



OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
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DECLARATION OF CONDOMINIUM  
AND DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
LA CAMARILLA VILLAS CONDOMINIUM

Restrictions indicating a preference, limitation or discrimination  
based on race, color, religion, sex, handicap, familial status, or  
national origin are hereby listed to the extent such restrictions  
violate 42 USC 3604(C).

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DECLARATION OF CONDOMINIUM  
AND DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
LA CAMARILLA VILLAS CONDOMINIUM

THIS DECLARATION is made on the date hereinafter set forth by December Companies, Inc., an Arizona corporation (the "Declarant").

WHEREAS, Declarant is the owner of the real property situated in Maricopa County, Arizona, which is described on Exhibit A attached hereto, together with all buildings and improvements located thereon; and

WHEREAS, Declarant desires to submit the land described on Exhibit A attached hereto, together with all buildings, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or pertaining thereto, to a Declaration of Condominium pursuant to Arizona Revised Statutes §§ 33-1201 through 33-1270; and

WHEREAS, Declarant further desires to establish, for its own benefit, and for the mutual benefit of all future Owners, lienholders, occupants, or other holders of an interest in the Condominium, or any part thereof, certain easements and rights, and certain mutually beneficial covenants, restrictions and obligations with respect to the proper use, conduct and maintenance of the Condominium; and

WHEREAS, Declarant desires and intends that the Owners, mortgagees, beneficiaries and trustees under trust deeds, occupants and other persons hereafter acquiring any interest in the Condominium shall at all times enjoy the benefits of, and shall hold their interest subject to, the rights, easements, privileges, covenants and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspects of the Condominium and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Condominium.

NOW, THEREFORE, pursuant to Arizona Revised Statutes §§ 33-1201 through 33-1270, inclusive, Declarant hereby submits the real property described in Exhibit A attached hereto, together with all buildings and other improvements located thereon and all rights and privileges belonging or pertaining thereto, to a Declaration of Condominium to be known as La Camarilla Villas Condominium, and hereby declares that all condominium property and condominium units shall be subject to these covenants, conditions and restrictions and shall be held, conveyed, mortgaged, encumbered, leased, rented, occupied, improved and used subject to these restrictions, covenants, conditions, easements and equitable servitudes. The

covenants, conditions, restrictions and easements set forth in this Declaration shall run with the Condominium, shall be binding upon all persons having or acquiring any right, title or interest in the Condominium, or any part thereof, shall inure to the benefit of every portion of the Condominium, and any interest therein, shall inure to the benefit of and be binding upon any successor in interest of Declarant, and any Owner or his successor in interest and the Association.

## ARTICLE I

### DEFINITIONS

1.0 "Architectural Committee" means the committee established pursuant to Section 6.3 of this Declaration.

1.1 "Architectural Committee Rules" means the rules adopted by the Architectural Committee, as the same may be amended from time to time.

1.2 "Articles" means the Articles of Incorporation of the Association, as the same may be amended from time to time.

1.3 "Assessments" means the annual, special and/or supplemental assessments levied and assessed against each Unit pursuant to Article VII of this Declaration.

1.4 "Association" means the Arizona Corporation organized by the Declarant to administer and enforce the Condominium Documents and to exercise the rights, powers and duties set forth therein, and its successors and assigns. Declarant intends to organize the Association under the name of "LC Villas Condominium Owners Association," but if such name is not available Declarant may organize the Association under such other name as the Declarant deems appropriate.

1.5 "Association Rules" means the rules and regulations adopted by the Association, as the same may be amended from time to time.

1.6 "Board" means the Board of Directors of the Association.

1.7 "Building" means the structures designated as buildings on the Plat.

1.8 "Bylaws" means the Bylaws of the Association, as the same may be amended from time to time.

1.9 "Common Expenses" means expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserve.

1.10 "Condominium" means the real property located in Maricopa County, Arizona, which is described in Exhibit A attached to this Declaration, together with all buildings and other Improvements located thereon and all easements, rights and appurtenances belonging thereto.

1.11 "Condominium Documents" means this Declaration and the Articles, Bylaws, Association Rules and Architectural Committee Rules.

1.12 "Declarant" means December Companies, Inc., an Arizona corporation, and its successors and any person or entity to whom it may expressly assign its rights and obligations under this Declaration.

1.13 "Declaration" means this entire document, as the same may be amended from time to time.

1.14 "Eligible Insurer or Guarantor" means an insurer or governmental guarantor of a First Mortgage who has requested a notice of certain matters in accordance with Section 10.0 of this Declaration.

1.15 "Eligible Mortgage Holder" means a First Mortgagee who has requested notice of certain matters from the Association in accordance with Section 10.0 of this Declaration.

1.16 "First Mortgage" means any mortgage or deed of trust on a Unit with first priority over any other mortgage or deed of trust.

1.17 "First Mortgagee" means the holder of any First Mortgage or First Deed of Trust as the case may be.

1.18 "Common Elements" means the entire Condominium except for the Units.

1.19 "Improvement" means all physical structures, including, but not limited to, buildings, private drives, parking areas, fences and walls, and all landscaping, including, but not limited to, hedges, plantings, trees and shrubs of every type and kind.

1.20 "Limited Common Elements" means any portion of the Common Elements designated as a limited common element herein and allocated by the Declaration for the exclusive use of Owners of more than one but less than all of the Units.

1.21 "Member" means any person, corporation, partnership, joint venture or other legal entity who is or becomes a member of the Association.



1.22 "Owner" means the record owner, whether one or more persons or entities, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Unit. Owner shall not include (i) persons or entities having an interest in a Unit merely as security for the performance of an obligation, or (ii) a lessee or tenant of a Unit. Owner shall include a purchaser under a contract for the conveyance of real property, a contract for deed, a contract to convey, an agreement for sale or any similar contract through which a seller has conveyed to a purchaser equitable title in a Unit under which the seller is obligated to convey to the purchaser the remainder of seller's title in the Unit, whether legal or equitable, on payment in full of all monies due under the contract. Owner shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to executory contracts pending the closing of a sale or purchase transaction. In the case of Units the fee simple title to which is vested in a trustee pursuant to Arizona Revised Statutes, § 33-801 et seq., the Trustor shall be deemed to be the Owner. In the case of Units the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement the beneficiary of any such trust who is entitled to possession of the Unit shall be deemed to be the Owner.

1.23 "Plat" means (a) the condominium map for La Camarilla Villas Condominium, which map has been recorded with the County Recorder of Maricopa County, Arizona, as Instrument Number Book 411 of Maps, page 24, and any amendments thereto, insofar as said Map covers the real property described on Exhibit A attached hereto, and (b) any other plat or condominium map, and any amendments thereto, recorded against all or any portion of the real property described on Exhibit A attached hereto.

1.24 "Property" means the real property located in Maricopa County, Arizona, which is described on Exhibit A attached to this Declaration together with all buildings and other Improvements located thereon and all easements, rights and appurtenances belonging thereto.

1.25 "Purchaser" means any person or entity, other than the Declarant, who by means of a voluntary transfer becomes the Owner of a Unit except for (i) a person or entity who purchases a Unit and then leases it to the Declarant for use as a model in connection with the sale of other Units or (ii) a person or entity who, in addition to purchasing a Unit, is assigned any or all of the Declarant's rights under this Declaration.

1.26 "Restricted Common Elements" means those portions of the Common Elements that are reserved for the exclusive use of the Owner or other occupant of one Unit in accordance with Section 2.7 of this Declaration.

1.27 "Single Family" means a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of persons not all so related, together with their domestic servants, who maintain a common household in a Unit.

1.28 "Unit" shall mean one or more rooms occupying all or part of a floor or floors in a Building of one or more floors or stories, but not the entire Building, which room or rooms are intended for separate fee ownership and are not intended to be owned in common with the other Owners of Units in the Condominium. The number of each Unit is shown on the Plat. The boundaries of each Unit are the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows and doors thereof, and each Unit includes both the portions of the Building and the airspace encompassed within the boundaries of the Unit. Each Unit shall also include the range, dishwasher and garbage disposal in the Unit and other built-in household appliances lying within said boundaries. The following shall not be considered part of a Unit: bearing walls, columns, vertical supports, floors, roofs, foundations, patio walls and fences, pipes, ducts, flues, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the Unit. No structural part of a Building and no part of a Unit forming a part of any systems serving one or more other Units or the Common Elements shall be deemed on construed to be part of a Unit. A Unit shall mean and include both the dwelling Unit and the storage Unit.

1.29 "Unit Estate" means a Unit together with an undivided interest in the Common Elements as set forth in Section 2.6 of this Declaration and the right to the exclusive use of the Restricted Common Elements reserved for the exclusive use of the Unit under Section 2.7 of this Declaration.

## ARTICLE II

### DESCRIPTION OF CONDOMINIUM

2.0 Description of the Project. The Condominium shall be comprised of a total of forty (40) Dwelling Units which are numbered on the Plat as Units 1 through 40, inclusive and eleven (11) Storage Units numbered on the Plat as Units 41-S through 51-S, inclusive.

2.1 Description of the Cubic Content Space of Each Building. The cubic content space of each Building with reference to its location on the land is set forth, or may be calculated from the dimensions set forth, on the Plat.

2.2 Description of the Cubic Content Space of Each Unit. The cubic content space of each Unit and of each area of the Condominium subject to individual ownership and exclusive control

is set forth, or may be calculated from the dimensions set forth on the Plat.

2.3 Description of Common Elements. The Common Elements shall include all of the Condominium except for the Units. The Common Elements shall include, but not be limited to, the land upon which the Units are located, the Buildings, all exterior and bearing walls, columns, floors, ceilings and roofs, slabs, halls, lobbies, stairways, entrance and exit ways, all recreational facilities, pumps, landscaping, pavements, parking spaces, private drives, all waste, water and gas pipes, ducts, conduits, wires, drainage lines, or other utility and installation meters and lines, all central or common heating and air conditioning systems and facilities, compartments or installations of central services for public utilities, reservoirs, water tanks and pumps servicing more than one Unit, the foundations of the Units, the foundations of the Buildings, and all other devices and premises designated for common use or enjoyment by more than the Owner of a single Unit.

2.4 Description of the Cubic Content Space of Limited Common Elements. There are no Limited Common Elements in the Condominium.

2.5 Separate Ownership of Dwelling Units and Storage Units. A Unit constituting a storage Unit is subservient to a Unit constituting a dwelling Unit and a storage Unit may only be owned by an Owner of a dwelling Unit within the same building as that dwelling Unit; however, a Unit constituting a dwelling Unit may be owned without a Unit constituting a storage Unit.

2.6 Fractional Interest. Each Unit constituting a dwelling Unit shall bear a 2.5% fractional interest to the entire Condominium created by this Declaration, which fractional interest shall constitute an undivided interest in the Common Elements and the common expenses of the Association. Each Unit constituting a storage Unit shall not bear any fractional interest to the entire Condominium created by this Declaration or in the Common Elements. Each dwelling Unit shall have one (1) vote at any meeting called under the Condominium Documents.

2.7 Restricted Common Elements. Ownership of a Unit shall entitle the Owner thereof to the exclusive use of the following portions of the Common Elements subject to such rules and regulations regarding the use and maintenance of such areas as may be adopted by the Board:

(a) Such patios, balconies and entry ways as are shown on the Plat as adjoining the Unit and which are designed for the exclusive use of the Unit;

(b) The stairway providing access to the Unit;

(c) All shutters, awnings, window boxes, doorsteps, stoops, porches, entry ways and all exterior doors and windows or other fixtures designed to serve a single Unit but which are located outside the boundaries of the Unit; and

(d) Assigned parking spaces.

The right to the exclusive use of the Restricted Common Elements shall not be transferred, assigned or conveyed separate or apart from the Unit to which such Restricted Common Elements are reserved. In the event a Unit is conveyed, the right to the exclusive use of the Restricted Common Elements shall automatically be transferred to the new Owner. Any lien, including, but not limited to, the lien of a mortgage or a deed of trust, arising against a Unit, shall also be a lien against the Owner's right of exclusive use of the Restricted Common Elements, and the foreclosure of a mortgage upon the Unit, or the taking of a deed in lieu thereof, or a trustee's sale under a deed of trust or any other proceeding for foreclosing liens on a Unit shall carry with it and transfer to the foreclosing party or the purchaser at any sheriff's sale or trustee's sale the exclusive use of the Restricted Common Elements. Partial or full satisfaction or release of any such lien upon a Unit shall similarly be a satisfaction and release of the lien against the right to the exclusive use of the Restricted Common Elements.

2.8 Prohibition of Severance or Partition of a Unit Estate.

No owner shall be entitled to sever his interest in his Unit from his undivided interest in the Common Elements, his right to the use of Restricted Common Elements and his right and easement to the use and enjoyment of the Common Elements. The undivided interest in the Common Elements as established by this Declaration and the fee title to the respective Unit shall not be separated, severed, partitioned or separately conveyed, encumbered or otherwise transferred, and each such undivided interest in the Common Elements shall conclusively be deemed transferred or encumbered with the Unit to which it is appurtenant even though the description in the instrument of conveyance or encumbrance may refer only to the Unit. The provisions of Arizona law relating to partition of real property shall not be available to any Owner of a Unit or of any other interest in real property included in the Condominium as against any other Owner or Owners of Units or of any other interest in the Condominium so as to terminate the Condominium created by the recording of this Declaration. Nothing contained in this Section shall be construed to preclude an Owner of a Unit from creating a co-tenancy in the ownership of a Unit with any other person or persons.

2.9 Parking Spaces. Covered parking spaces in the Condominium shall be assigned by Developer on or before close of escrow to the exclusive use of each Unit, open parking spaces shall be available for use by the Owners, members of their families,

their guests and their tenants. No Unit Owner shall regularly park more than two (2) vehicles on the Condominium Property.

### ARTICLE III

#### EASEMENTS

3.0 Utility Easement. There is hereby created an easement upon, across, over and under the Common Elements for reasonable ingress, egress, installation, replacing, repairing or maintaining of all utilities, including, but not limited to, water, sewer, telephone, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment on the Common Elements. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utility or service lines may be installed or located on the Common Elements except as initially designed, approved and constructed by the Declarant or as approved by the Board. This easement shall in no way affect any other recorded easements on the Common Elements.

3.1 Easements for Encroachments. Each Unit 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 construed, or as created by discrepancies between the Plat and the actual construction. If any portion of the Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portion of the Common Elements, or if any Unit shall actually encroach upon another Unit, as the Common Elements and the Units are shown on the Plat, a valid easement for any of said encroachment and for the maintenance thereof, so long as they stand, shall and does exist. In the event any Units or Common Elements are repaired, altered, or reconstructed, the Owners of the Units agree that similar encroachments shall be permitted and that a valid easement for said encroachment and for the maintenance thereof shall exist.

3.2 Easements for Ingress and Egress. There is hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks and lanes that from time to time may exist upon the Common Elements. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes; provided, however, that such easements shall not extend to any Restricted Common Elements. Such easements shall run in favor of and be for the benefit of the Owners and occupants of the Units and their guests, families, tenants and invitees.

3.3 Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Elements, except for the Restricted Common Elements, which right and easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) the right of the Association to adopt reasonable rules and regulations governing the use of the Common Elements, except for the Restricted Common Elements;

(b) the right of the Association to suspend the voting rights of an Owner for any period during which any Assessment against his Unit remains unpaid; and for a period not to exceed sixty (60) days for any other infraction or violation of the Condominium Documents;

(c) the right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the Members in the Association agreeing to such dedication or transfer have been recorded. The requirements of this Section shall not apply in the case of utility easements covered by Section 3.0 of this Declaration;

(d) the right of Declarant and its agents and representatives, in addition to the Declarant's rights set forth elsewhere in this Declaration, to the nonexclusive use, without charge, of the Common Elements for display and exhibit purposes and the maintenance of sale facilities and use of Units as models for sales purposes.

3.4 Lessees. If a Unit is leased or rented by the Owner thereof, the lessee and the members of his family residing with such lessee shall have the right to use the Common Elements and the Restricted Common Elements during the term of the lease, and the Owner of such Unit shall have no right to use the Common Elements and the Restricted Common Elements until the termination or expiration of such lease.

3.5 Guests and Invitees. The guests and invitees of any Owner or of any lessee who is entitled to use the Common Elements pursuant to Section 3.4 above may use the Common Elements, except for the Restricted Common Elements of other Units, provided they are accompanied by the Owner or lessee at all times. The Board shall have the right to limit the number of guests and invitees who may use the Common Elements, except for the Restricted Common Elements, at any one time and may restrict the use of the Common Elements, except for the Restricted Common Elements, by guests and invitees to certain specified times.

3.6 Limitation on Transfer. An Owner's right and easement of enjoyment in and to the Common Elements and the Restricted Common Elements shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Unit. Such right and easement of enjoyment in and to the Common Elements and the Restricted Common Elements shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Owner's Unit, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to such right and easement.

#### ARTICLE IV

##### USE AND OCCUPANCY RESTRICTIONS

4.0 Single Family Residential Use. All Units and Restricted Common Elements shall be used, improved and devoted exclusively to residential use by a Single Family. No gainful occupation, profession, trade or other nonresidential use shall be conducted on or in any Unit or Restricted Common Elements. Nothing herein shall be deemed to prohibit an Owner from maintaining his own personal professional library in his Unit, keeping his personal business or professional records or accounts therein, or handling his personal business calls or correspondence therefrom.

4.1 Antennas. No antenna or other device for transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any portion of the Condominium whether attached to a Building or structure or otherwise, unless approved by the Architectural Committee.

4.2 Utility Service. Except for lines, wires and devices existing on the Condominium as of the date of this Declaration and maintenance and replacement of the same, 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 the Condominium 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 Architectural Committee. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of Buildings or structures approved by the Architectural Committee.

4.3 Improvements and Alterations. Except for original construction work undertaken by Declarant with respect to any Unit or the Common Elements, there shall be no structural alterations, additions or improvements to any Unit or the Common Elements without the prior written approval of the Members entitled to cast votes constituting at least fifty-one percent (51%) of the

membership. Any Owner may make nonstructural additions, alterations and improvements within his Unit without the prior written approval of the Architectural Committee, but such Owner shall, to the extent required by Arizona law, be responsible for any damage to other Units and to the Common Elements which results from any such alterations, additions or improvements. Owners are hereby prohibited from making any structural additions, alterations or improvements within a Unit, unless prior to the commencement of each addition, alteration or improvement, the Owner receives the prior written approval of the Architectural Committee and an architect or engineer, licensed in Arizona, certifies that such addition, alteration or improvement will not impair the structural integrity of the Building within which such addition, alteration or improvement is to be made. The Owner shall, to the extent required by Arizona law, be responsible for any damage to other Units and to the Common Elements which results from any such additions, alterations or improvements. Notwithstanding the foregoing, no addition, alteration or improvement within a Unit, whether structural or not, which would be visible from the exterior of the Building in which the Unit is located, shall be made without the prior written approval of the Architectural Committee, which approval shall only be granted if the Architectural Committee affirmatively finds that the proposed addition, alteration or improvement is aesthetically consistent and in harmony with the surrounding Improvements.

4.4 Trash Containers and Collection. No garbage or trash shall be placed or kept on the Condominium except in covered containers of a type, size and style which are approved by the Architectural Committee. the Board shall have the right to subscribe to a trash service for the use and benefit of the Association and all Owners, and to adopt and promulgate rules and regulations regarding garbage, trash, trash containers and collection. The Board shall have the right to require all Owners to place trash and garbage in containers located in areas designated by the Board. No incinerators shall be kept or maintained in any Unit.

4.5 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon the Condominium Property except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of buildings, improvements or structures which are within the permitted uses of such property, and except that which Declarant or the Association may require for the operation and maintenance of the Common Elements.

4.6 Animals. No animals, fowl, poultry, or livestock, other than a reasonable number of house pets, shall be maintained in or on the Condominium and then only if they are kept, bred or raised solely as domestic pets and not for commercial purposes. No pet or any other animal shall be allowed to make an unreasonable amount of



noise, cause an odor or to become a nuisance. All dogs shall be kept on a leash when outside a Unit or any Restricted Common Elements reserved to the use of such Unit, and all dogs shall be directly under the Owner's control at all times. No Owner or any lessee or guest of an Owner shall permit any dog being kept in the Unit or the Restricted Common Elements reserved to the use of such Unit to relieve itself on any portion of the Common Elements. It shall be the responsibility of said Owner, lessee or guest to remove immediately any droppings from pets. No structure for the care, housing, confinement, or training of any animal or pet shall be maintained on any portion of the Common Elements or in any Unit so as to be visible from the exterior of the building in which the Unit is located. Upon written request of any Owner, the Board shall determine whether, for the purposes of this Section, a particular animal or bird is a generally recognized house pet, a nuisance, or whether the number of pets on any property is reasonable. Any decision rendered by the Board shall be enforceable as other restrictions contained herein. The right of Owners and other occupants of Units to maintain a reasonable number of house pets in or on the Condominium pursuant to this Section is expressly subject to the right of the Board to restrict such house pets to only certain portions of the Condominium.

4.7 Temporary Occupancy. No trailer, basement of any incomplete building, tent, shack, garage, barn or other structure, and no temporary Improvement of any kind shall be used at any time for a residence either temporarily or permanently. Temporary buildings or structures used during the construction of buildings or structures approved by the Architectural Committee shall be permitted but must be removed promptly upon completion of the construction of the building or structure.

4.8 Restriction on Further Subdivision and Time Shares. No Unit shall be further subdivided or separated into smaller Units by any Owner, and no portion less than all of any such Unit shall be conveyed or transferred by any Owner without the prior written approval of the Board. This restriction shall not prevent the granting by an Owner thereof of an easement over part of a Unit for use by another Owner. Neither the ownership nor occupancy of any Unit shall be in time shares. No Owner shall transfer, sell, assign or convey any time share in his Unit and any such transaction shall be void. "Time share" as used in this Section shall mean a right to occupy any Unit or any one of several Units during five (5) or more separated time periods over a period of at least five (5) years, including renewable options, whether or not coupled with an estate or interest in a Unit or a specified portion of a Unit.

4.9 Clothes Drying Facilities. Outside clothes lines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on the Condominium.

4.10 Mineral Protection. No portion of the Condominium shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth, or any earth substance of any kind.

4.11 Diseases and Insects. No Owner shall permit any thing or condition to exist upon the Condominium which could induce, breed or harbor infectious plant diseases or insects.

4.12 Trucks, Trailers, Campers and Boats. No mobile home, motor home, trailer, truck, camper, boat, boat trailer or similar vehicle or equipment shall be parked, kept, placed, maintained, constructed, reconstructed, serviced or repaired upon any portion of the Condominium, provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Architectural Committee.

4.13 Motor Vehicles. No automobile, motorcycle, motorbike or other motor vehicle shall be constructed, reconstructed, serviced or repaired on any portion of the Condominium and no inoperable vehicle may be stored or parked on any portion of the Condominium; provided, however, the provisions of this Section shall not apply to emergency repairs.

4.14 Signs. No signs (including "For Sale" or "For Rent" signs) shall be permitted on the exterior of any Unit or Building or any other portion of the Condominium without the written approval of the Architectural Committee.

4.15 Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of any part of the Condominium. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the Condominium shall be observed. Any violation of such laws, zoning ordinances or regulations shall be a violation of this Declaration.

4.16 Nuisances and Offensive Activity. No nuisance shall be permitted to exist or operate upon the Condominium and no activity shall be conducted upon the Condominium which is offensive or detrimental to any portion of the Condominium or any Owner or occupant of the Condominium. No exterior speakers, horns, whistles, bells or other sound devices, except security or other emergency devices used exclusively for security or emergency purposes, shall be located, used or placed on the Condominium.

4.17 Window Coverings. No reflective materials, including, but without limitation, aluminum foil, reflective screens or glass, mirrors or similar type items, shall be installed or placed upon the outside or inside of any windows of a Unit without the prior written approval of the Architectural Committee. No enclosures,

drapes, blinds, shades, screens or other items affecting the exterior appearance of a Unit or any Restricted Common Elements reserved for the use of such Unit shall be constructed or installed in any Unit or Restricted Common Elements without the prior written consent of the Architectural Committee.

#### ARTICLE V

##### MAINTENANCE AND REPAIR OF COMMON ELEMENTS AND UNITS

5.0 Duties of the Association. The Association shall maintain, repair and make necessary improvements to all Common Elements, except for those portions of the Common Elements which the Owners of the Units are obligated to maintain pursuant to Section 5.1 of this Declaration. The portion of the Common Elements that the Association shall maintain includes, but is not limited to, all common facilities and improvements, landscaping, drainage facilities, roadways, streets, parking areas and walks. The Association's duties for maintenance and repair of the Common Elements shall include the exterior portions of the Buildings, the land upon which the Buildings are located, the space above the Buildings, all bearing walls, columns, floors, roofs, slabs, foundations, storage buildings and lobbies, water and sewer pipes, ducts, shootings, conduits, wires and all other utility installations of the Buildings, except the outlets thereof when located within Units and all structural parts of the Common Elements. All such repairs and maintenance shall be Common Expenses and shall be paid for by the Association.

5.1 Duties of Owners. Each Owner of a Unit shall maintain, repair, replace and restore, at his own expense, all portions of his Unit, subject to the Condominium Documents. Each Owner shall, at his own expense, maintain, repair, replace and restore, all doors, window glass, and any heating, cooling and air conditioning systems and equipment exclusively serving his Unit, and all electrical and plumbing fixtures and appliances exclusively serving his Unit, including, but not limited to, dishwashers, laundry equipment, ranges, ovens, water heaters and other built-in appliances. Each Owner shall clean, maintain, repair, replace and restore all interior finishes including, without limitation, floor coverings and wall coverings. No Owner shall remove, alter, injure or interfere in any way with the shrubs, trees, grass or plantings placed upon the Condominium by Declarant or the Association without first having obtained the written consent of the Architectural Committee. In addition, each Owner shall be responsible for the maintenance and repair of the Restricted Common Elements (except for the structural parts of the Restricted Common Elements) to which he has the right of exclusive use pursuant to Section 2.7 of this Declaration (except for the covered parking space assigned to his Unit). Each Owner shall take all necessary action to keep the Restricted Common Elements free of and clean from unsightly

accumulations of weeds, trash and litter. Each Owner shall have an easement over, across and through such portions of the Common Elements as are necessary in order for the Owner to perform his obligations under this Section with respect to the maintenance, repair, replacement and restoration of those portions of the Common Elements and Restricted Common Elements which he is obligated to maintain.

5.2 Repair or Restoration Necessitated by Owner. Each Owner shall be liable to the Association, to the extent provided for by Arizona law, for any damage to the Common Elements or the Improvements, landscaping or equipment thereon which results from the negligence or wilful conduct of the Owner. The cost to the Association of any such repair, maintenance or replacements required by such act of an Owner shall be paid by said Owner, upon demand, to the Association. The Association may enforce collection of any such amounts in the same manner and to the same extent as provided for in this Declaration for the collection of Assessments.

5.3 Association Right of Access. Each Owner hereby grants to the Association a right of access to the Common Elements for the purpose of enabling the Association, Board, Architectural Committee and any other committees established by the Board to exercise and discharge their respective powers, duties and responsibilities under the Condominium Documents. This right of access shall include, but not be limited to, the right to enter upon the Common Elements for the purpose of determining whether the provisions of this Declaration are being complied with by the Owners, their guests, invitees, tenants and licensees. The Association shall have the right to enter a Unit in case of an emergency.

#### ARTICLE VI

#### THE ASSOCIATION, RIGHTS AND DUTIES, MEMBERSHIP AND VOTING RIGHTS

6.0 Rights, Powers and Duties of the Association. The Association shall be an Arizona corporation and shall be the entity through which the Owners shall act. The Association shall have such rights, powers and duties as are prescribed by law and as are set forth in the Condominium Documents together with such rights, powers and duties as may be reasonably necessary in order to effectuate the objectives and purposes of the Association as set forth in this Declaration. Unless the Condominium Documents specifically require a vote of the Members, approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board.

6.1 Directors and Officers. The affairs of the Association shall be conducted by the Board and such officers and committees as the directors may elect and appoint, in accordance with the Articles and the Bylaws.

6.2 Association Rules. The Board, from time to time and subject to the provisions of this Declaration, may adopt, amend, and repeal rules and regulations. The Association Rules may, among other things, govern the use of the Condominium Property, by the Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that the Association Rules may not unreasonably discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may be recorded.

6.3 Architectural Committee. The Board shall establish an Architectural Committee consisting of not less than two (2) nor more than four (4) members appointed by the Board to regulate the external design, appearance, use and maintenance of the Condominium and to perform such other functions and duties as are imposed upon it by the Condominium Documents or by the Board.

6.4 Membership. All Owners shall be Members of the Association. Each Member shall be entitled to one (1) vote for each Unit owned. Notwithstanding the foregoing, there shall be a period of Declarant control of the Association in which Declarant shall be the only Member entitled to appoint and remove Association officers and directors (the "Period of Declarant Control"). The Period of Declarant Control shall cease upon the happening of either of the following events, whichever occurs earlier:

(a) Ninety (90) days after conveyance of seventy-five percent (75%) of the Units which may be sold to Purchasers; or

(b) Four (4) years after the Declarant has ceased to offer Units for sale.

6.5 Joint Ownership. When more than one person is the owner of a Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they, among themselves determine, but in no event shall more than one ballot be cast with respect to any Unit. The vote for each such Unit must be cast as a whole, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a ballot representing a certain Unit, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Unit. In the event more than one ballot is cast for a particular Unit, none of said votes shall be counted and said votes shall be deemed void.

6.6 Corporate or Partnership Ownership. In the event a Unit is owned by a corporation, trust, partnership or association, such Owner shall be a Member and shall designate in writing to the

Association at the time of its acquisition of the Unit, the name and title of the person who shall have the power to vote the membership of such Owner. The person so designated shall be the only person who shall be entitled to cast the vote for the Unit owned by such Owner. If such Owner fails to designate the person who shall have the right to vote the membership then such Owner shall lose its right to vote and it shall not be considered as Member for the purpose of determining the requirement for a quorum or any other purpose requiring the approval of a person entitled to cast the vote for the Unit.

6.7 Suspension of Voting Rights. In the event any Owner is in arrears in the payment of any Assessment or other amounts due under the terms of the Condominium Documents for a period of fifteen (15) days or more, said Owner's right to vote as a Member of the Association shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current. If the Owner is in material violation of the Condominium Documents, the Board, after notice and opportunity to be heard, may suspend the Owner's right to vote for a period not to exceed sixty (60) days for any such infraction.

6.8 Transfer of Membership. The Association membership of each Owner of a Unit shall be appurtenant to his Unit. The rights and obligations of an Owner and his membership in the Association shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon transfer of ownership of such Unit, or by intestate succession, testamentary disposition, foreclosure of a mortgage of record, exercise of a power of sale under a deed of trust, or such other legal process as 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 and shall not be reflected upon the books and records of the Association. Any transfer of ownership to said Unit shall operate to transfer said membership to the new Owner thereof.

## ARTICLE VII

### ASSESSMENTS

7.0 Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Unit, by acceptance of a deed therefor or otherwise becoming the Owner thereof, is deemed to covenant and agree to pay to the Association: (a) annual assessments payable monthly, (b) special assessments and (c) supplemental assessments. The Assessments, together with interest, late charges, costs, reasonable attorneys' fees and all other amounts payable to the Association under the Condominium Documents shall be a lien on the Unit against which each such Assessment is made and shall remain such lien as to any successor, transferee or assignee. Each such Assessment, together with interest, costs, and reasonable attorney's fees shall also be the personal obligation of

each person who was the Owner of such Unit at the time when the Assessment was levied. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed by them. In addition, if the Board finds that after notice and opportunity to be heard, any Owner is in material breach of the Condominium Documents and the Owner has failed to cure that breach within fourteen (14) days of the sending of written notice by the Board, the Board shall have the right to assess a monetary penalty up to \$250 for each violation against the Unit which monetary penalty shall become a lien against such Unit. The Association's lien may be foreclosed in the same manner as a mortgage on real estate.

7.1 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners, for the improvement and maintenance of the Common Elements, and for all purposes set forth in the Condominium Documents, including but not limited to, insurance premiums, expenses for maintenance repairs and replacements of Common Elements and reserves for depreciation and contingencies.

7.2 Maximum Assessment. Until December 31 of the year immediately following the conveyance of the first Unit to a Purchaser, the annual assessment shall be limited to a maximum payment of One Hundred Fifty Dollars (\$150) per month for each Unit.

(a) From and after January 1 of the year immediately following the conveyance of the first Unit to a Purchaser, the Board may, without a vote of the membership of the Association, increase the maximum annual assessment payable monthly during each fiscal year of the Association by an amount proportional to the amount of increase during the prior fiscal year in the Consumer Price Index for All Urban Consumers (All Items), U.S. City Average, published by the United States Department of Labor, Bureau of Labor Statistics, or in the event said index ceases to be published, by any successor index recommended as a substitute therefor by the United States government.

(b) From and after January 1 of the year immediately following the conveyance of the first Unit to a Purchaser, the maximum annual assessment may be increased by an amount greater than the maximum increase allowed pursuant to Section 7.2(a) above, only with the approval of Owners or their proxy representing fifty-one percent (51%) of the membership at a meeting duly called for such purpose.

(c) The Board shall fix the annual assessment for each Unit in accordance with Section 7.6 of this Declaration but the annual assessment for a Unit for any fiscal year of the Association

may not exceed the maximum annual assessment established by the Board pursuant to this Section 7.2.

7.3 Special Assessments. In addition to annual assessments, the Association may levy, in any fiscal year of the Association, a special assessment applicable to that fiscal 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 of the Common Elements, including fixtures and personal property related thereto, or for any other lawful Association purpose, provided that any such assessment shall have first been approved by Owners or their proxy representing two-thirds (2/3) of the votes of the membership at a meeting duly called for such purpose.

7.4 Supplemental Assessments. In the event the Board shall determine that its funds budgeted or available in any fiscal year are, or will, become inadequate to meet all expenses of the Association for any reason, including nonpayment of Assessments, it shall immediately determine the approximate amount of such inadequacies for such fiscal year and issue a supplemental budget and levy a supplemental assessment against the Owners of each Unit for the amount required to pay all such expenses; provided, however, that any such supplemental assessment must first be approved by Owners or their proxy representing at least fifty-one percent (51%) of the votes at a meeting duly called for such purpose.

7.5 Notice and Quorum for any Action Authorized Under Sections 7.2, 7.3, or 7.4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 7.2, 7.3 or 7.4 shall be sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty-one percent (51%) of all the votes of the 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.

7.6 Rate of Assessment. Annual, special and supplemental assessments shall be fixed at a uniform rate for each Unit sold to a Purchaser except that the Declarant shall pay, but only for any Unit for which it has obtained a certificate of occupancy and then only at the rate of twenty-five percent (25%) of any annual, monthly, special or supplemental assessment attributable for a Unit owned by the Declarant until such time as the Unit has been occupied for Single Family residential use. If a Unit owned by the Declarant ceases to qualify for a reduced rate of assessment during the period to which an annual, special or supplemental assessment is attributable, such assessment shall be prorated between the



applicable rates on the basis of the number of days in the period that the Unit qualified for each rate.

7.7 Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall be payable monthly and shall commence as to all Units on the first day of the month following the conveyance of the first Unit to a Purchaser. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each fiscal year. If the annual assessment is not fixed by the Board at least thirty (30) days in advance of the fiscal year, then the annual assessment for the prior fiscal year shall remain in effect until the thirtieth day after the Board fixes the annual assessment for the then current fiscal year. Written notice of the annual assessment shall be sent to every Owner subject thereto prior to the commencement of the fiscal year; provided, however, that failure to give such notice shall not affect the Board. The Board may require that the annual, supplemental or special assessments be paid in installments. Unless otherwise specified by the Board special and supplemental assessments shall be due thirty (30) days after they are levied by the Association and notice of the assessment is given to the Owners. The Board is hereby expressly authorized to adopt and amend budgets from time to time without ratification by the Owners.

7.8 Effect of Nonpayment of Assessments; Remedies of the Association. Any Assessment, or any installment of an Assessment, which is not paid within fifteen (15) days after the Assessment first became due shall be deemed delinquent and shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum or the prevailing FHA/VA interest rate for new home loans, whichever is higher.

Any Assessment, or any installment of an Assessment, which is delinquent shall become a continuing lien on the Unit against which such Assessment was made. The lien shall be perfected by the recordation of a "Notice of Claim of Lien" which shall set forth (a) the name of the delinquent Owner, (b) the legal description or street address of the Unit against which the claim of lien is made, (c) the amount claimed as of the date of the recording of the notice including interest, collection costs, lien recording fees and reasonable attorneys' fees, (d) the name of the Owner of the Unit as shown in the records of the Association, and (e) the name and address of the Association. In the event the Association records a Notice and Claim of Lien against a Unit, the Owner of such Unit shall be obligated to pay to the Association a lien fee in such amount as may be established from time to time by the Board. The Association's lien shall have priority over all liens or claims created subsequent to the recordation of the Notice of Claim of Lien except for tax liens for real property taxes on the

Unit, assessments on any Unit in favor of any municipal or other governmental body and the liens which are specifically described in Section 7.9 of this Declaration.

Before recording a lien against any Unit the Association shall make a written demand to the defaulting Owner for payment. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid within ten (10) days after delivery of such demand, the Association may proceed with recording a Notice of Claim of Lien against the Unit of the defaulting Owner.

The Association shall have the right, at its option, to enforce collection of any delinquent Assessments in any manner allowed by law including, but not limited to, (a) bringing an action at law against the Owner personally obligated to pay the delinquent Assessments and such action may be brought without waiving any lien securing any such delinquent Assessments, (b) manner provided by law for the foreclosure of a realty mortgage, or (c) exercising a power of sale in the manner provided by law for a sale under a deed of trust. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Units purchased at such sale.

7.9 Subordination of Assessment Lien to Mortgages. The lien of the Assessments provided in this Declaration shall be subordinate to the lien of any First Mortgage. Any First Mortgagee or any other party acquiring title or coming into possession of a Unit through foreclosure of a First Mortgage, purchase at a foreclosure sale or trustee sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure shall acquire title free and clear of any claims for unpaid Assessments and charges against the Unit which became payable prior to such sale or transfer. Any such delinquent Assessments which are extinguished pursuant to this Section may be reallocated and assessed to all Units as a Common Expense. Any assessments and charges against the Unit which accrue prior to such sale or transfer shall remain the obligation of the defaulting Owner of the Unit.

7.10 Exemption of Owner. No Owner of a Unit may exempt himself from liability for payment of Assessments and other charges levied pursuant to the Condominium Documents by waiver and non-use of any of the Common Elements and facilities or by the abandonment of his Unit.

7.11 Unallocated Tax Assessments. In the event that any taxes are assessed against the personal property of the Association, said taxes shall be included in the Assessments made under the

provisions of this Article, and, if necessary, a supplemental or special assessment may be levied against the Units in an amount equal to said taxes, to be paid in two installments, thirty (30) days prior to the due date of each tax installment.

7.12 Certificate of Payment. The Association shall, upon demand of an Owner, furnish to such Owner a certificate in writing signed by an officer of the Association setting forth whether the Assessments on a particular Unit have or have not been paid and the amount of any unpaid Assessments. The Association may charge the Owner requesting the certificate a reasonable fee in an amount established by the Board for each such certificate. Such certificate shall be conclusive evidence of payment of any Assessment described in the certificate as having been paid.

7.13 Maintenance of Reserve Fund. Out of the annual assessments, the Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Elements which the Association is obligated to maintain.

7.14 No Offsets. All Assessments shall be payable in accordance with the provisions of this Declaration, and no offsets against such Assessments shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in the Condominium Documents.

7.15 Working Capital Fund. To insure that the Association shall have adequate funds to meet its expenses or to purchase necessary equipment or services, each Purchaser of a Unit from the Declarant shall pay to the Association, immediately upon becoming the Owner of the Unit, a sum equal to two months' Annual Assessment on his Unit. Such amount shall not be considered as an advance payment of any Assessments levied by the Association pursuant to this Declaration.

## ARTICLE VIII

### CONDEMNATION

8.0 Consequences of Condemnation; Notices. If at any time all, or any part of the Condominium shall be taken or condemned by any public authority, or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Article shall apply. Upon any such act, each Owner who has requested special notice, and each holder of a lien or encumbrance on the Condominium or any part thereof shall be provided with timely written notice of any proceeding or proposed acquisition or sale. The Association shall represent the Owners in any condemnation proceeding or in negotiations, settlements and agreements with the condemning

authority for acquisition of the Common Elements or any part thereof.

8.1 Proceeds. All compensation, damages or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Board in trust for the Owners and all holders of liens and encumbrances on the Condominium or any part thereof, as their interests may appear.

8.2 Complete Taking. In the event that the entire Condominium is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium created pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to the fair market value of each Owner's Unit as compared to the fair market value of all of the Units at the time of the condemnation. The fair market value of each Unit at the time of the condemnation shall be determined by the judgment or order entered by the Court making the Condemnation Award or, if there is no judgment or order or if the judgment or order fails to specify the fair market value of each Unit, then the fair market value of each Unit shall be determined by an appraiser employed by the Board. If the Board employs an appraiser for such purpose then the fee or compensation to be paid to the appraiser shall be paid by the Board out of the Condemnation Award. On the basis of the foregoing principle, the Board shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Out of the respective share of each Owner, the Board shall pay, to the extent such funds are sufficient for such purpose, all encumbrances and liens on the interest of such Owner in the order of their priority, and the balance, if any, of the Owner's share shall then be distributed to the Owner.

8.3 Partial Taking. In the event that less than the entire Condominium is taken, condemned, sold or other disposed of in lieu of or in avoidance thereof, the Condominium created hereunder shall not terminate and the following provisions shall apply:

(a) Each Owner shall be entitled to share of the Condemnation Award to be determined in the following manner:

(i) As soon as practicable the Board shall, reasonably and in good faith, allocate the Condemnation Award between compensation, severance damages, or other proceeds;

(ii) The Board shall apportion the amounts so allocated to a taking of or injury to the Common Elements which in turn shall be apportioned among the Owners in proportion to the fair market value of each Owner's Unit as compared to the fair market value of all of the Units at the time of the condemnation. The fair market value of each Unit at the time of the condemnation shall be determined by the judgment or order entered by the Court making the Condemnation Award or, if there is no judgment or order

authority for acquisition of the Common Elements or any part thereof.

8.1 Proceeds. All compensation, damages or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Board in trust for the Owners and all holders of liens and encumbrances on the Condominium or any part thereof, as their interests may appear.

8.2 Complete Taking. In the event that the entire Condominium is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium created pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to the fair market value of each Owner's Unit as compared to the fair market value of all of the Units at the time of the condemnation. The fair market value of each Unit at the time of the condemnation shall be determined by the judgment or order entered by the Court making the Condemnation Award or, if there is no judgment or order or if the judgment or order fails to specify the fair market value of each Unit, then the fair market value of each Unit shall be determined by an appraiser employed by the Board. If the Board employs an appraiser for such purpose then the fee or compensation to be paid to the appraiser shall be paid by the Board out of the Condemnation Award. On the basis of the foregoing principle, the Board shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Out of the respective share of each Owner, the Board shall pay, to the extent such funds are sufficient for such purpose, all encumbrances and liens on the interest of such Owner in the order of their priority, and the balance, if any, of the Owner's share shall then be distributed to the Owner.

8.3 Partial Taking. In the event that less than the entire Condominium is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium created hereunder shall not terminate and the following provisions shall apply:

(a) Each Owner shall be entitled to share of the Condemnation Award to be determined in the following manner:

(i) As soon as practicable the Board shall, reasonably and in good faith, allocate the Condemnation Award between compensation, severance damages, or other proceeds;

(ii) The Board shall apportion the amounts so allocated to a taking of or injury to the Common Elements which in turn shall be apportioned among the Owners in proportion to the fair market value of each Owner's Unit as compared to the fair market value of all of the Units at the time of the condemnation. The fair market value of each Unit at the time of the condemnation shall be determined by the judgment or order entered by the Court making the Condemnation Award or, if there is no judgment or order

of if the judgment or order fails to specify the fair market value of each of the Units, then the fair market value of each Unit shall be determined by an appraiser employed by the Board. If the Board employs an appraiser for such purpose, then the fee or compensation to be paid to the appraiser shall be paid by the Board out of the Condemnation Award.

(iii) The total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned;

(iv) The respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner had made within his own Unit shall be apportioned to the particular Unit involved;

(v) The amount allocated to consequential damages and any other taking or injury shall be apportioned as the Board determines to be equitable in the circumstances;

(vi) If an allocation of the Condemnation Award is already established in negotiation, judicial decree or otherwise, then in allocating the Condemnation Award the Board shall employ such allocation to the extent it is relevant and applicable;

(b) Upon the acquisition of one or more Units by the condemning authority, the interest of the Unit or Units taken in the Common Elements shall be reallocated to the other Units within the Condominium so that the fractional interest of each remaining Unit shall be a fraction, the numerator of which is one and the denomination of which is the number of Units remaining in the Condominium after the condemnation.

## ARTICLE IX

### INSURANCE

9.0 Scope of Coverage. Commencing not later than the date of the first conveyance of a Unit to a Purchaser, the Association shall maintain all insurance coverage required by law, to the extent reasonably available including the following:

(a) Property insurance on the Common Elements and Units, exclusive of improvements and betterments installed in Units by Owners, insured under a standard form "All Risk of Direct Physical Loss Form" in an amount equal to the maximum insurable replacement value of the Common Elements and Units, as determined by the Board; provided, however, that the total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement cost of the insured property, exclusive of land, excavations, foundations and other items normally excluded from a property insurance policy.

(b) Broad Form Comprehensive general liability insurance, for a limit to be determined by the Board, but not less than \$1,000,000.00 combined single limit each occurrence. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements. Such policy shall include a cross liability clause to cover liabilities of the Owners as a group to an Owner. Such policy shall also include medical payments insurance and contingent liability coverage arising out of the use of hired and renowned automobiles.

(c) Workmen's compensation insurance to the extent necessary to meet the requirements of the laws of Arizona.

(d) Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association or the Owners.

(e) The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions:

(i) Each Owner shall be an insured under the policy with respect to liability arising out of his ownership of an undivided interest in the Common Elements or his membership in the Association.

(ii) There shall be no subrogation with respect to the Association, its agents, servants, and employees, with respect to Owners and members of their household.

(iii) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, shall void the policy or be a condition to recovery on the policy.

(iv) The coverage afforded by such policy shall not be brought into contribution or proration with any insurance which may be purchased by Owners or their mortgagees or beneficiaries under deeds of trust.

(v) A "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or other Owners.

(vi) Statement of the name of the insured as "LC Villas Condominium Owners Association" for use and benefit of the individual Owners (designated by name if required by the insurer).

(vii) For policies of hazard insurance a standard mortgagee clause providing that the insurance carrier shall notify the First Mortgagee named in the policy at least ten (10) days in

advance of the effective date of any reduction or cancellation of the policy.

(f) If there is a steam boiler used in connection with the Condominium, there must be in force boiler explosion insurance evidenced by the standard form of boiler machinery insurance policy and providing coverage in the minimum amount of \$50,000.00 per accident per location.

(g) If the Condominium is located in an area identified by the Secretary of Housing & Urban Development as an area having special flood hazards, a "blanket policy" of flood insurance on the Condominium must be maintained in the lesser of one hundred percent (100%) of the current replacement cost of the buildings and any other property covered on the required form of policy or the maximum limit of coverage available under the National Insurance Act of 1968, as amended.

(h) "Agreed Amount" and "Inflation Guard" endorsements.

9.1 Certificates of Insurance. An insurer that has issued an insurance policy under this Article shall issue certificates or a memorandum of insurance to the Association and, upon request, to any Owner, mortgagee or beneficiary under a deed of trust. Any insurance obtained pursuant to this Article may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Owner and each First Mortgagee who is listed as a scheduled holder of a First Mortgage in the insurance policy.

#### 9.2 Fidelity Bonds.

(a) The Association shall maintain blanket fidelity bonds for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association including, but without limitation, officers, directors and employees of any management agent of the Association, whether or not they receive compensation for their services. The total amount of fidelity bond maintained by the Association shall be based upon the best business judgment of the Board, and shall not be less than the greater of (i) the amount equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the Condominiums, (ii) the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond or (iii) the sum equal to three months aggregate annual Assessments on all Units plus reserve funds. Fidelity bonds obtained by the Association must also meet the following requirements:

(i) The fidelity bonds shall name the Association as an obligee;



(ii) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions;

(iii) The bonds shall provide that they may not be cancelled or substantially modified (including cancellation from nonpayment of premium) without at least ten (10) days prior written notice to the Association.

(b) The Association shall require any management agent of the Association to maintain its own fidelity bond in an amount equal to or greater than the amount of the fidelity bond to be maintained by the Association pursuant to Subsection (a) of this Section. The fidelity bond maintained by the management agent shall cover funds maintained in bank accounts of the management agent and need not name the Association as an obligee.

9.3 Payment of Premiums. Premiums for all insurance obtained by the Association pursuant to this Article shall be Common Expenses and shall be paid for by the Association.

9.4 Insurance Obtained by Owners. The issuance of insurance policies to the Association pursuant to this Article shall not prevent an Owner from obtaining insurance for his own benefit and at his own expense covering his Unit, his personal property and providing personal liability coverage.

9.5 Payment of Insurance Proceeds. Any loss covered by property insurance obtained by the Association in accordance with this Article shall be adjusted with the Association and the insurance proceeds shall be payable to the Association and not to any mortgage or beneficiary under a deed of trust. The Association shall hold any insurance proceeds in trust for Owners and lienholders as their interests may appear. Subject to the provisions of Section 9.6 of this Article, the proceeds shall be disbursed for the repair or restoration of the damage to Common Elements and Units, and Owners and lienholders shall not be entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored, or the Condominium terminated.

9.6 Repair and Replacement of Damaged or Destroyed Property. Any portion of the Condominium damaged or destroyed shall be repaired or replaced promptly by the Association unless (a) the Condominium is terminated, (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (c) eighty percent (80%) of the Owners, including every Owner of a Unit which will not be rebuilt, vote not to rebuild, (d) the cost of repair or replacement in excess of insurance proceeds and reserves shall be a Common Expense. If the

entire Condominium is not repaired or replaced, (a) insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium, (b) insurance proceeds attributable to Units which are not to be rebuilt shall be distributed to the respective lender of record for that Unit to full extent of the then existing indebtedness with remainder of monies to be distributed to the Owners of those Units, (c) the remainder of the proceeds shall be distributed to all Owners in proportion to the fair market value of each Owner's Unit as compared to the fair market value of all of the Units at the time of the damage or destruction as determined by an appraiser employed by the Board. If the Owners vote not to rebuild a Unit, that Unit's entire Common Elements interest and votes in the Association shall be automatically reallocated as if the Unit had been condemned, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the allocations.

9.7 Insurance Trustee. Notwithstanding any other provisions of this Article, there may be named as an insured on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into any Insurance Trust Agreement or any successor to such trustee ("Insurance Trustee"), who shall have the exclusive authority to negotiate losses under any policy providing such property or liability insurance to the Association. Each Owner, by accepting a deed to, or otherwise becoming the Owner of, a Unit, appoints the Association or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing such insurance, including, but without limitation: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of the releases or liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association or any Insurance Trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Owners and their First Mortgagees, as their interests may appear.

## ARTICLE X

### RIGHTS OF FIRST MORTGAGEES

10.0 Notification to First Mortgagees. Upon receipt by the Association of a written request from a First Mortgagee or insurer or governmental guarantor of a First Mortgage informing the Association of its correct name and mailing address and number or address of the Unit to which the request relates, the Association shall provide such Eligible Mortgage Holder or Eligible Insurer or Guarantor with timely written notice of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor;

(b) Any delinquency in the payment of the Assessments or charges owed by an Owner of a Unit subject to a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor or any other default in the performance by the Owner of any obligation under the Condominium Documents, which delinquency or default remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which requires the consent of a specified percentage of Eligible Mortgage Holders as set forth in Section 10.1 of this Declaration.

10.1 Approval Required for Amendment to Declaration, Articles or Bylaws. The approval of Eligible Mortgage Holders holding First Mortgages on Units the Owners of which have at least eighty percent (80%) of the votes in the Association allocated to Owners of all Units subject to First Mortgages held by Eligible Mortgage Holders shall be required to change or amend any material provisions of the Declaration which establishes, provides for, governs or regulates any of the following:

1. Expansion of the Condominium, or the addition or annexation of the property to the Condominium; and
2. The boundaries of any Unit which may materially affect the Common Elements.

Any First Mortgagee who receives a written request to approve any of the above changes or amendments to the Declaration who does not deliver or mail to the requesting party a negative response within thirty (30) days, shall be deemed to have approved such request. Any changes or amendments to the Declaration shall not be considered material if it is for the purpose of correcting technical errors or for clarification only.

10.2 Prohibition against Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey his Unit shall not be subject to any right of first refusal or similar restriction.

10.3 Right of Inspection of Records. Any Owner, First Mortgagee, or Eligible Insurer or Guarantor will, upon written request, be entitled to (a) inspect the current copies of the Condominium Documents and the books, records and financial

statements of the Association during normal business hours, (b) receive within ninety (90) days following the end of any fiscal year of the Association, a financial statement of the Association for the immediately preceding fiscal year of the Association, free of charge to the requesting party, and (c) receive written notice of all meetings of the Members of the Association and be permitted to designate a representative to attend all such meetings.

10.4 Prior Written Approval of First Mortgagees. Except as provided by statute in case of condemnation or substantial loss to the Units and/or the Common Elements, unless at least eighty percent (80%) of all First Mortgagees (based upon one vote for each First Mortgage owned) or Owners (other than the Declarant or other sponsor, developer or builder of the Condominium) of the Units have given their prior written approval, the Association shall not be entitled to:

(a) Abandon or terminate this Declaration or the Condominium; or

(b) Abandon, sell or transfer the Common Elements. Provided, however, the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed to be a sale transfer or abandonment within the meaning of this Subsection;

Nothing contained in this Section or any other provision of this Declaration shall be deemed to grant the Association the right to partition any Unit without the consent of the Owners thereof. Any partition of a Unit shall be subject to such limitations and prohibitions as may be set forth elsewhere in this Declaration or as provided under Arizona law.

10.5 Liens Prior to First Mortgage. All taxes, assessments, and charges which may become liens prior to the First Mortgage under local law shall relate only to the individual Unit and not to the Condominium as a whole.

10.6 Condemnation or Insurance Proceeds. No Owner of a Unit, or any other party, shall have priority over any rights of any First Mortgagee of the Unit pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds of condemnation awards for losses to or a taking of Units and/or Common Elements.

10.7 Limitation on Partition and Subdivision. No Unit shall be partitioned or subdivided without the prior written approval of the holder of any First Mortgage on such Unit.

10.8 Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Article and any other provision of the Condominium Documents, the provisions of this Article shall prevail; provided, however, that in the event of any conflict or inconsistency between the different Sections of this Article or between the provisions of this Article and any other provision of the Condominium Documents with respect to the number or percentage of Owners, First Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors that must consent to (i) an amendment of the Declaration, Articles or Bylaws, (ii) a termination of the Condominium, or (iii) certain actions of the Association as specified in Sections 10.1 and 10.4 of this Declaration, the provision requiring the consent of the greatest number or percentage of Owners, First Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors shall prevail; provided, however, that the Board, without the consent of any Owner or First Mortgagee being required, shall have the right to amend this Declaration, the Articles or the Bylaws in order to conform this Declaration, the Articles or the Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Condominium, the Plat or the Condominium Documents is required by law or requested by the Declarant.

## ARTICLE XI

### GENERAL PROVISIONS

11.0 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 the Condominium Documents. Failure by the Association or by any Owner to enforce any covenant or restriction contained in the Condominium Documents shall in no event be deemed a waiver of the right to do so thereafter.

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

11.2 Duration. The covenants and restrictions of this Declaration shall run with the land and bind the Condominium Property.

11.3 Termination of Condominium. Notwithstanding any contrary provision of the Condominium Documents, the Condominium created by the recording of this Declaration may only be terminated with the approval of eighty percent (80%) of the Owners of the Units. Any such termination of the Condominium shall be evidenced by a

Termination Agreement which shall be executed and acknowledged by all of the Owners voting to terminate the Condominium, and recorded with the County Recorder of Maricopa County, Arizona. If at the time of such termination there are any encumbrances or liens against any of the Units, the Termination Agreement will be effective only when the creditors holding such encumbrances or liens execute and acknowledge such Termination Agreement or their encumbrances or liens are satisfied other than by foreclosure against the Units or expire by operation of law. No termination of the Condominium shall be a bar to any subsequent commitment of the Condominium to a Declaration of Condominium.

11.4 Amendment.

(a) Except for amendments which may be executed by the Board or the Declarant pursuant to Subsection (b) of this Section, the Declaration or the Plat may only be amended by the written approval or the affirmative vote of Owners representing not less than seventy-five percent (75%) of the Units.

(b) Either the Board or the Declarant may amend this Declaration or the Plat, without obtaining the approval or consent of any Owner or First Mortgagee, in order to conform this Declaration or the Plat to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Condominium, the Plat or the Condominium Documents is required by law or requested by the Declarant.

(c) Any amendment which would delete or modify any right granted to the Declarant by this Declaration must be approved in writing by the Declarant.

(d) Any amendment approved pursuant to Subsection (a) above or by the Board pursuant to Subsection (b) above shall be signed by the President or Vice President of the Association and shall be recorded with the County Recorder of Maricopa County, Arizona. Any such amendment shall certify that the amendment has been approved as required by this Section. Any amendment made by the Declarant pursuant to Subsection (b) above shall be executed by the Declarant and shall be recorded with the County Recorder of Maricopa County, Arizona.

11.5 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

11.6 Delivery of Notices and Documents. Any written notice of other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered twenty-four hours after a copy of

same has been deposited in the United States mail, postage prepaid, addressed as follows: if to the Association, the Architectural Committee or the Declarant, to December Companies, Inc., 5320 East Shea Boulevard, Scottsdale, Arizona 85254, Attention: Chris Johnson or such other address as the Association, Architectural Committee or Declarant may designate in writing to the Board; if to an Owner, to the address of his Unit within the Condominium owned, in whole or in part, by him or to any other address last furnished by an Owner to the Association; provided, however, that any such address may be changed at any time by the party concerned by delivering a written notice of change of address to the Association. Each Owner of a Unit shall file his correct mailing address with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

11.7 Binding Effect. By acceptance of a deed or by acquiring any ownership interest in any portion of the Condominium, each person or entity, for himself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by the Condominium Documents and any amendments thereof. In addition, each such person by so doing thereby acknowledges that the Condominium Documents set forth a general scheme for the improvement and development of the real property covered thereby and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained in the Condominium Documents shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that the Condominium Documents shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners. Declarant, its successors, assigns and grantees, covenants and agrees that the Units and the membership in the Association and the other rights created by the Condominium Documents shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.

11.8 Gender. The singular, wherever used in this Declaration, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions of this Declaration apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

11.9 Topic Headings. The marginal or topical headings of the sections contained in this Declaration are for convenience only and do not define, limit or construe the contents of the sections or of this Declaration.

11.10 Survival of Liability. The termination of membership in the Association shall not relieve or release any such former Owner or Member from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership or membership, or impair any rights or remedies which the Association may have against such former Owner or Member arising out of, or in any way connected with such ownership or membership and the covenants and obligations incident thereto.

11.11 Construction. In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and the Articles, Bylaws, Association Rules or Architectural Committee Rules, the provisions of this Declaration shall prevail.

11.12 Joint and Several Liability. In the case of joint ownership of a Unit, the liabilities and obligations of each of the joint Owners set forth in, or imposed by the Condominium Documents, shall be joint and several.

11.13 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent construction of all of the dwelling Units, storage Units, Common Elements and Restricted Common Elements and Improvements thereto or the erection or maintenance by Declarant or its duly authorized agents of improvements or signs necessary or convenient to the development or sale of the Condominium or the Units. Declarant and its agents and assigns specifically reserve the right to use and enjoy the Common Elements and all other Improvements and Buildings in connection with its advertising, promotion and sales efforts; provided, however, that such use of the Common Elements by the Declarant must not interfere with any Owner's use and enjoyment of the Common Elements. So long as the Declarant owns any Unit, the Condominium Documents may not be amended in any way which would eliminate, modify or impair the rights of the Declarant as set forth in this Section.

11.14 Reservation of Declarant Rights. Until the Period of Declarant Control terminates as provided in Section 6.4, Declarant reserves the right to:

- (a) Add real estate to the Condominium.
- (b) Create assessments, Units, Common Elements, or Limited Common Elements within the Condominium.
- (c) Subdivide Units, convert Units into Common Elements or convert Common Elements into Units.



- (d) Withdraw real estate from the Condominium.
- (e) Make the Condominium part of a larger condominium or planned community.
- (f) Amend the Declaration during the Period of Declarant Control to comply with applicable law or correct any error or inconsistency in the Declaration.
- (g) Construct improvements provided for in the Declaration.
- (h) Maintain sales offices, management offices, models, and signs advertising the Condominium.
- (i) Use easements through the Common Elements to make improvements.
- (j) Appoint or remove any officer or board member during the Period of Declarant Control.
- (k) Require Declarant consent to amend the Declaration during the Period of Declarant Control.
- (l) Appoint or remove any member of the Architectural Committee.

11.15 Guests and Tenants. Each Owner shall, to the extent required by Arizona law, be responsible for compliance by his agents, tenants, guests, invitees, licensees and their respective servants, agents and employees with the provisions of the Condominium Documents. An Owner's failure to insure compliance by such person shall be grounds for the same action available to the Association or any other Owner by reason of such Owner's own noncompliance.

11.16 Attorneys' Fees. In the event the Declarant, the Association or any Owner employs an attorney or attorneys to enforce a lien or to collect any amounts due from an Owner or to enforce compliance with or recover damages for any violation or noncompliance with the Condominium Documents, the prevailing party in any such action shall be entitled to recover from the other party their reasonable attorneys' fees incurred in the action.

11.17 Management Agreements. Any agreement for professional management of the Association or the Condominium or any other contract providing for services of the Declarant shall not exceed one year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on thirty (30) days or less written notice.

11.18 Number of Days. In computing the number of days for purposes of any provision of the Condominium Documents all days shall be counted including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or holiday.

11.19 Declarant's Right to Use Similar Name. The Association hereby irrevocably consents to the use by any other nonprofit corporation which may be formed or incorporated by Declarant of a corporate name which is the same or deceptively similar to the name of the Association provided one or more words are added to the name of such other corporation to make the name of the Association distinguishable from the name of such other corporation. Within five (5) days after being requested to do so by the Declarant, the Association shall sign such letters, documents or other writings as may be required by the Arizona Corporation Commission in order for any other corporation formed or incorporated by the Declarant to use a corporate name which is the same or deceptively similar to the name of the Association.

11.20 Notice of Violation. The Association shall have the right to record a written notice of a violation by any Owner of any restriction or provision of the Condominium Documents. The notice shall be executed and acknowledged by an officer of the Association and shall contain substantially the following information: (a) the name of the Owner; (b) the legal description or street address of the Unit against which the notice is being recorded; (c) a brief description of the nature of the violation; (d) a statement that the notice is being recorded by the Association pursuant to this Declaration; and (e) a statement of the specific steps which must be taken by the Owner to cure the violation. Recordation of a Notice of Violation shall serve as a notice to the Owner and to any subsequent purchaser of the Unit that there is a violation of the provisions of the Condominium Documents. If, after the recordation of such notice, it is determined by the Association that the violation referred to in the notice does not exist or that the actual violation referred to in the notice has been cured, the Association shall record a notice of compliance which shall state the legal description or street address of the Unit against which the Notice of Violation was recorded, the recording data identifying the docket and page where the Notice of Violation was recorded, and shall state that the violation referred to in the notice of violation has been cured, or if such be the case, that it did not exist.

IN WITNESS WHEREOF, the Declarant has executed this Declaration on this 6 day of March 1996.

DECEMBER COMPANIES, INC.,  
an Arizona corporation

By *Chris Johnson*  
Chris Johnson

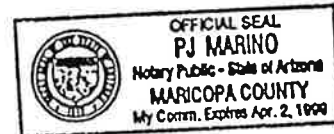
Its: President

State of Arizona )  
County of Maricopa ) ss.

The foregoing instrument was acknowledged before me this 6 day of March 1996, by Chris Johnson, the president of December Companies, Inc., an Arizona corporation, on behalf of the corporation.

*PJ Marino*  
Notary Public

My Commission Expires:



**EXHIBIT A**  
**LEGAL DESCRIPTION**

Lot One (1) "52ND STREET AND SHEA" per Book 374 of Maps, Page 8, Maricopa County Records, being a part of Section 29, Township 3 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

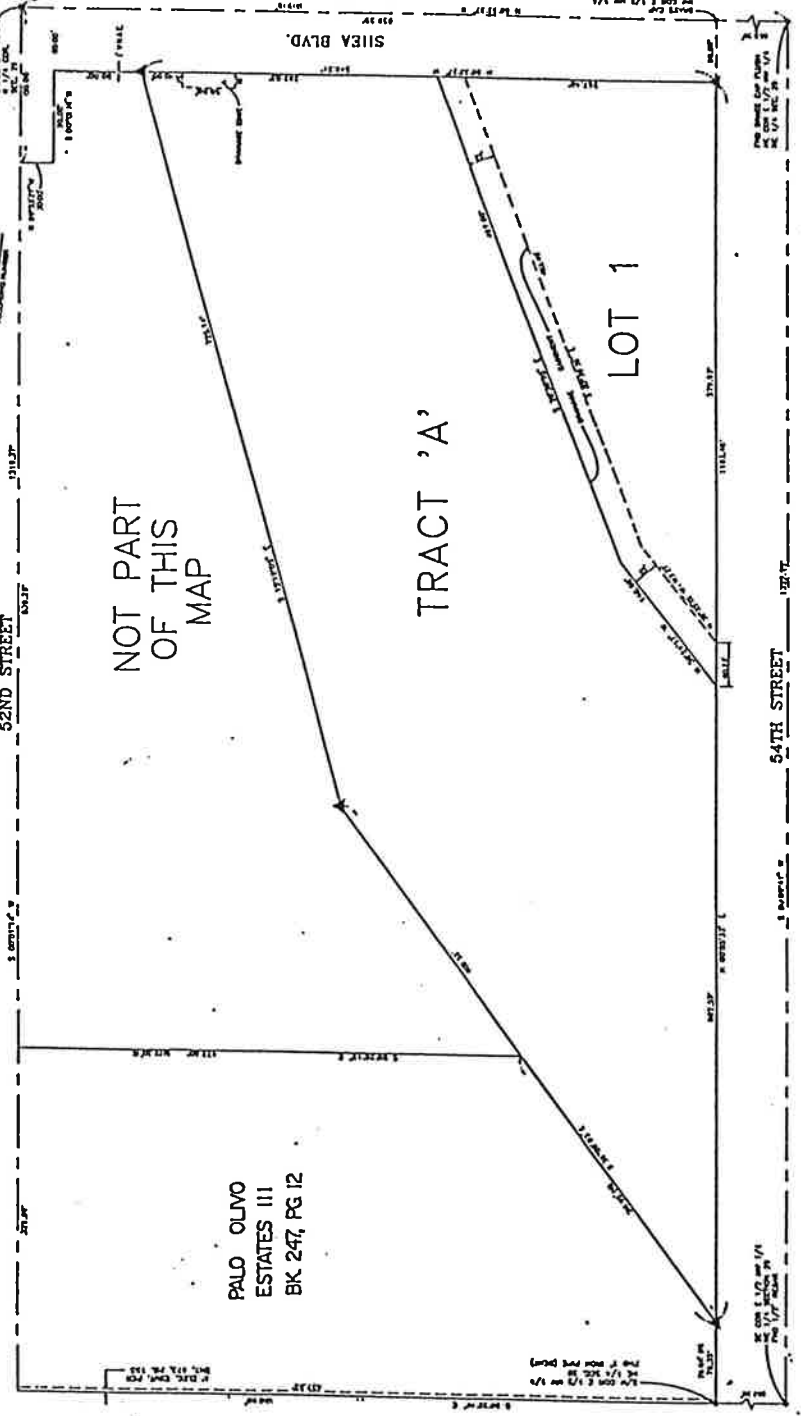


# PLAT FOR "52ND STREET & SHEA" LOCATED WITHIN A PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 3 NORTH, RANGE 4 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

3748  
3-28-94

**EXHIBIT**  
COUNTY OF MARICOPA  
STATE OF ARIZONA  
I, the undersigned, being a duly qualified and licensed Professional Engineer in the State of Arizona, do hereby certify that the foregoing plat is a true and correct copy of the original as shown to me by the owner thereof, and that the same has been prepared in accordance with the provisions of the laws of the State of Arizona relating to the recording of maps and plats.

*James L. Conroy*  
Professional Engineer  
No. 12345



NOT PART  
OF THIS  
MAP

PALO OLIVO  
ESTATES III  
BK 247, PG 12

- NOTES**
- 1) CONSTRUCTION OF THIS TRACT SHALL BE LIMITED TO THE USE OF THE TRACT AS A RESIDENTIAL TRACT.
  - 2) THE TRACT SHALL BE SUBJECT TO THE CITY OF PHOENIX ZONING ORDINANCES AND ALL APPLICABLE ORDINANCES.
  - 3) ALL UTILITIES SHALL BE PLACED UNDERGROUND.



**CONSTRUCTION**

1. THIS PLAT APPROXIMATELY SHOWS THE LOCATION OF THE TRACT AS SHOWN ON THE PLAT.
2. THE TRACT SHALL BE SUBJECT TO THE CITY OF PHOENIX ZONING ORDINANCES AND ALL APPLICABLE ORDINANCES.
3. THE TRACT SHALL BE SUBJECT TO THE CITY OF PHOENIX ZONING ORDINANCES AND ALL APPLICABLE ORDINANCES.



**LEGEND:**  
▲ SURVEY POINT  
○ SURVEY POINT

Restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby waived to the extent such restrictions violate 42 USC 3604(c).