at least a one-half inch margin across the bottom and the left and right sides from the top to the bottom. The first page shall have a top margin of at least two inches of vertical space from left to right and shall be reserved for recordation and return address information.

CONTACT THE RECORDER'S OFFICE IF YOU NEED FURTHER INSTRUCTIONS

PARK PREMIERE TOWNHOUSE ASSOCIATION P.O. BOX 27631 TEMPE, ARIZONA 85285-7631 480-345-9500

July 15, 2002

Dear Homeowners:

Pursuant to the Park Premiere Townhouse Association's By-Laws, <u>Article VII, Powers</u> and <u>Duties of The Board of Directors: Section 1(a): "adopt and publish rules and regulations</u> governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof," the Board of Directors have drafted a set of Rules and Regulations for Park Premiere Townhouse Association.

Enclosed please find your copy of the Park Premiere Townhouse Association's Rules and Regulations that become effective <u>August 1, 2002</u>. Please review the Rules and Regulations, and for the homeowners that rent their units, please provide a copy to your tenants.

Thank you for your attention to this matter. If you have any questions, please write a letter to the Board, or attend the next Board of Director's meeting.

Sincerely,

BOARD OF DIRECTORS PARK PREMIERE TOWNHOUSE ASSOCIATION

PARK PREMIERE TOWNHOME ASSOCIATION

SUMMARY OF MAJOR CC&R CHANGES

10/93

1. Annual assessment (Article IV, Section 3) would allow the board to increase the annual assessment 6% instead of 3% without homeowner approval.

2. Late fees (Article IV, Section 8) would allow the association to charge a late fee of \$5.00, if monthly assessment is not paid by the 10th of the month.

3. Architectural control (Article V) would allow Board of Directors to review proposed change at their next meeting, rather than within 30 days.

4. Use of Individual units (Article X, Section 2) would restrict townhomes to individual family use, and remove the long expired right of the builder to maintain an office, construction yard, etc.

5. Pets (Article X, Section 3) would require pets to be licensed, pursuant to City ordinances. Would provide for owner responsibility for pets.

6. Antennas (Article X, Section 8) would prohibit construction of outside antenna without Board approval.

7. Vehicles (Article X, Section 9) would prohibit keeping abandoned or inoperable vehicles and limit parking of oversize vehicles.

8. Parking (Article X Section 10) Replaces previous Article XIII, no substantive change.

9. Right to lease (Article X, Section 11) would confirm an owner's right to lease his unit, and the suspension of his right to use common elements while the tenant has that right.

10. Amendment (Article XII, Section 3) would allow amendment every 10 years (instead of 20) by vote of 66% of the owners instead of 75%).

11. Annexation (former Article XIV, Section 4) eliminate as there is nothing to annex.

12. FHA/VA approval (former Article XIV, Section 5) eliminated as there is no longer class B (builder) membership.