

TITLE USA Company of Arizona

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8 DECLARATION OF COVENANTS, CONDITIONS  
9 AND RESTRICTIONS  
10 FOR  
11 IRONWOOD VILLAGE  
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DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS  
FOR  
IRONWOOD VILLAGE

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1 Article 6 below, no portion of the Annexable Property may be  
2 annexed to the Property pursuant to Article 6 unless, at the  
3 time of such annexation, such portion is owned by Trustee or  
Declarant (or is annexed with the written consent of the owner  
thereof).

4 1.2 "Annual Assessments" shall mean those Assessments  
5 designated as such in this Declaration and computed and levied  
as provided in Section 8.5 of this Declaration.

6 1.3 "Apartment Parcel" shall mean a Parcel designated  
7 as such in a Tract Declaration or, if no Tract Declaration has  
yet been Recorded with respect to such Parcel, on the Master  
Development Plan.

8 1.4 "Apartment Unit" shall mean a Dwelling Unit  
9 located on an Apartment Parcel, the occupancy of which is  
governed by a rental agreement.

10 1.5 "Architectural Committee" shall mean the commit-  
11 tee established pursuant to Article 9 of this Declaration.

12 1.6 "Articles" shall mean the articles of incorpora-  
13 tion of the Association, as the same may be amended from time  
to time in accordance with the provisions thereof and with the  
14 applicable provisions of this Declaration, the Bylaws and the  
statutes and regulations of the State of Arizona.

15 1.7 "Assessments" shall mean the Annual Assessments,  
the Parcel Assessments and the Special Assessments.

16 1.8 "Association" shall mean Ironwood Village  
17 Association, an Arizona non-profit corporation to be formed by  
Declarant not later than 30 days after Recordation of this  
18 Declaration, and its successors and assigns (provided, however,  
that if such corporate name is not available for use, another  
19 name may be selected by Declarant in connection with the incor-  
poration of the Association).

20 1.9 "Board" shall mean the group or body of persons  
21 elected in accordance with the provisions of the Articles, the  
Bylaws and the statutes and regulations of the State of  
22 Arizona, in which group or body is vested the management of the  
affairs of the Association, and shall be equivalent in meaning  
23 to the term "board of directors," as defined in Section  
10-1002(6) of the Arizona Revised Statutes.

24 1.10 "Bylaws" shall mean the bylaws of the  
25 Association, as the same may be amended from time to time in  
accordance with the provisions thereof and with the applicable

1 provisions of this Declaration, the Articles and the statutes  
and regulations of the State of Arizona.

2 1.11 "City" shall mean the City of Scottsdale, Arizona.

3 1.12 "Common Area" shall mean all real property  
4 (including the improvements thereto) owned by the Association  
5 for the common use and enjoyment of the Owners. The Common  
6 Area to be owned by the Association at the time of conveyance  
of the first Lot to a retail purchaser shall be the property  
described on Exhibit "C" attached hereto and incorporated  
herein by reference.

7 1.13 "Common Expenses" shall mean the actual and esti-  
8 mated expenses of operating the Association, including any rea-  
9 sonable reserves, all as may be found to be necessary and  
appropriate by the Board pursuant to this Declaration or pur-  
suant to the Articles or the Bylaws.

10 1.14 "Condominium Parcel" shall mean a Parcel desig-  
11 nated as such in a Tract Declaration or, if no Tract  
12 Declaration has yet been Recorded with respect to such Parcel,  
on the Master Development Plan.

13 1.15 "Condominium Unit" shall mean any portion of the  
14 Property which constitutes a "unit" within a "condominium,"  
15 together with any appurtenant interest in all "common ele-  
ments," as those terms are defined in the Arizona Condominium  
Act, Chapter 9 of Title 33 of the Arizona Revised Statutes, as  
amended.

16 1.16 "Declarant" shall mean Realty Dealers, Ltd., an  
17 Illinois limited partnership, and any assignee of the rights  
18 and duties granted or reserved to the Declarant herein, which  
assignment shall be evidenced by a duly executed and acknowl-  
19 edged Recorded instrument executed by the assigning Declarant.  
The term "Declarant" shall in no event mean or refer to a  
20 retail Lot buyer, nor shall the term "Declarant" mean or refer  
to the buyer of one or more Parcels unless and to the extent  
expressly provided in a Recorded instrument complying with the  
immediately preceding sentence.

21 1.17 "Declaration" shall mean this Declaration of  
22 Covenants, Conditions and Restrictions, as the same may be  
amended from time to time.

23 1.18 "Developer Owner" shall mean a Person (other than  
24 Declarant) in the business of developing, leasing and/or sell-  
25 ing real property and who has acquired one or more Lots or  
Parcels in connection with, and in the course of, such

26

1 business, for the purpose of developing, leasing or selling  
2 such Lots or Parcels.

3 1.19 "Dwelling Unit" shall mean any building, or part  
4 thereof (including, but not limited to, a Condominium Unit),  
5 situated upon a Lot or Parcel and intended for use and occu-  
6 pancy as a residence by a Single Family.

7 1.20 "Eligible Mortgage Holder" shall mean any holder  
8 (as evidenced by a Recorded instrument) of a First Mortgage who  
9 or which shall have made written request to the Association for  
10 notice of any proposed action that, pursuant to Section 12.2 or  
11 Section 12.11, requires the consent of a specified percentage  
12 of Eligible Mortgage Holders (which written request must con-  
13 tain the name and address of the Eligible Mortgage Holder and  
14 the Lot number or street address of the Lot against which the  
15 First Mortgage held by said Eligible Mortgage Holder is  
16 Recorded).

17 1.21 "First Mortgage" shall mean a Mortgage Recorded  
18 against a Lot which has priority over all other Mortgages  
19 Recorded against that Lot.

20 1.22 "Lot" shall mean and refer to: (a) a lot into  
21 which any part of the Property is subdivided as set forth in a  
22 subdivision plat now or hereafter Recorded with respect to all  
23 or any part of the Property; or (b) a Condominium Unit. For  
24 purposes of this Declaration, a Lot shall be deemed to come  
25 into existence on and as of the date the plat depicting and  
26 establishing such Lot is Recorded. In no event shall the term  
"Lot" mean or refer to all or any part of the Common Area (or  
to all or any part of any common area or common elements estab-  
lished by a declaration of covenants, conditions and restric-  
tions, declaration of condominium or other such instrument  
hereafter Recorded pursuant to Article 6 or otherwise).

1.23 "Master Development Plan" shall mean the concep-  
tual or site development plan at any time in effect for  
Ironwood Village and approved by the City or any other govern-  
mental jurisdiction having the authority to approve and regu-  
late master plans for planned area developments located in  
Ironwood Village; as the same may be amended from time to time.

1.24 "Maximum Annual Assessment" shall mean the amount  
determined for each fiscal year of the Association in accor-  
dance with Section 8.7 of this Declaration.

1.25 "Member" shall mean any Person entitled to  
membership in the Asscciation, as provided in this Declaration.

1.26 "Mortgage" shall mean a deed of trust, as well as a mortgage, which, in either case, is Recorded against a Lot.

1.27 "Mortgagee" shall mean a beneficiary under a deed of trust, as well as a mortgagee under a mortgage, which, in either case, is Recorded against a Lot.

1.28 "Occupant" shall mean any Person other than an Owner who occupies or is in possession of a Lot or Parcel, whether as a lessee under a lease or otherwise.

1.29 "Owner" shall mean the Person or Persons who individually or collectively: (a) own fee title to a Lot or Parcel (as evidenced by a Recorded instrument); or (b) hold the seller's or vendor's interest in a Lot or Parcel under a contract for conveyance, contract for deed, agreement for sale or similar contract through which a seller has conveyed to a purchaser equitable title in property and under which the seller is obligated to convey to the purchaser the remainder of the seller's title in the property, whether legal or equitable, on payment in full of all sums due under the contract. The term "Owner" shall not include: (i) any Person who holds an interest in a Lot or Parcel merely as security for the performance of an obligation; or (ii) a lessee, tenant or other Occupant of a Lot or Parcel. Declarant shall be the "Owner" of each Lot or Parcel with respect to which Declarant holds the interest required by this Section and, in addition, shall be deemed to be the "Owner" of each Lot or Parcel to which title is held by a trustee (other than the trustee of a deed of trust) for the benefit of Declarant. Notwithstanding part (a) of this Section, in the case of a Lot or Parcel, the fee title to which is vested in a trustee under a deed of trust pursuant to Chapter 6.1 of Title 33 of the Arizona Revised Statutes, the owner of the trustor's interest under the deed of trust shall be deemed to be the "Owner" of that Lot or Parcel.

1.30 "Parcel" shall mean each area of the Property shown as a separate piece of real property on the Master Development Plan, provided, however, that in the event a Parcel is split in any manner into portions under separate ownership (other than by subdivision of the Parcel by Recordation of a subdivision plat into Lots, each of which constitutes or may have constructed thereon only one Dwelling Unit), each portion under separate ownership shall thereafter constitute a separate Parcel.

1.31 "Parcel Assessments" shall mean those Assessments levied in accordance with Section 4.4 and as more particularly provided in Section 8.10 of this Declaration.

1 1.32 "Person" means a natural person, corporation,  
2 partnership, trustee or other legal entity.

3 1.33 "Phase" shall mean: (a) any one of the groups of  
4 Lots within the Property described and identified by a phase  
5 number or letter (or number and letter) on Exhibit "D" attached  
6 hereto and incorporated herein by reference; or (b) in the case  
7 of any part of the Annexable Property hereafter annexed to the  
8 Property pursuant to Article 6 of this Declaration, any one of  
9 the groups of Lots designated as a "Phase" either in the Tract  
10 Declaration or other Recorded instrument effecting such annexa-  
11 tion in accordance with Article 6 or in an instrument Recorded  
12 in accordance with Subsection 8.4.3. Except as otherwise pro-  
13 vided in Subsection 8.4.3, in the event that the Tract  
14 Declaration or other Recorded instrument effecting any such  
15 annexation does not divide the particular property being  
16 annexed into Phases, then such property shall be deemed to con-  
17 stitute a single Phase for purposes of this Declaration. The  
18 numbers or letters (or numbers and letters) assigned to Phases  
19 hereby are and shall be for reference only and shall not con-  
20 trol the order or timing of development or sale of Lots within  
21 any Phase or from Phase to Phase.

22 1.34 "Property" shall mean the real property described  
23 in Exhibit "A" attached hereto and shall further refer to such  
24 additional property, if any, as may hereafter be annexed  
25 thereto pursuant to Article 6 hereof or as is now or may here-  
26 after be owned in fee simple by the Association.

15 1.35 "Record", "Recording", "Recorded" and  
16 "Recordation" shall mean placing or having placed an instrument  
17 of public record in the official records of Maricopa County,  
18 Arizona, or of such other governmental authority, office or  
19 official with which or whom the applicable laws of the State of  
20 Arizona prescribe that documents affecting title to real prop-  
21 erty in the area including the Property are to be placed of  
22 public record.

23 1.36 "Residential Association" shall mean any home-  
24 owners or similar association created with respect to property  
25 now or hereafter subjected to this Declaration containing (or  
26 to contain) Lots, but shall not include the Association.

1 1.37 "Single Family" shall mean a group of persons  
2 related by blood, marriage or legal adoption, or a group of not  
3 more than three unrelated persons maintaining a common house-  
4 hold.

5 1.38 "Single Family Parcel" shall mean: (a) each of  
6 the Parcels described on Exhibit "A" attached hereto and incor-  
7 porated herein by reference; and (b) a Parcel designated as

1 such in a Tract Declaration or, if no Tract Declaration has yet  
 2 been Recorded with respect to such Parcel, on the Master  
 3 Development Plan.

3 1.39 "Special Assessments" shall mean those  
 4 Assessments levied in accordance with Section 8.9 hereof.

4 1.40 "Tract Declaration" shall mean any declaration of  
 5 covenants, conditions and restrictions or like instrument  
 6 Recorded by Declarant after the Recording of this Declaration  
 7 in regard to one or more Parcels, or portions thereof, or one  
 8 or more groups of Lots, which shall in all cases be subordinate  
 9 to this Declaration.

8 1.41 "Trustee" shall mean Title USA Company of  
 9 Arizona, an Arizona corporation, serving in its capacity as  
 10 trustee of its Trust No. 1547, and its successors and assigns.

## 10 ARTICLE 2

### 11 PROPERTY RIGHTS

12 Every Owner shall have a non-exclusive right and ease-  
 13 ment of enjoyment in, to and over the Common Area, subject to  
 14 any restrictions or limitations contained herein or in any  
 15 Recorded instrument conveying to the Association or subjecting  
 16 to this Declaration such property, and subject further to the  
 17 reasonable rules and regulations of the Association. Any Owner  
 18 may assign his, her or its right of enjoyment to (and share the  
 19 same with) the members of his or her household and assign the  
 20 same to and share the same with his, her or its tenants and  
 21 invitees subject to the provisions of this Declaration and to  
 22 reasonable regulation by the Board and otherwise in accordance  
 23 with such procedures as the Board may adopt. An Owner who  
 24 leases his, her or its Lot or Parcel shall be deemed to have  
 25 delegated such Owner's rights and easements under this Article  
 26 2 to the lessee of such Lot or Parcel.

## 20 ARTICLE 3

### 21 MEMBERSHIP AND VOTING RIGHTS

22 3.1 Votes of Owners of Lots and Parcels. Every Owner  
 23 of a Lot or Parcel automatically shall be a Member of the  
 24 Association and shall remain a Member for so long as such own-  
 25 ership continues. Each Owner's membership in the Association  
 26 shall be appurtenant to and may not be separated from ownership  
 of the Lot or Parcel to which the membership is attributable.  
 In the event any Lot or Parcel is owned by two or more Persons,  
 whether by joint tenancy, tenancy in common, community property  
 or otherwise, each such Person shall be considered a Member but

1 the membership as to such Lot or Parcel shall be joint, and  
 2 such Persons shall jointly designate to the Association in  
 3 writing one of their number who shall have the power to vote  
 4 said membership, and, in the absence of such designation and  
 5 until such designation is made, the Board shall make such des-  
 6 ignation and such designation shall be binding for all pur-  
 7 poses. Notwithstanding the foregoing, so long as the Class B  
 8 membership is in existence, no Class B Member shall at the same  
 9 time be a Class A Member nor shall a Class B Member have any  
 10 Class A votes, and the membership and number of votes of the  
 11 Class B Member(s) shall be determined in accordance with  
 12 Subsection 3.3.1. Subject to Section 3.3.1 below, each Owner  
 13 (other than Declarant, so long as the Class B membership is in  
 14 existence) shall have the following applicable number of votes  
 15 in the Association:

16 3.1.1 One vote for each Lot owned by such Owner;

17 3.1.2 In the case of the Owner of a Single Family  
 18 Parcel or Condominium Parcel which has not been divided into  
 19 Lots by a Recorded subdivision plat or other Recorded instru-  
 20 ment, one vote for each Dwelling Unit permitted upon the Parcel  
 21 under the applicable Tract Declaration, or if no Tract  
 22 Declaration has been Recorded, then one vote for each Dwelling  
 23 Unit permitted upon such Parcel under the then current Master  
 24 Development Plan;

25 3.1.3 one-half of one vote for each Apartment Unit  
 26 owned on an Apartment Parcel on which construction has been  
 completed; or

3.1.4 one-half of one vote for each Dwelling Unit  
 permitted under the applicable Tract Declaration upon an  
 Apartment Parcel upon which construction has not been completed  
 (or, if no Tract Declaration has been Recorded with respect to  
 such Parcel, then one-half of one vote for each Dwelling Unit  
 permitted upon such Parcel under the then current Master  
 Development Plan).

3.2 Declarant. Declarant shall be a Member of the  
 Association for so long as it holds a Class A or Class B  
 membership.

3.3 Voting Classes. The Association shall have two  
 classes of voting Members:

3.3.1 Class A. Class A Members shall be all  
 Owners except Declarant (until the conversion of Declarant's  
 Class B membership to Class A membership as provided below).  
 Subject to the authority of the Board to suspend an Owner's  
 voting rights in accordance with the provisions hereof, and

1 except as provided in this Subsection 3.3.1, a Class A Member  
2 shall have the number of votes provided in Section 3.1.  
3 Notwithstanding the foregoing, a Developer Owner who is a Class  
4 A Member and is entitled to pay only a reduced Assessment pur-  
5 suant to Section 8.4 shall be entitled only to the number of  
6 votes equal to the percentage of the full Assessments such  
7 Member is entitled to pay multiplied by the number of votes  
8 such Member would otherwise have under Section 3.1 above; and

9  
10 3.3.2 Class B. The Class B Member shall be  
11 Declarant. The Class B Member shall be entitled to the number  
12 of votes equal to three times the number of votes which would  
13 otherwise be attributable to Lots and Parcels owned by  
14 Declarant as determined pursuant to Section 3.1 above.  
15 Declarant shall have the right, at any time and from time to  
16 time, to assign all or any part of its voting rights appurten-  
17 ant to its Class B membership (as well as all or any other  
18 rights appurtenant thereto) to one or more Persons acquiring,  
19 for purposes of development and sale, any part of the  
20 Property. Further, Declarant shall have the right, at any time  
21 and from time to time, to designate an individual or individ-  
22 uals to exercise Declarant's voting rights (whether appurtenant  
23 to Class A or Class B membership), provided, however, that such  
24 designation shall not act as an assignment by Declarant of its  
25 membership or voting rights hereunder. Subject to the provi-  
26 sions of Article 6 below, the Class B membership automatically  
shall cease and be converted to a Class A membership upon the  
happening of the first of the following events:

(a) the date which is 90 days after the  
date upon which the total number of votes of the Class A  
Members equals the total number of votes of the Class B Member;

(b) the date which is ten (10) years after  
the date this Declaration is Recorded; or

(c) the date on which Declarant Records a  
written notice electing to convert the Class B membership to  
Class A membership.

3.4 Right to Vote. No change in the ownership of a  
Lot, Parcel or Apartment Unit shall be effective for voting  
purposes until the Board receives written notice of such change  
together with satisfactory evidence thereof. The vote(s) for  
each Member must be cast as a single unit. Split or fractional  
votes shall not be allowed. If any Owner casts a vote or votes  
representing a certain Lot, Parcel or Apartment Unit, that  
Owner will thereafter be conclusively presumed to be acting  
with the authority and consent of all other Owners of such Lot,  
Parcel or Apartment Unit unless and until objection thereto is  
made to the Board, in writing. Any Owner of a Lot, Parcel or

1 Apartment Unit which is leased or which is subject to a valid,  
 2 outstanding and Recorded executory agreement of sale may, in  
 3 the lease, agreement of sale or other written instrument,  
 4 assign the voting right appurtenant to the Lot, Parcel or  
 5 Apartment Unit to the lessee thereof or to the purchaser  
 thereof under such agreement of sale, as applicable, provided  
 that a copy of the written assignment of such voting rights is  
 furnished to the Secretary of the Association prior to any  
 meeting at which such lessee or purchaser seeks to exercise  
 such voting right.

6 3.5 Members' Rights. Each Member shall have the  
 7 rights, duties and obligations set forth in this Declaration,  
 the Articles, the Bylaws, any applicable Tract Declaration and  
 8 any rules and regulations adopted pursuant to any of the fore-  
 going.

9 3.6 Transfer of Membership. Except as otherwise pro-  
 10 vided in this Declaration, the rights, duties and obligations  
 of a Class A Member cannot and shall not be assigned, trans-  
 11 ferred, pledged, conveyed or alienated in any way except upon  
 transfer of ownership of such Class A Member's Lot, Parcel or  
 12 Apartment Unit, and then only to the transferee thereof. Such  
 transfer may be effected by deed, intestate succession,  
 13 testamentary disposition, foreclosure or other legal process  
 authorized under Arizona law, shall operate to transfer the  
 14 membership appurtenant thereto to the new Owner and any attempt  
 to make any other form of transfer shall be void.

#### 15 ARTICLE 4

#### 16 MAINTENANCE

17 4.1 Association's General Responsibilities. The  
 18 Association shall maintain and keep in good repair the Common  
 Area (and certain other areas, as more expressly provided in  
 19 this Section 4.1), and the costs of such maintenance shall be  
 Common Expenses of the Association (subject to any insurance  
 then in effect). This maintenance shall include, but not be  
 20 limited to:

21 4.1.1 maintenance, repair and replacement of all  
 22 landscaping and other flora, structures and improvements  
 situated upon the Common Area, and any perimeter or boundary  
 23 walls on or surrounding the exterior boundaries of the  
 Property;

24 4.1.2 maintenance, repair and replacement of land-  
 25 scaping and flora in or upon public rights-of-way immediately  
 adjacent to the exterior boundaries of the Property;

1 4.1.3 maintenance, repair and replacement of  
2 landscaping and signs within areas designated on one or more  
3 subdivision plats or Tract Declaration Recorded by, or bearing  
4 the written approval of, Declarant (or, after termination of  
the Class B membership, the Association) with respect to all or  
portions of the Property as "landscape easements," "landscape  
and wall easements" or "landscape and sign easements" (or simi-  
lar designations) to be maintained by the Association;

5 4.1.4 maintenance, repair and replacement of the  
6 side facing a street or portion of the Common Area of any  
7 boundary or perimeter wall situated within areas designated on  
8 one or more subdivision plats or Tract Declarations Recorded  
9 by, or bearing the written approval of, Declarant (or, after  
termination of the Class B membership, the Association) with  
respect to the Property as "wall easements" (or similar  
designations) to be maintained by the Association; and

10 4.1.5 maintenance and repair of any drainage ease-  
ments upon or across the Common Area.

11 Notwithstanding the foregoing, except where otherwise provided  
12 in a Tract Declaration or other Recorded instrument executed  
13 by, or bearing the written approval of, Declarant affecting any  
14 part of the Property, maintenance of the side facing any public  
15 right-of-way of any boundary or perimeter walls situated upon  
16 the Property along public rights-of-way shall be the responsi-  
17 bility of the Association, while the maintenance of the side of  
18 such boundary or perimeter walls (and of boundary or perimeter  
walls between Common Area and an Owner's Lot or Parcel) facing  
an Owner's Lot or Parcel shall be the responsibility of such  
Owner (or, if applicable, of a Residential Association having  
jurisdiction over such Lot, if so provided in a Recorded decla-  
ration of condominium or covenants, conditions and restrictions  
governing such Lot and such Residential Association).

19 4.2 Maintenance of Owner's Structures. Each Owner  
20 shall be responsible for the maintenance, cleaning, painting,  
21 repair and general care of all structures existing or  
22 constructed upon such Owner's Lot or Parcel, and, in particu-  
23 lar, each Owner shall cause the exterior of said structures to  
24 be maintained in good condition and repair and in an attractive  
25 state consistent with general community standards within the  
26 Property. In the event that the Association shall determine,  
by the affirmative vote of a majority of the votes of each  
class of Members represented in person or by valid proxy at a  
meeting called for such purpose, that any Owner is in breach of  
such Owner's obligations under the preceding sentence, the  
Association shall promptly give such Owner written notice of  
such determination, including a reasonably detailed list or  
description of the repairs, maintenance or other work required

1 to cure such Owner's breach, and in the event the Owner shall  
2 not have cured such breach within thirty (30) days after the  
3 date of said written notice, the Association shall cause the  
4 repairs, maintenance or other work to be performed so as to  
5 cure such Owner's breach, and the Association's costs in doing  
6 so, together with interest from the date of expenditure at the  
7 rate set forth in Section 12.8 of this Declaration, shall con-  
8 stitute a lien on such Owner's Lot or Parcel, which lien shall  
9 have the priority and may be enforced in the manner described  
10 in Section 8.3 of this Declaration; the Association shall also  
11 have standing and authority to request that a court of compe-  
12 tent jurisdiction compel such Owner to cure such breach, and to  
13 the extent not inconsistent with an order of such court, the  
14 Association may pursue either or both of the courses of action  
15 described in this sentence. The Association shall have an  
16 easement on, over, across and through each Lot and Parcel to  
17 permit it to carry out its duties and obligations under this  
18 Article 4. In the case of Condominium Units or other Dwelling  
19 Units, the exterior maintenance of which is the responsibility  
20 of a Residential Association pursuant to a Recorded declaration  
21 of condominium or of covenants, conditions and restrictions,  
22 the maintenance duties and obligations imposed by this  
23 Section 4.2 upon Owners shall be fulfilled and performed by the  
24 Residential Association established by such Recorded declara-  
25 tion, and in the event such Residential Association fails to  
26 meet such duties and obligations, the Association shall have  
all the same rights and remedies as are provided by this  
Section 4.2 in the case of an Owner's breach, except that if  
the Association expends any funds to cure a breach by such  
Residential Association, its costs (including interest as pro-  
vided in this Section 4.2) shall be the obligation of the  
Residential Association and shall also constitute a lien  
against each Condominium Unit or other Dwelling Unit subject to  
the jurisdiction of such Residential Association, which lien  
shall have the priority and may be enforced in the matter  
described in Section 8.3 of this Declaration.

19 4.3 Publicly-Dedicated Areas. Except as expressly  
20 provided in this Article 4 (and, in particular, in  
21 Subsection 4.1.2), and except as may otherwise be required by  
22 applicable law, the Association shall have no responsibility to  
maintain any areas within the Property (including, but not  
limited to, public streets) which are dedicated to or the  
responsibility of a municipality or other governmental entity.

23 4.4 Assumption of Other Responsibilities. The  
24 Association may, in the discretion of the Board, assume the  
25 maintenance responsibilities set out in any declaration subse-  
26 quently Recorded which creates any Residential Association upon  
all or any portion of the Property. In such event, all costs  
of such maintenance shall be assessed as Parcel Assessments

1 only against the Owners of Lots within the Residential  
 2 Association to which the services are provided. The assumption  
 3 of such maintenance responsibility may take place only by con-  
 4 tract between the Association and such Residential Association  
 5 or if, in the opinion of the Board, the level and/or quality of  
 6 maintenance then being provided by such Residential Association  
 7 do not meet the community-wide standards sought by the  
 8 Association to be maintained on and with respect to the  
 9 Property.

10 4.5 No Discrimination. The provision of services in  
 11 accordance with this Article shall not be deemed to be discrim-  
 12 ination in favor of or against any Owner or Residential  
 13 Association.

#### 14 ARTICLE 5

#### 15 INSURANCE AND FIDELITY BONDS; CASUALTY LOSSES

#### 16 5.1 Insurance to be Obtained by the Association.

#### 17 5.1.1 Hazard Insurance.

18 (a) The Board, acting on behalf of the  
 19 Association, shall obtain and maintain at all times insurance  
 20 for all insurable improvements on the Common Area against loss  
 21 or damage by fire or other hazards, casualties and risks  
 22 embraced within the coverage of the standard "extended cover-  
 23 age" policy available from time to time in the State of  
 24 Arizona, against all other perils customarily covered for simi-  
 25 lar types of projects (including those covered by the standard  
 26 "all risk" endorsement available from time to time in the State  
 of Arizona), and against loss or damage due to vandalism and  
 malicious mischief. Said insurance shall be in an amount equal  
 to 100% of the current replacement cost, from time to time,  
 without deduction for depreciation, of all such insurable  
 improvements (excluding land, foundations, excavations and  
 other items usually excluded from such insurance coverage, but  
 including fixtures and building service equipment and personal  
 property and supplies owned by the Association), with such  
 amount to be redetermined annually (and upon the subjection of  
 any portion, or all, of the Annexable Property to the effect of  
 this Declaration if such subjection results in an addition to  
 the Common Area of property upon which are situated improve-  
 ments required to be insured hereunder) by the Board with the  
 assistance of the insurer or insurers providing such coverage.

(b) The policy or policies providing the insur-  
 ance required by this Subsection 5.1.1 shall provide that: (i)  
 any insurance trust agreement will be recognized; (ii) the  
 insurer shall waive any right of subrogation against the

1 Owners, the Board or the Association, and their respective  
2 agents, tenants, servants, employees, guests and household mem-  
3 bers; (iii) such insurance shall not be cancelled, invalidated  
4 or suspended by reason of any acts or omissions of any Owner  
5 (or of such Owner's invitees, agents, tenants, servants,  
6 employees, guests or household members), or of any member,  
7 officer or employee of the Board without a prior written demand  
8 to the Board that any such act or omission be cured and without  
9 providing a sixty (60) day period within which the Board may  
10 cure such act or omission (or cause the same to be cured); (iv)  
11 such insurance coverage shall be primary, and shall in no event  
12 be brought into contribution with any insurance maintained by  
13 individual Owners, their Mortgagees or other lien holders; and  
14 (v) the coverage afforded by such policy or policies shall not  
15 be prejudiced by any act or omission of any Owner or Occupant  
16 (or their agents) when such act or omission is not within the  
17 control of the Association.

18 (c) The policy or policies providing the insur-  
19 ance required by this Subsection 5.1.1 shall also contain (if  
20 available at no additional cost or at such additional cost as  
21 is not demonstrably unreasonable) the following endorsements  
22 (or their equivalents): (i) "agreed amount" and "inflation  
23 protection" endorsements; (ii) "increased cost of construction"  
24 endorsement; (iii) "contingent liability from operation of  
25 building laws or codes" endorsement; and (iv) "demolition cost"  
26 endorsement.

(d) The policy or policies providing the insur-  
ance required by this Subsection 5.1.1 shall also contain a  
steam boiler and machinery endorsement providing coverage in an  
amount not less than the lesser of \$2,000,000 or the insurable  
value of the building(s) housing such boiler and machinery, if  
any.

(e) Unless a higher maximum deductible amount is  
required by applicable law, each policy providing the insurance  
coverage required by this Subsection 5.1.1 shall provide for a  
deductible not to exceed the lesser of \$10,000 or one percent  
(1%) of the face amount of such policy.

5.1.2 Liability Insurance. The Board, acting on  
behalf of the Association, shall obtain and maintain at all  
times a comprehensive general liability policy insuring the  
Association, each member of the Board and each Owner (and, so  
long as Declarant, or any Person with whom Declarant contracts  
directly for the performance of all or a substantial portion of  
Declarant's rights and obligations hereunder, or for the con-  
struction of substantial improvements on the Property, retains  
an interest in the Property or any Lot or Parcel, insuring  
Declarant and such Person, if identified by Declarant to the

1 Association, provided that any added premium cost or other  
2 expense resulting from naming Declarant or such Person as  
3 insureds shall be borne by Declarant or such other Person),  
4 against any liability to the public or to any Owner or Occupant  
5 (and such Owner's or Occupant's invitees, agents, employees,  
6 tenants, guests, servants and household members) for death,  
7 bodily injury and property damage arising out of or incident to  
8 the ownership or use of the Common Area or arising out of or  
9 incident to the performance by the Association of its maintenance  
10 and other obligations hereunder. The Board, with the  
11 assistance of the insurer(s) providing such coverage, shall  
12 review annually the amounts of coverage afforded by said comprehensive  
13 general liability policy or policies and adjust such  
14 amounts of coverage as the Board deems appropriate, but in no  
15 event shall said policy or policies provide coverage less than  
16 One Million Dollars (\$1,000,000.00) for death, bodily injury  
17 and property damage for any single occurrence. The policy or  
18 policies providing such insurance shall, by specific endorsement  
19 or otherwise, preclude denial by the insurer(s) providing  
20 such insurance of a claim under such policy or policies because  
21 of negligent acts or omissions of the Association or any  
22 Owner(s) (or of Declarant or any other Person named as an  
23 insured or additional insured thereunder).

13 5.1.3 Flood Insurance. In the event any part of  
14 the Common Area is in a "special flood hazard area," as defined  
15 by the Federal Emergency Management Agency (or its successors),  
16 the Board, acting on behalf of the Association, shall obtain  
17 (and maintain at all times during which any part of the Common  
18 Area is in such a "special flood hazard area") a "master" or  
19 "blanket" policy of flood insurance covering all insurable  
20 improvements on the Common Area and covering any personal property  
21 situated from time to time within such improvements (to  
22 the extent such personal property is normally covered by the  
23 standard flood insurance policy available from time to time in  
24 the State of Arizona). Said insurance shall be in an amount  
25 not less than the lesser of: (a) 100% of the current replacement  
26 cost, from time to time, of all such insurable improvements  
(and such insurable personal property) located in the  
"special flood hazard area"; or (b) the maximum coverage available  
for such insurable improvements and insurable personal  
property under the National Flood Insurance Program. Unless a  
higher maximum deductible amount is required by applicable law,  
the policy providing such insurance shall provide for a deductible  
not to exceed the lesser of \$5,000 or one percent (1%) of  
the face amount of such policy.

24 5.1.4 General Provisions Governing Insurance. The  
25 insurance required to be obtained under Subsections 5.1.1,  
26 5.1.2 and 5.1.3 shall be written in the name of the Association  
as trustee for each of the Owners and for each Mortgagee (as

1 their respective interests may appear) and shall be governed by  
the provisions hereinafter set forth:

2 (a) All policies shall be written with one or  
3 more companies authorized to provide such insurance in the  
State of Arizona;

4 (b) Exclusive authority to adjust losses under  
5 policies in force on property owned or insured by the  
Association shall be vested in the Board;

6 (c) In no event shall the insurance coverage  
7 obtained and maintained by the Board hereunder be brought into  
contribution with insurance purchased by individual Owners,  
8 Occupants or their Mortgagees or other lienholders, or by any  
Residential Association, and the insurance carried by the  
9 Association shall be primary;

10 (d) The Board shall be required to make every  
reasonable effort to secure insurance policies that will pro-  
11 vide for a waiver of subrogation by the insurer as to any  
claims against the Board or the Owners and their respective  
12 tenants, servants, agents, employees, guests and household mem-  
bers;

13 (e) Each policy providing insurance coverage  
14 required by Subsections 5.1.1, 5.1.2 and 5.1.3 shall require  
the applicable insurer to give not less than ten (10) days  
15 written notice to the Association, and to each Mortgagee which  
shall have given such insurer written notice of such  
16 Mortgagee's interest in a Lot (which notice must include the  
name and address of such Mortgagee), of any cancellation,  
17 refusal to renew or material modification of such policy; and

18 (f) To the extent reasonably available, each  
policy providing insurance coverage required by Subsections  
19 5.1.1, 5.1.2 and 5.1.3 shall contain a waiver by the applicable  
insurer of its rights to repair and reconstruct instead of  
20 paying cash.

21 5.1.5 Fidelity Bonds. The Board, acting on behalf  
of the Association, shall obtain and maintain at all times ade-  
22 quate fidelity bond coverage to protect against dishonest acts  
on the part of officers, directors and employees of the  
23 Association and all others who handle, or are responsible for  
handling, funds held or administered by the Association,  
24 whether or not such officers, directors, employees or others  
receive compensation for services they render to or on behalf  
of the Association. Any independent management agent which  
25 handles funds for the Association shall also obtain (and pay  
for) such fidelity bond coverage with respect to its own  
26

1 activities (and those of its directors, officers and employees,  
2 whether or not such directors, officers or employees receive  
3 compensation for services rendered). Such fidelity bonds: (a)  
4 shall name the Association as obligee; (b) shall be issued by  
5 one or more companies authorized to issue such bonds in the  
6 State of Arizona; and (c) shall be in an amount sufficient to  
7 cover the maximum total of funds reasonably expected by the  
8 Board to be in the custody of the Association or such agent at  
9 any time while such bond is in force, but in no event shall the  
10 amount of such fidelity bond coverage be less than the sum of  
11 three (3) months' Annual Assessments on all Lots and Parcels,  
12 plus the total of funds held in the Association's reserves.  
13 Each such fidelity bond shall provide that the issuer thereof  
14 shall provide not less than ten (10) days written notice to the  
15 Association and to each Eligible Mortgage Holder before such  
16 bond may be cancelled or substantially modified for any reason.

9 5.1.6 Workers' Compensation Insurance. The Board,  
10 acting on behalf of the Association, shall obtain and maintain  
11 workers' compensation insurance if and to the extent necessary  
12 to meet the requirements of applicable law.

12 5.1.7 Cost of Insurance. All premiums for the  
13 insurance or bonds required to be obtained by the Board by this  
14 Section 5.1 shall be Common Expenses (except that, as provided  
15 in Subsection 5.1.5 above, the cost of the fidelity bond  
16 required to be furnished by any independent management agent  
17 shall be paid by such agent, and, as provided in  
18 Subsection 5.1.2 above, any added cost of naming Declarant, or  
19 any Person with whom or which Declarant contracts directly for  
20 the performance of all or a substantial portion of Declarant's  
21 obligations hereunder, or for the construction of improvements  
22 on the Property, shall be borne by Declarant or such other  
23 Person). The Board shall not be liable for failure to obtain  
24 or maintain any of the insurance coverage required by this  
25 Section 5.1, or for any loss or damage resulting from such  
26 failure, if such failure is due to the unavailability of such  
insurance coverage from reputable companies authorized to provide  
such insurance in the State of Arizona, or if such insurance  
coverage is available only at an unreasonable cost.

21 5.1.8 Subsequent Changes in Insurance  
22 Requirements. It is the intention of this Article 5 (and, in  
23 particular, of this Section 5.1), to impose upon the  
24 Association the obligation to obtain and maintain in full force  
25 and effect at least those types and amounts of insurance as are  
26 required, at the time this Declaration is Recorded, by the  
Federal National Mortgage Association, Federal Home Loan  
Mortgage Corporation, Veterans Administration and Federal  
Housing Administration. However, notwithstanding any provision  
of this Declaration to the contrary, should any or all of said

1 agencies subsequently amend or modify their respective  
2 requirements regarding the insurance coverage required to be  
3 maintained by the Association, the Board, acting on behalf of  
4 the Association, shall, promptly upon receiving notice of such  
5 amendment or modification from any such agency, from any Owner  
6 or Eligible Mortgage Holder or from Declarant, obtain such  
7 additional, modified or amended policy or policies of insurance  
8 as may be necessary to conform to such amended or modified  
9 requirements (provided, however, that the Board shall not be  
10 required to alter the types or amounts of coverage if the  
11 amendments or modifications adopted by any such agency reduce  
12 or eliminate required types or amounts of insurance). Should  
13 such requirements of any such agency conflict with the require-  
14 ments of any other such agency or with applicable provisions of  
15 law, the Board, acting on behalf of the Association, shall dil-  
16 igently work with such agency or agencies to resolve such con-  
17 flict and shall thereafter obtain and maintain such additional,  
18 modified or amended policy or policies of insurance as may be  
19 necessary to conform with the requirements of such agencies,  
20 taking into account the resolution of said conflict. In the  
21 event the Board, after exercise of such diligence, is unable to  
22 resolve such conflict, the Board, acting on behalf of the  
23 Association, shall exercise its good faith business judgment  
24 and obtain and maintain in full force and effect such insurance  
25 coverage as the Board, in the exercise of such judgment, deems  
26 to conform as closely as possible with the applicable require-  
ments of all such agencies, and of law, taking into account  
such conflict.

15 5.2 Insurance to be Obtained by the Owners.

16 5.2.1 Public Liability Insurance. It shall be the  
17 individual responsibility of each Owner to provide, as such  
18 Owner sees fit and at such Owner's sole expense, such compre-  
19 hensive public liability insurance as such Owner may desire  
against loss or liability for damages and any expense of  
defending against any claim for damages which might result from  
the ownership, use or occupancy of such Owner's Lot or Parcel.

20 5.2.2 Hazard and Contents Insurance. It shall be  
21 the individual responsibility of each Owner to provide, as such  
22 Owner sees fit and at such Owner's sole expense, such fire,  
23 liability, theft and any other insurance covering: (a) any  
24 Dwelling Unit and any other structure on (or constituting) such  
25 Owner's Lot or Parcel; and (b) any and all fixtures and per-  
26 sonal property upon such Lot or Parcel or in such Dwelling Unit  
or other structure(s), except, in either case (a) or (b), where  
any other declaration of covenants, conditions and restric-  
tions, declaration of condominium or other Recorded instrument  
affecting a parcel within which such Lot is situated assigns  
such obligation to a Residential Association or similar body.

1 5.3 Casualty Losses.2 5.3.1 Damage and Destruction.

3 (a) Immediately after any damage or destruction  
4 by fire or other casualty to all or any part of the property  
5 required to be insured by the Association under Section 5.1  
6 above, the Board or its duly authorized agent shall: (i) pro-  
7 ceed with the filing and adjustment of all claims arising under  
8 such insurance; (ii) obtain reliable and detailed estimates of  
9 the cost of repair or reconstruction of the damaged or des-  
10 troyed property; and (iii) upon receipt of the proceeds of such  
11 insurance and except as is otherwise provided in this  
12 Subsection 5.3.1, use such proceeds to repair or reconstruct  
13 the damaged or destroyed property. The terms "repair" and  
14 "reconstruction" (or variants thereof), as used in this Article  
15 5, shall mean repairing or restoring the property in question  
16 to substantially the same condition as that in which it existed  
17 prior to the fire or other casualty (or, where applicable,  
18 replacing the damaged or destroyed property with property sub-  
19 stantially similar to the damaged or destroyed property as it  
20 existed prior to such damage or destruction).

21 (b) Any major damage or destruction to the prop-  
22 erty required to be insured by the Association under Section  
23 5.1 above shall be repaired or reconstructed unless: (i) at a  
24 special meeting of the Members of the Association duly noticed  
25 and convened within sixty (60) days after the occurrence of  
26 such damage or destruction, the Members determine, by a vote of  
Owners holding not less than seventy-five percent (75%) of the  
votes in each class of Members, not to so repair or  
reconstruct; and (ii) Eligible Mortgage Holders representing at  
least fifty-one percent (51%) of all Lots subject to First  
Mortgages held by Eligible Mortgage Holders concur in such  
determination not to so repair or reconstruct. If for any rea-  
son either the amount of the insurance proceeds to be paid as a  
result of such damage or destruction, or reliable and detailed  
estimates of the cost of repair or reconstruction, or both, are  
not made available to the Association within said period, then  
the period shall be extended until such information shall be  
made or become available; provided, however, that such exten-  
sion shall not exceed an additional sixty (60) days. The Board  
shall determine whether any minor damage or destruction to the  
Common Area should be repaired or reconstructed.

27 (c) In the event that it is determined in the  
28 manner described above that the damage or destruction of any  
29 part of the Common Area shall not be repaired or reconstructed  
30 and no alternative improvements are authorized, then and in  
31 that event such property shall be maintained by the Association

1 in a neat and attractive condition as an undeveloped portion of  
the Common Area.

2           5.3.2 Excess or Deficiency of Proceeds. If the  
3 damage or destruction for which the insurance proceeds are paid  
4 is to be repaired or reconstructed and such proceeds are not  
5 sufficient to pay the cost thereof, the Board shall, without  
6 the necessity of a vote of the Members, levy assessments  
7 against the Owners of all Lots and Parcels, which assessments  
8 shall be allocated among such Owners in the same ratios as  
9 Annual Assessments are allocated pursuant to Subsection 8.4.4  
10 of this Declaration. Additional assessments may be made in  
like manner at any time during or following the completion of  
any repair or reconstruction. Any assessments levied pursuant  
to this Subsection 5.3.2 shall be deemed to be a part of the  
Assessments and shall be secured by the lien created by Section  
8.3 below. If the funds available from insurance exceed the  
cost of repair, such excess shall be used to meet Common  
Expenses or, in the discretion of the Board, placed in a  
reserve account for contingencies or capital improvements.

11           5.3.3 Repair or Reconstruction of Dwelling Units  
12 or Other Structures. In the event of the destruction of a  
13 Dwelling Unit or other structure on a Lot or Parcel, or of dam-  
14 age to such Dwelling Unit or other structure which, in the rea-  
15 sonable judgment of the Board, materially affects the exterior  
16 appearance thereof, the Board shall have the right, at its  
17 option, exercisable by written notice to the Owner of the Lot  
18 or Parcel upon which such Dwelling Unit or other structure is  
19 situated, to require such Owner to repair or reconstruct (or  
20 cause to be repaired or reconstructed), at such Owner's expense  
21 (subject to any insurance proceeds as such Owner may then or  
22 thereafter receive in respect of such destruction or damage),  
23 such Dwelling Unit or other structure within such reasonable  
24 period of time as shall be specified by the Board in such  
25 notice (which period of time shall in no event be less than  
26 eight (8) months from the date of such destruction or damage).  
The Board may exercise such right and establish such time  
period notwithstanding such Owner's failure to maintain hazard  
or casualty insurance upon such Owner's Lot or Parcel or any  
structures thereon and notwithstanding any unavailability or  
delay in receipt of proceeds of any insurance policy or poli-  
cies, although the Board may take such matters into account in  
establishing or extending the time period within which such  
repair or reconstruction must be completed. Any such repair or  
reconstruction work shall be performed in compliance with all  
applicable provisions hereof, and the Owner of such Lot or  
Parcel shall take such steps as are reasonably necessary to  
prevent damage to surrounding property and injury to persons as  
may result from or arise in connection with the destroyed or  
damaged Dwelling Unit or other structure or the repair or

1 hereof; and (c) with the express written consent of each owner  
of all or any part of the property proposed to be annexed.

2           6.3 FHA and VA Approval. In addition to the require-  
3 ments imposed by Sections 6.1 and 6.2 above, so long as the  
4 Class B membership is in existence no additional property  
5 (whether or not a part of the Annexable Property) may be  
6 annexed to the Property without the prior approval of the  
Federal Housing Administration and the Veterans Administration  
(except to the extent such annexation is in accordance with a  
plan of annexation or expansion previously approved by such  
agencies).

7           6.4 Recordation of Annexation Instrument. Upon  
8 approval to the extent required by this Article 6 of any annex-  
9 ation of property to the Property, Trustee or Declarant (as  
10 applicable), in the case of annexation of all or any part of  
11 the Annexable Property, or the President and Secretary of the  
12 Association, in the case of any other annexation, shall exe-  
13 cute, acknowledge and Record a Tract Declaration or other  
14 instrument effecting and evidencing such annexation (which  
15 instrument shall also be duly executed and acknowledged by each  
16 owner of all or any part of the property being annexed), and  
17 such annexation shall be deemed effective only upon such  
18 Recordation. Such instrument (or a separate Tract Declaration  
19 or other instrument Recorded by Declarant or the Association,  
as applicable, against any property annexed to the Property  
pursuant to this Article 6 and executed by the Owner of such  
annexed property) may subject the annexed property to such  
additional covenants, conditions and restrictions as the owner  
thereof may deem appropriate or desirable (subject, however, to  
approval thereof by Declarant or the Association, as applica-  
ble, and to such other approval rights as may be granted hereby  
to other parties in connection with such annexation), provided,  
however, that any and all such additional covenants, conditions  
and restrictions shall be subordinate and subject to the provi-  
sions of this Declaration.

20           6.5 Effect of Annexation. Upon the effective date of  
21 an annexation pursuant to this Article 6, as provided above:  
22 (a) the property so annexed shall immediately be and become a  
23 part of the Property and subject to all of the provisions  
24 hereof; (b) any Lot or Parcel then or thereafter constituting a  
25 part of the annexed property, and the Owner of any such Lot or  
26 Parcel, shall thereupon be subject to all of the provisions of  
this Declaration (including, but not limited to, the provisions  
of Articles 2, 3 and 8 hereof); (c) any part or parts of the  
property annexed which is or are designated or declared to be  
Common Area shall thereupon be subject to the provisions of  
this Declaration (including, but not limited to, the provisions  
of Articles 2 and 4 hereof); and (d) improvements then or

1 reconstruction activities with respect thereto. The foregoing  
2 provisions of this Subsection 5.3.3 shall also apply to struc-  
3 tures containing Condominium Units: (a) to the extent  
4 permitted by and subject to the provisions of the Arizona  
5 Condominium Act (Sections 33-1201 through 33-1270, Arizona  
6 Revised Statutes), as amended from time to time; and  
7 (b) provided that all references in the foregoing provisions of  
8 this Subsection 5.3.3 to the "Owner" of a Lot or Dwelling Unit  
9 shall be deemed to be references to the Residential Association  
10 having jurisdiction over the portion of the Property upon which  
11 the damaged or destroyed Dwelling Unit(s) is (or are) situated.

7 ARTICLE 6

8 ANNEXATION OF ADDITIONAL PROPERTY

9 6.1 Reservation of Certain Annexation Rights. As of  
10 the date this Declaration is Recorded, Declarant and Trustee  
11 contemplate that one or more portions (and perhaps all) of the  
12 Annexable Property may from time to time be annexed to the  
13 Property (and thereby subjected to the provisions of this  
14 Declaration) and, therefore, while neither Declarant nor  
15 Trustee shall have any obligation or duty to so annex all or  
16 any portion of the Annexable Property, Declarant and Trustee  
17 hereby reserve the right, privilege and option from time to  
18 time hereafter to add and annex to the Property (and thereby to  
19 subject to the provisions of this Declaration) any part(s) or  
20 all of the Annexable Property, without the vote of the Members  
and without notice to or approval of any holder, insurer or  
guarantor of any Mortgage or of any other Person, provided,  
however, that the right, privilege and option reserved in this  
sentence shall expire and terminate on the date which is ten  
(10) years after the date this Declaration is Recorded.  
Notwithstanding the foregoing sentence, no portion of the  
Annexable Property may be annexed to the Property unless, at  
the time of each and any such annexation either: (a) the  
portion of the Annexable Property to be annexed is owned either  
by Declarant or Trustee; or (b) the owner of the portion to be  
annexed (if other than Declarant or Trustee) consents in a  
written, Recorded instrument to such annexation.

21 6.2 Limitations on Other Annexations. As of the date  
22 this Declaration is Recorded, neither Trustee nor Declarant  
23 intends to annex any additional property to the Property other  
24 than the Annexable Property, and additional property not  
25 included within the Annexable Property may be annexed to the  
26 Property only: (a) by the affirmative vote of two-thirds (2/3)  
of the votes of each class of Members represented in person or  
by valid proxy at a meeting of Members duly called for that  
purpose; and (b) with the approval of the applicable percentage  
of Eligible Mortgage Holders, as provided in Section 12.2

1 thereafter situated upon the annexed property shall be subject  
2 to the provisions of this Declaration and shall be reasonably  
3 consistent, in terms of quality of construction, with the  
4 improvements situated upon other portions of the Property prior  
5 to such annexation.

6 6.6 No Obligation to Annex. Nothing herein shall  
7 constitute a representation, warranty or covenant that Trustee,  
8 Declarant, any successor or assign of Trustee or Declarant, or  
9 any other Person will subject any additional property (whether  
10 or not a part of the Annexable Property) to the provisions of  
11 this Declaration, nor shall Trustee, Declarant, any successor  
12 or assign of Trustee or Declarant, or any other Person be obli-  
13 gated so to do, and Trustee and Declarant may, by Recorded  
14 instrument executed by both Trustee and Declarant, waive their  
15 rights so to do, in whole or in part, at any time or from time  
16 to time.

17 ARTICLE 7

18 RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

19 7.1 Common Area. The Association, subject to the  
20 rights of the Owners set forth in this Declaration, shall be  
21 responsible for the management and control of the Common Area  
22 and shall keep the Common Area in good, clean, attractive and  
23 sanitary condition, order and repair, pursuant to the terms and  
24 conditions hereof.

25 7.2 Personal Property and Real Property for Common  
26 Use. The Association, through action of the Board, may  
acquire, hold and dispose of tangible and intangible personal  
property and real property, except that, subject to the provi-  
sions of Sections 12.2, 12.10 and 12.11, no dedication, sale or  
transfer of all or any part of the Common Area shall be made or  
effective unless approved by not less than two-thirds (2/3) of  
the votes of each class of Members represented in person or by  
valid proxy at a meeting of Members duly called for such pur-  
pose. The Board, acting on behalf of the Association, shall  
accept any real or personal property, leasehold or other prop-  
erty interests within, adjacent to or related to all or any  
part of the Property as may be conveyed or assigned to the  
Association by Declarant or Trustee (including, but not limited  
to, such parts of the Common Area as may now or hereafter be  
held by Declarant or Trustee).

7.3 Rules and Regulations. The Association, through  
the Board, may make and enforce reasonable rules and regula-  
tions governing the use of the Property, which rules and regu-  
lations shall be consistent with the rights and duties  
established by this Declaration. Sanctions for violation of

1 such rules and regulations or of this Declaration may be  
2 imposed by the Board and may include suspension of the right to  
3 vote and the right to use the recreational facilities on the  
4 Common Area, and, where approved by a majority vote of each  
5 class of Members represented in person or by valid proxy at a  
6 meeting of Members duly called for such purpose, may also  
7 include reasonable monetary fines. No suspension of an Owner's  
8 right to vote or of the right of such Owner (or any Occupant of  
such Owner's Lot or Parcel) to use the recreational facilities  
on the Common Area due to a violation of the rules and regula-  
tions of the Association may be for a period longer than sixty  
(60) days (except where such Owner or Occupant fails or refuses  
to cease or correct an on-going violation or commits the same  
or another violation, in which event such suspension may be  
extended for additional periods not to exceed sixty (60) days  
each until such violation ceases or is corrected).

9           7.4 Availability of Books, Records and Other  
10 Documents. The Association shall maintain complete and current  
11 copies of this Declaration, the Articles, the Bylaws and all  
12 rules and regulations of the Association (as well as any amend-  
13 ments to the foregoing) and of the books, records and financial  
14 statements of the Association, and, upon the prior written  
request to the Association by any Owner or by any holder,  
insurer or guarantor of a First Mortgage, shall make the same  
available for inspection, at reasonable times and under reason-  
able circumstances, by such Owner or such holder, insurer or  
guarantor.

15           7.5 Audited Financial Statements. In the event any  
16 holder, insurer or guarantor of a First Mortgage submits to the  
17 Association a written request for an audited financial state-  
18 ment of the Association for the most recently concluded fiscal  
19 year of the Association, the Association shall promptly deliver  
20 such an audited financial statement to such holder, insurer or  
21 guarantor, and in the event no such audited financial statement  
has been prepared for the most recently concluded fiscal year,  
the Association shall cause the same to be prepared and deliv-  
ered to such holder, insurer or guarantor as soon as reasonably  
possible. The cost of having such an audited financial state-  
ment prepared shall be a Common Expense.

22           7.6 Implied Rights. The Association may exercise any  
23 other right or privilege given to it expressly by this  
24 Declaration, the Articles or the Bylaws, and every other right  
or privilege reasonably to be implied from the existence of any  
right or privilege given to it herein or reasonably necessary  
to effectuate any such right or privilege.



1 any order or directive of any municipal or other governmental  
authority.

2           8.3 Lien for Assessments; Foreclosure. There is  
3 hereby created and established a lien against each Lot or  
4 Parcel which shall secure payment of all present and future  
5 Assessments assessed or levied against such Lot or Parcel or  
6 the Owner or Occupant thereof (together with any present or  
7 future charges, fines, penalties or other amounts levied  
8 against such Lot or Parcel or the Owner or Occupant thereof  
9 pursuant to this Declaration or the Articles, the Bylaws, any  
10 applicable Tract Declaration or the rules and regulations of  
11 the Association). Such lien is and shall be prior and superior  
12 to all other liens affecting the Lot or Parcel in question,  
13 except: (a) all taxes, bonds, assessments and other levies  
14 which, by law, would be superior thereto; and (b) the lien or  
15 charge of any First Mortgage (or in the case of a Parcel, any  
16 first priority mortgage or deed of trust affecting such Parcel)  
17 made in good faith and for value. Such liens may be foreclosed  
18 in the manner provided by law for the foreclosure of mort-  
19 gages. The sale and transfer of any Lot or Parcel pursuant to  
20 a mortgage foreclosure or any proceeding in lieu thereof shall  
21 extinguish the lien of the Assessments as to payments which  
22 became due prior to such sale or transfer, but no such sale or  
23 transfer shall relieve such Lot or Parcel from liability for  
24 any Assessments becoming due after such sale or transfer, or  
from the lien thereof. The Association shall have the power to  
bid for any Lot or Parcel at any sale to foreclose the  
Association's lien on the Lot or Parcel, and to acquire and  
hold, lease, mortgage and convey the same. During the period  
any Lot or Parcel is owned by the Association, no right to vote  
shall be exercised with respect to said Lot or Parcel and no  
Assessment (whether Annual, Special or Parcel) shall be  
assessed or levied on or with respect to said Lot or Parcel,  
provided, however, that the Association's acquisition and own-  
ership of a Lot or Parcel under such circumstances shall not be  
deemed to convert the same into Common Area. The Association  
may maintain a suit to recover a money judgment for unpaid  
Assessments, rent, interest and attorneys' fees without  
foreclosing or waiving the lien securing same. Recording of  
this Declaration constitutes record notice and perfection of  
the liens established hereby, and further Recordation of any  
claim of a lien for Assessments or other amounts hereunder  
shall not be required, whether to establish or perfect such  
lien or to fix the priority thereof, or otherwise (although the  
Board shall have the option to Record written notices of claims  
of lien in such circumstances as the Board may deem appropri-  
ate).

25           8.4 Dates Assessments Commence; Ratio between Lots  
26 and Parcels.

1                   8.4.1 Dates Assessments Commence as to Lots.  
 2 Assessments shall be payable in respect of a Lot (including any  
 3 Lot owned by Declarant or a Developer Owner) from the date upon  
 4 which title to said Lot, or any other Lot within the Phase con-  
 5 taining such Lot, shall first be conveyed to a retail pur-  
 6 chaser, and such Assessments shall be payable regardless of  
 7 whether a Dwelling Unit or other structure shall be situated  
 8 upon such Lot on such date. As to any Lot owned by Declarant  
 9 or a Developer Owner with respect to which Assessments shall  
 10 have commenced as provided in the preceding sentence, the  
 11 Assessments payable by Declarant or such Developer Owner with  
 12 respect to such Lot shall be an amount equal to twenty-five  
 13 percent (25%) of the Assessments which would otherwise be  
 14 payable hereunder with respect to such Lot if it were owned by  
 15 an Owner other than Declarant or a Developer Owner. No  
 16 Assessments shall be payable with respect to a Lot so long as  
 17 Declarant or a Developer Owner shall own all of the Lots within  
 18 the Phase containing such Lot. As to any Lot conveyed by  
 19 Declarant or a Developer Owner to a retail purchaser,  
 20 Assessments as to such Lot shall be prorated as of the close of  
 21 escrow with respect to such Lot (or, if no escrow is utilized,  
 22 as of the date of Recordation of the deed conveying such Lot to  
 23 such retail purchaser). The numbers or letters (or numbers and  
 24 letters) assigned to the Phases are for reference only, and  
 25 Declarant or the Developer Owner, as applicable, shall retain  
 26 full discretion as to the order and timing of its development  
 and sales of Lots within any Phase or from Phase to Phase  
 within property owned by Declarant or such Developer Owner, as  
 applicable. Notwithstanding the foregoing provisions of this  
Subsection 8.4.1, the right granted herein to a Developer Owner  
 to pay a reduced level of Assessments shall terminate as to a  
 given Lot not later than the earlier of: (a) one (1) year  
 after Recordation of a deed from Declarant or Trustee to a  
 Developer Owner of such Lot or the Parcel from which such Lot  
 was created; or (b) five (5) years after the date this  
 Declaration is Recorded.

19                   8.4.2 Dates Assessments Commence as to Apartment  
 20 Parcels. Assessments as to each Apartment Parcel and any and  
 21 all Apartment Units thereon (including any Apartment Parcel or  
 Apartment Unit owned by Declarant) shall commence and be  
 payable upon and from the earliest to occur of:

- 22                   (a) completion of construction of the Apartment  
 23 Units on such Apartment Parcel, as evidenced  
 24 by the issuance of a certificate of occu-  
 25 pancy (or similar instrument) therefor; or  
 26                   (b) Nine months from the date on which Declarant  
 (or Trustee, if applicable) conveyed title  
 to such Apartment Parcel to another Owner.

1           8.4.3 Assessments as to Unsubdivided Single Family  
2 Parcels. In the event that any Parcel other than an Apartment  
3 Parcel is not, at the time such Parcel is subjected to this  
4 Declaration, subdivided by a Recorded plat into Lots, then  
5 unless and until such Parcel is so subdivided into Lots, such  
6 Parcel shall be deemed to have the number of Lots for purposes  
7 of this Section 8.4 and for purposes of Article 3 of this  
8 Declaration as are specified in the Tract Declaration or other  
9 Recorded instrument subjecting such Parcel to this Declaration  
10 (or, if no such number of Lots are so specified, then the num-  
11 ber of lots set forth for such Parcel on the Master Development  
12 Plan). All Lots within (or, pursuant to this Subsection 8.4.3,  
13 deemed to be within) such Parcel shall be deemed to constitute  
14 a single Phase unless a Recorded instrument, approved in writ-  
15 ing by Declarant, is Recorded with respect to such Parcel,  
16 dividing the same into two or more Phases, not later than the  
17 first to occur of: (a) six months after the date of conveyance  
18 of such Parcel to a Developer Owner by Declarant or Trustee, as  
19 applicable; or (b) the date of the first conveyance of a Lot  
20 within such Parcel to an Owner other than a Developer Owner.

11           8.4.4 Ratio between Lots and Apartment Units. The  
12 Annual Assessments, Special Assessments and Maximum Annual  
13 Assessment for each Apartment Unit shall always equal fifty  
14 percent (50%) of the Annual Assessments, Special Assessments  
15 and Maximum Annual Assessment, respectively, for each Lot (but  
16 without reference to any reduced Assessment to which Declarant  
17 or any Developer Owner may be entitled under Subsection 8.4.1).

15           8.5 Computation of Assessments; Annual Budget. The  
16 Board shall prepare and adopt an estimated annual budget for  
17 each fiscal year of the Association, which annual budget shall  
18 serve as the basis for determining the Annual Assessments for  
19 the applicable fiscal year (subject to the limitations of  
20 Section 8.7 hereof). Such budget shall take into account the  
21 estimated Common Expenses and cash requirements of the  
22 Association for the year. The annual budget shall also take  
23 into account the estimated net available cash income for the  
24 year, if any, from the operation or use of any of the Common  
25 Area. The annual budget shall also provide for a reserve for  
26 contingencies for the year (and for subsequent fiscal years)  
and a reserve for replacements, all in such reasonably adequate  
amounts as shall be determined by the Board, taking into  
account the number and nature of replaceable assets, the  
expected life of each asset, and each asset's expected repair  
or replacement cost. Not later than sixty (60) days following  
the meeting of the Board at which the Board adopts the annual  
budget for the year in question, the Board shall cause to be  
delivered or mailed to each Owner a copy of the budget and a  
statement of the amount of the Annual Assessments to be levied  
against such Owner's Lot or Parcel for the fiscal year in

1 question. In the event the Board fails to adopt a budget for  
2 any fiscal year prior to commencement of such fiscal year, then  
3 until and unless such budget is adopted, the budget (and the  
4 amount of the Annual Assessments provided for therein) for the  
5 year immediately preceding shall remain in effect. Subject to  
6 the provisions of this Section 8.5 and of Sections 8.7 and 8.9,  
7 neither the annual budget (nor any amended budget) adopted by  
8 the Board, nor any Assessment levied pursuant thereto, shall be  
9 required to be ratified or approved by the Owners. If, at any  
10 time during a fiscal year of the Association the Board deems it  
11 necessary to amend the budget for such year, the Board may do  
12 so and may levy an additional Annual Assessment for such year  
13 (subject to the limitations imposed by Section 8.7) or may call  
14 a meeting of the Members to request that the Members approve a  
15 Special Assessment pursuant to Section 8.9. Within sixty (60)  
16 days after adoption of an amended budget (if the Board elects  
17 to levy an additional Annual Assessment), the Board shall cause  
18 a copy of the amended budget and a statement of the additional  
19 Annual Assessments to be levied against the Lots and Parcels to  
20 be delivered or mailed to each Owner; if, instead, the Board  
21 elects to call a meeting of Members to seek approval of a  
22 Special Assessment, the Board shall cause a copy of the amended  
23 budget proposed by the Board to be delivered or mailed to each  
24 Owner with the notice of such meeting, and if a Special  
25 Assessment is duly approved by the Members at such meeting,  
26 shall cause a statement of the Special Assessment to be levied  
against each Lot or Parcel to be promptly mailed or delivered  
to each Owner.

15 8.6 Due Dates. Annual Assessments for each fiscal  
16 year shall be due and payable in equal periodic installments,  
17 payable not more frequently than monthly nor less frequently  
18 than semiannually, as determined for such fiscal year by the  
19 Board, with each such installment to be due and payable on or  
20 before the first day of the applicable period during that fis-  
21 cal year. Parcel Assessments and Special Assessments, if any,  
22 shall be paid in such manner and on such dates as may be fixed  
23 by the Board. In addition to any other powers of collection or  
24 enforcement granted hereunder, in the event any Assessments  
25 with respect to a Lot or Parcel are delinquent, the Board shall  
26 have the right, in its sole discretion, to accelerate the date  
on which all Assessments with respect to such Lot or Parcel are  
due and payable. For purposes of this Declaration, Assessments  
shall be deemed "paid" when actually received by the  
Association or by its manager or agent designated by the  
Association to collect the same (provided, however, that if any  
Assessments are paid by check and the bank or other institution  
upon which such check is drawn thereafter dishonors and refuses  
to pay such check, those Assessments shall not be deemed "paid"  
and shall remain due and payable with interest accruing from  
the date such Assessments were originally due).

1           8.7 Maximum Annual Assessment.       The Annual  
2 Assessments provided for herein shall not at any time exceed  
3 the Maximum Annual Assessment, as determined in accordance with  
4 this Section 8.7. For the fiscal year ending December 31,  
5 1988, the Maximum Annual Assessment shall be:

6           8.7.1 \$300.00 for each Lot; and

7           8.7.2 \$150.00 for each Apartment Unit.

8 Thereafter, unless a greater increase is approved by the affir-  
9 mative vote of two-thirds (2/3) of the votes of each class of  
10 Members represented in person or by valid proxy at a meeting of  
11 Members duly called for such purpose, the Maximum Annual  
12 Assessment for any fiscal year shall be equal to the Maximum  
13 Annual Assessment for the immediately preceding fiscal year  
14 increased at a rate equal to the greater of: (a) the percent-  
15 age increase for the applicable fiscal year over the immedi-  
16 ately preceding fiscal year in the Consumer Price Index -- All  
17 Urban Consumers -- All Items (1982-1984 Average = 100 Base)  
18 published by the Bureau of Labor Statistics of the U.S.  
19 Department of Labor (or its successor governmental agency), or,  
20 if such index is no longer published by said Bureau or suc-  
21 cessor agency, in the index most similar in composition to such  
22 index; or (b) ten percent (10%). Notwithstanding the forego-  
23 ing, the Board may, without the approval of the Members,  
24 increase the Maximum Annual Assessment for any fiscal year by  
25 an amount sufficient to permit the Board to meet any increases  
26 over the preceding fiscal year in: (i) premiums for any insur-  
ance coverage required by the Declaration to be maintained by  
the Association; or (ii) charges for utility services necessary  
to the Association's performance of its obligations under this  
Declaration, in either case (i) or (ii) notwithstanding the  
fact that the resulting increase in the Maximum Annual  
Assessment is at a rate greater than otherwise permitted under  
the preceding sentence. In addition, in the event Trustee or  
Declarant (or any assignee of either) at any time hereafter  
annexes any portion(s) or all of the Annexable Property, and  
the Association's added maintenance and other responsibilities  
with respect to the Common Area and other property thereby  
annexed necessitate an increase in the Maximum Annual  
Assessment greater than otherwise permitted under this Section  
8.7 without approval of the Members, Declarant may nevertheless  
increase such Maximum Annual Assessment, effective not earlier  
than the first sale to a retail purchaser of a Lot within the  
portion(s) so annexed without the vote of the Members, so long  
as such increase is in an amount and in accordance with a  
revised budget approved by the Veterans Administration and the  
Federal Housing Administration; such new Maximum Annual  
Assessment, if so approved, shall thereupon be substituted for  
the previously established Maximum Annual Assessment for the

1 applicable fiscal year of the Association. Nothing herein  
2 shall obligate the Board to levy, in any fiscal year, Annual  
3 Assessments in the full amount of the Maximum Annual Assessment  
4 for such fiscal year, and the election by the Board not to levy  
5 Annual Assessments in the full amount of the Maximum Annual  
6 Assessments for any fiscal year shall not prevent the Board  
7 from levying Annual Assessments in subsequent fiscal years in  
8 the full amount of the Maximum Annual Assessment for such sub-  
9 sequent fiscal year (as determined in accordance with this  
10 Section 8.7). In the event that, for any fiscal year, the  
11 Board elects to levy an Annual Assessment at less than the full  
12 amount of the Maximum Annual Assessment for such fiscal year,  
13 the Board may, if in its reasonable discretion circumstances so  
14 warrant, subsequently levy a supplemental Annual Assessment  
15 during said fiscal year so long as the total of the Annual  
16 Assessments levied during said fiscal year does not exceed the  
17 Maximum Annual Assessment for such fiscal year.

10 8.8 Notice and Quorum for Meetings to Consider  
11 Special Assessments and Certain Increases in Annual  
12 Assessments. Notwithstanding any other provision hereof or of  
13 the Articles, Bylaws or rules and regulations of the  
14 Association, written notice of any meeting called for the pur-  
15 pose of: (a) approving the establishment of any Special  
16 Assessment, as required by Section 8.9 hereof; or (b) approving  
17 any increase in the Maximum Annual Assessment greater than that  
18 permitted by application of the formula as set forth in Section  
19 8.7 hereof, shall be sent to all Members not less than thirty  
20 (30) days nor more than sixty (60) days prior to the date or  
21 said meeting. At the first meeting thus called to consider the  
22 particular Special Assessment or increase in the Maximum Annual  
23 Assessment, a quorum shall consist of sixty percent (60%) of  
24 the votes in each class of Members (whether represented in per-  
25 son or by valid proxy), provided, however, that if a quorum, as  
26 so determined, is not present at said first meeting, a second  
meeting may be called (subject to the same notice requirements  
as set forth above) to consider the same issue, and a quorum at  
said second meeting shall be one-half (1/2) of the required  
quorum at the first meeting, as described above. Such second  
meeting may not be held more than sixty (60) days after the  
first meeting.

22 8.9 Special Assessments. In addition to the Annual  
23 Assessments and Parcel Assessments authorized by this Article  
24 8, the Association may levy Special Assessments from time to  
25 time, provided, however, that any Special Assessment shall be  
26 effective only with the approval of not less than two-thirds  
(2/3) of the votes of each class of Members represented in per-  
son or by valid proxy at a meeting of Members duly called and  
convened to consider such Special Assessment. Subject to  
Subsection 8.4.1, Special Assessments shall be allocated among

1 all Lots and Parcels in the ratio established in Subsection  
2 8.4.4.

3 8.10 Parcel Assessments. In addition to the Annual  
4 Assessments and Special Assessments authorized in this Article  
5 8, the Association may levy Parcel Assessments from time to  
6 time against one or more Parcels or against one or more groups  
7 of Dwelling Units in particular portions of the Property to  
8 reimburse the Association for any and all expenses incurred in  
9 the event the Association has or assumes applicable maintenance  
10 responsibilities as provided in Section 4.4 hereof (provided  
11 that if the Association has or assumed such responsibilities  
12 pursuant to a contract with a Parcel Owner or a Residential  
13 Association pursuant to Section 4.4 hereof, such Parcel  
14 Assessments shall not be levied unless and until such Parcel  
15 Owner or Residential Association fails or refuses to pay the  
16 Association in accordance with said contract).

17 8.11 Certificates. The Association shall, upon the  
18 written request of any Owner or the holder, insurer or guaran-  
19 tor of any Mortgage, or of any mortgage or deed of trust  
20 affecting any Parcel, and upon payment of such reasonable  
21 charge as may be determined by the Board, furnish to the  
22 requesting party a certificate, executed by an officer of the  
23 Association, stating the date to which Assessments with respect  
24 to such Owner's Lot or Parcel (or the Lot or Parcel against  
25 which such Mortgage or such mortgage or deed of trust, as  
26 applicable, is Recorded) have been paid and the amount, if any,  
of any Assessments which have been levied with respect to said  
Lot or Parcel but which remain unpaid as of the date of such  
certificate; said certificate shall be binding upon the  
Association as to the matters set forth therein as of the date  
thereof.

8.12 Surplus Monies. Unless otherwise expressly  
determined by the Board, any surplus monies of the Association  
shall be held by the Association and placed in one or more  
reserve accounts as determined by the Board, and shall not be  
paid to the Owners or credited against the Owners' respective  
liabilities for Assessments.

8.13 Declarant's Obligation for Deficiencies. So long  
as the Class B membership exists, Declarant shall pay and con-  
tribute to the Association, within thirty (30) days after the  
end of each fiscal year of the Association, or at such other  
times as may be requested by the Board, such funds as may be  
necessary, when added to the Assessments levied by the  
Association pursuant to this Declaration, to provide for:  
(a) the operation and maintenance of the Common Area and the  
recreational facilities located thereon; (b) the maintenance of  
adequate reserves; and (c) the performance by the Association

1 of all other obligations of the Association under this  
 2 Declaration or the Articles or Bylaws. Declarant's obligations  
 3 under this Section 8.13 may be satisfied in the form of a cash  
 4 subsidy or by "in kind" contributions of services or materials,  
 5 or a combination of both.

6 8.14 Common Expenses Resulting from Misconduct.  
 7 Notwithstanding any other provision of this Article 8, if any  
 8 Common Expense is caused by the misconduct of any Owner (or of  
 9 any Occupant, tenant, employee, servant, agent, guest or  
 10 invitee for whose actions such Owner is responsible under  
 11 applicable law), the Association may assess that Common Expense  
 12 exclusively against such Owner and such Owner's Lot or Parcel.

#### 13 ARTICLE 9

#### 14 ARCHITECTURAL AND LANDSCAPING STANDARDS; 15 ARCHITECTURAL COMMITTEE

16 9.1 Appointment of Architectural Committee; Standing  
 17 to Enforce. All property which is now or hereafter subject to  
 18 this Declaration shall be subject to architectural, landscaping  
 19 and aesthetic review as provided herein. This review shall be  
 20 in accordance with this Article 9 and such standards as may be  
 21 promulgated by the Architectural Committee, which is hereby  
 22 established. Authority and standing on behalf of the  
 23 Association to enforce in any court of competent jurisdiction  
 24 decisions of the Architectural Committee and the provisions of  
 25 this Article 9 shall be vested in the Board, provided, however,  
 26 that so long as Declarant has the right to appoint the  
 Architectural Committee under this Section 9.1, Declarant shall  
 have the right, but not the obligation, to enforce decisions of  
 the Architectural Committee and the provisions of this  
Article 9, on behalf of the Association, in courts of competent  
 jurisdiction. So long as Declarant (or Trustee) owns any part  
 of the Property or the Annexable Property, the Architectural  
 Committee shall consist of three (3) individuals appointed by  
 Declarant. At such time as either: (a) neither Declarant nor  
 Trustee owns any part of the Property or the Annexable  
 Property; or (b) Declarant Records a written waiver of its  
 right to appoint the Architectural Committee, the Board shall  
 appoint the members of the Architectural Committee, which shall  
 have such number of members (but not less than three (3)) as  
 the Board may elect, from time to time. Each member of the  
 Architectural Committee shall serve in such capacity until:  
 (a) so long as Declarant has the right to appoint the  
 Architectural Committee pursuant to this Section, such member  
 is removed by Declarant; (b) so long as the Board has the right  
 to appoint the Architectural Committee pursuant to this  
 Section, such member is removed by the Board; or (b) such  
 member resigns such position or dies. Prior to the appointment

1 of the initial members of the Architectural Committee, and at  
2 any time when there is no one serving on the Architectural  
3 Committee (whether due to death, resignation or removal), the  
4 Board shall have and exercise any and all rights, powers,  
5 duties and obligations of the Architectural Committee.

6 9.2 Jurisdiction of the Architectural Committee;  
7 Promulgation of Standards. The Architectural Committee shall  
8 have exclusive jurisdiction over all original construction and  
9 any modifications, additions or alterations to improvements on  
10 any portion of the Property (including, but not limited to, the  
11 construction or installation of, or modifications, additions or  
12 alterations to: (a) fences; (b) heating, ventilating, air con-  
13 ditioning and cooling units; (c) solar panels; (d) paint; or  
14 (e) any other construction, modification, addition or altera-  
15 tion affecting the exterior appearance of any structure, Lot or  
16 Parcel). Further, the Architectural Committee shall also have  
17 exclusive jurisdiction over all original landscaping on the  
18 Property and any modifications, additions or alterations  
19 thereto (except that such jurisdiction shall not extend to any  
20 landscaping which is not visible to a person six feet tall  
21 standing at ground level on any adjacent Lot, Parcel, street or  
22 portion of the Common Area). The Architectural Committee shall  
23 promulgate architectural and landscaping standards and applica-  
24 tion procedures and shall make the same available to Owners,  
25 builders and developers who seek to engage in development of or  
26 construction or landscaping upon any portion of the Property  
and shall conduct its operations in accordance therewith.  
Without in any way limiting the generality of the Architectural  
Committee's jurisdiction or authority under this Article, the  
Architectural Committee, in its discretion, may adopt and pro-  
vide to Owners and other appropriate persons lists of permitted  
or prohibited plants and trees, restrictions on heights of  
trees or other plants, and restrictions on the percentage of  
property within Lots or Parcels (or both) which may be planned  
and maintained with various types or categories of trees and  
other plants (such as, by way of example rather than limita-  
tion, indigenous versus non-indigenous trees and other plants).

20 9.3 Submission and Review of Plans. No original con-  
21 struction, landscaping, modification, alteration or addition  
22 subject to the Architectural Committee's jurisdiction shall be  
23 commenced until it has been approved or is deemed approved by  
24 the Architectural Committee as provided herein. Any Owner or  
25 other Person seeking to construct any new improvements or  
26 install any landscaping or to make any modification, alteration  
or addition to any existing improvement upon any portion of the  
Property (or to cause same to be constructed, installed or  
made) shall first submit to the Architectural Committee  
detailed plans, specifications and elevations relating to the  
proposed construction, landscaping, modification, alteration or

1 addition; said plans, specifications and elevations shall be  
2 sent by: (a) personal delivery, in which case the Person  
3 delivering the same shall obtain a signed and dated receipt  
4 from the recipient thereof (in which event they shall be deemed  
5 received as of the date indicated by the recipient on such  
6 receipt); or (b) by U.S. mail, postage paid, certified mail  
7 return receipt requested (in which event they shall be deemed  
8 received as of the date indicated on the return receipt). The  
9 Architectural Committee shall have thirty (30) days after  
10 receipt of such plans, specifications and elevations to approve  
11 or disapprove of the proposed construction, landscaping, modi-  
12 fication, alteration or addition or to request additional  
13 information, and, if the Architectural Committee disapproves,  
14 to give such Owner or other Person reasonably detailed written  
15 reasons for such disapproval. In the event the Architectural  
16 Committee fails either to approve or disapprove the proposed  
17 construction, landscaping, modification, alteration or addition  
18 (or to request additional information) within said thirty (30)  
19 day period, it shall be deemed approved. The Architectural  
20 Committee, in its discretion, may exempt from the procedures  
21 prescribed in this Section 9.3 any modifications to existing  
22 landscaping which consists of replacing dead or diseased plants  
23 or trees with healthy but substantially similar plants or  
24 trees. Further, normal trimming, care, weeding and other main-  
25 tenance of existing landscaping in accordance with its type and  
26 plant culture shall not be subject to the procedures prescribed  
in this Section 9.3.

15 9.4 Changes to Interiors of Dwelling Units or Other  
16 Structures. Nothing contained herein shall be construed to  
17 limit the right of an Owner to remodel the interior of his, her  
18 or its Dwelling Unit or other structure on such Owner's Lot or  
19 Parcel or to paint the interior of his, her or its Dwelling  
20 Unit or such other structure any color desired, except to the  
21 extent such remodeling or painting is visible from outside such  
22 Dwelling Unit or other structure or affects the exterior  
23 appearance of such Dwelling Unit or other structure.

20 9.5 Other Approvals; Liability. No approval by the  
21 Architectural Committee of any proposed construction, landscap-  
22 ing, modification, addition or alteration shall be deemed to  
23 replace or be substituted for any building permit or similar  
24 approval required by any applicable governmental authority, nor  
25 shall any such approval be deemed to make the Architectural  
26 Committee (or the Board or the Association) liable or responsi-  
ble for any damage or injury resulting or arising from any such  
construction, landscaping, modification, addition or altera-  
tion. None of Declarant, Trustee, the Association, the Board  
or the Architectural Committee (nor any member thereof) shall  
be liable to the Association, any Owner or any other party for  
any damage, loss or prejudice suffered or claimed on account of:

1           9.5.1 the approval or disapproval of any plans,  
drawings or specifications, whether or not defective;

2           9.5.2 the construction or performance of any work,  
3 whether or not pursuant to approved plans, drawings and  
specifications; or

4           9.5.3 the development of any Lot or Parcel.

5           9.6 Fee. The Board may establish a reasonable pro-  
6 cessing fee to defer the costs of the Architectural Committee  
in considering any request for approvals submitted to the  
7 Architectural Committee or for appeals to the Board, which fee  
shall be paid at the time the request for approval or review is  
8 submitted.

9           9.7 Inspection. Any member or authorized consultant  
of the Architectural Committee, or any authorized officer,  
10 director, employee or agent of the Association, may at any rea-  
sonable time and without being deemed guilty of trespass enter  
11 upon any Lot or Parcel, after reasonable notice to the Owner or  
Occupant of such Lot or Parcel, in order to inspect the  
12 improvements constructed or being constructed on such Lot or  
Parcel to ascertain that such improvements have been, or are  
13 being, built in compliance with this Declaration, any applica-  
ble Tract Declaration, the standards, rules and regulations  
14 adopted by the Architectural Committee and any approved plans,  
drawings or specifications.

15           9.8 Nonapplicability to Declarant. The provisions of  
16 this Article 9 shall not apply to any portions of the Property  
owned by Declarant or any Person affiliated with Declarant (or  
17 by Trustee) so long as any improvements constructed or land-  
scaping installed thereon (or any additions, modifications or  
alterations to any such improvements or landscaping) are  
18 constructed, installed or made in a good and workmanlike fash-  
ion and are generally comparable in terms of quality of con-  
19 struction or landscaping to other improvements, installed  
theretofore constructed or installed by Declarant or any Person  
20 affiliated with Declarant on the Property (or on other property  
adjacent to or near the Property). Further, this Article 9 may  
21 not be amended without Declarant's written consent so long as  
Declarant (or Trustee) owns any of the Property or the  
22 Annexable Property.

23

24

25

26

ARTICLE 10USE RESTRICTIONS AND OTHER COVENANTS,  
CONDITIONS AND EASEMENTS

1  
2  
3       10.1 Residential and Recreational Purpose. The  
4 Property shall be used only for residential, recreational and  
5 related purposes. No Lot, Parcel or any other part of the  
6 Property shall be used, directly or indirectly, for any busi-  
7 ness, commercial, manufacturing, industrial, mercantile,  
8 vending or other similar purpose, except for use by Declarant  
9 (or an affiliate or assignee of Declarant) or a Developer  
10 Owner, directly in connection with their respective construc-  
11 tion and sales activities with respect to the Property  
12 (including, but not limited to, maintenance and operation of  
13 model homes, sales offices, and signs advertising the Property  
14 or portions thereof). Nothing herein shall prohibit operation  
15 and rental of Apartment Units and related facilities upon any  
16 Apartment Parcel.

17  
18       10.2 Garages and Driveways. The interior of all  
19 garages situated upon the Property shall be maintained by the  
20 respective Owners or Occupants in a neat, clean and sightly  
21 condition. Such garages shall be used for parking vehicles and  
22 storage only, and shall not be used or converted for living or  
23 recreational activities. All driveways on Lots shall be of  
24 concrete construction.

25  
26       10.3 Temporary Structures. No temporary residence,  
structure or garage shall be placed or erected upon any part of  
the Property (except as may otherwise be permitted by Section  
10.4 or Section 10.21). Except with the express written  
approval of Declarant, no Dwelling Unit or other structure on  
any Lot or Parcel shall be occupied in any manner while in the  
course of original construction or prior to issuance by the  
appropriate local governmental authority of a certificate of  
occupancy (or other similar document) with respect to such  
Dwelling Unit or other structure.

      10.4 New Construction. All buildings or structures  
erected on the Property shall be of new construction and the  
buildings and structures shall not have been moved to the  
Property from other locations (except for temporary construc-  
tion and/or sales facilities placed or maintained on the  
Property by Declarant or an affiliate or assignee of Declarant  
in connection with the construction and sales activities of  
Declarant or such affiliate or assignee of Declarant and except  
for temporary construction facilities placed or maintained on a  
Parcel by the Owner of such Parcel in connection with such  
Owner's construction activities upon such Parcel).

1           10.5 Signs. No billboards or signs of any type or  
2 character shall be erected or permitted on any part of the  
3 Property or on any Lot, except for signs used by Declarant (or  
4 an affiliate or assignee of Declarant) to advertise the  
5 Property during the construction and sales period. Nothing  
6 herein shall be deemed to prohibit attachment to the exterior  
7 of a Dwelling Unit of a single nameplate and a single address  
8 plate identifying the occupant and the address of such Dwelling  
9 Unit or the placing upon the exterior of any Dwelling Unit (or  
10 upon the Lot containing the Dwelling Unit) of a single "For  
11 Sale" or "For Lease" sign, provided that such nameplates and  
12 address plates shall be subject to the rules and regulations of  
13 the Architectural Committee, and except that such "For Sale" or  
14 "For Lease" sign shall not have dimensions exceeding eighteen  
15 (18) inches by twenty-four (24) inches. Further, nothing  
16 herein shall be deemed to prohibit installation and maintenance  
17 of directional signs, subdivision identification signs, apart-  
18 ment building identification signs, street signs or similar  
19 signs as may be approved by the Architectural Committee for  
20 installation or maintenance by the Association or by a Parcel  
21 Owner or Residential Association. Finally, nothing herein  
22 shall be deemed to prohibit placement on any Parcel, during the  
23 course of construction of improvements upon such Parcel, of  
24 usual builder and lender identification signs, provided that  
25 any such signs must first be approved by the Architectural  
26 Committee as to size, appearance and location.

14           10.6 Heating, Ventilating and Air Conditioning Units.  
15 No heating, air conditioning or evaporative cooling units or  
16 equipment shall be placed, constructed or maintained upon the  
17 Property, including, but not limited to, upon the roof or exte-  
18 rior walls of any structure on any part of the Property  
19 unless: (a) where such unit or equipment is installed upon the  
20 roof of any structure upon the Property, such unit or equipment  
21 is fully screened from view from any adjacent properties by a  
22 parapet wall which conforms architecturally with such struc-  
23 ture; or (b) in all other cases, such unit or equipment is  
24 attractively screened or concealed from ground level view from  
25 adjacent properties, which means of screening or concealment  
26 shall (in either case (a) or (b)) be subject to the regulations  
and approval of the Architectural Committee.

22           10.7 Solar Collecting Panels or Devices. Declarant  
23 recognizes the benefits to be gained by permitting the use of  
24 solar energy as an alternative source of electrical power for  
25 residential use. At the same time, Declarant desires to pro-  
26 mote and preserve the attractive appearance of the Property and  
the improvements thereon, thereby protecting the value gen-  
erally of the Property and the various portions thereof, and of  
the various Owners' respective investments therein. Therefore,  
subject to prior approval of the plans therefor by the

1 Architectural Committee pursuant to Article 9 above, solar  
2 collecting panels and devices may be placed, constructed or  
3 maintained upon any Lot or Parcel within the Property  
4 (including upon the roof of any structure upon any Lot or  
5 Parcel), so long as either: (a) such solar collecting panels  
6 and devices are placed, constructed and maintained so as not to  
7 be visible from ground level view from adjacent properties; or  
8 (b) such solar collecting panels and devices are placed,  
9 constructed and maintained in such location(s) and with such  
10 means of screening or concealment as the Architectural  
11 Committee may reasonably deem appropriate to limit, to the  
12 extent possible, the visual impact of such solar collecting  
13 panels and devices when viewed by a person six feet tall stand-  
14 ing at ground level on adjacent properties.

8 10.8 Antennas, Poles and Towers. No television,  
9 radio, shortwave or other antenna, pole or tower shall be  
10 placed, constructed or maintained upon the Property (including,  
11 but not limited to, upon the roof or exterior walls of any  
12 Dwelling Unit or other structure), unless: (a) where such  
13 antenna, pole or tower is installed upon the roof of a Dwelling  
14 Unit or other structure, such antenna, pole or tower is fully  
15 screened and concealed from view from adjacent properties by a  
16 parapet wall which conforms architecturally with the structure  
17 of such Dwelling Unit or other structure; or (b) in all other  
18 cases, such antenna, pole or tower is fully and attractively  
19 screened or concealed from view from adjacent properties, which  
20 means of screening or concealment shall (in either case (a) or  
21 (b)) be subject to the regulations and approval of the  
22 Architectural Committee. Notwithstanding the foregoing, the  
23 Board may (but shall not be obligated to) install (or permit to  
24 be installed) upon the Common Area a television and/or radio  
25 "dish-type" antenna designed and intended to serve all Owners  
26 and Occupants of the Property (or as many of such Owners and  
Occupants as elect to use such service).

19 10.9 Basketball Goals or Similar Structures. No bas-  
20 ketball goal or similar structure or device (whether mounted on  
21 a pole, wall or roof) shall be placed or constructed upon the  
22 front yard, front elevation or front roof surface of any struc-  
23 ture on any part of the Property (except upon the Common  
24 Area). For purposes of the foregoing sentence, the term  
25 "front" shall be deemed to mean visible from ground level view  
26 from the street(s) running immediately in front of or along the  
side of a Dwelling Unit or other structure.

24 10.10 Tanks. No tanks of any kind (including tanks for  
25 the storage of fuel) shall be erected, placed or maintained on  
26 the Property unless such tanks are buried underground. Nothing  
herein shall be deemed to prohibit use or storage upon the  
Property of propane or similar fuel tanks with a capacity of

1 ten (10) gallons or less used in connection with a normal  
residential gas barbecue, grill or fireplace.

2           10.11 Vehicles.

3           10.11.1 No private passenger automobiles or  
4 pickup trucks shall be parked upon the Property or any roadway  
5 adjacent thereto except within a garage, in a private driveway  
6 appurtenant to a Dwelling Unit, or within areas designated for  
7 such purpose by the Board (or, in the case of an Apartment  
Parcel or a condominium development, within parking lots,  
parking garages or similar designated parking areas on or  
within such Apartment Parcel or condominium development).

8           10.11.2 No other vehicles (including, but not  
9 limited to, mobile homes, motor homes, boats, recreational  
10 vehicles, trailers, trucks, campers, permanent tents or similar  
11 vehicles or equipment) shall be kept, placed or maintained upon  
the Property or any roadway adjacent thereto, except: (a)  
within a fully enclosed garage appurtenant to a Dwelling Unit;  
or (b) in such areas and subject to such rules and regulations  
as the Board may designate and adopt.

12           10.11.3 No vehicle (including, but not limited  
13 to, those enumerated in Subsections 10.11.1 and 10.11.2 above)  
14 shall be constructed, reconstructed or repaired upon the  
Property or any roadway adjacent thereto except within a fully  
enclosed garage.

15           10.11.4 No motor vehicles of any kind which are  
16 not in operating condition shall be parked in any unenclosed  
17 parking areas (including, but not limited to, private driveways  
appurtenant to a Dwelling Unit).

18           10.11.5 The provisions of this Section 10.11  
19 shall not apply to vehicles of Declarant or a Developer Owner  
20 or of their respective employees, agents, affiliates, contrac-  
21 tors or subcontractors during the course of construction  
22 activities upon or about the Property, although the  
Architectural Committee shall have the power and authority to  
impose and enforce reasonable regulations upon such vehicles  
and their parking and operation, either as a condition to the  
approval of any proposed improvements or to address any prob-  
lems that may arise during the course of construction.

23           10.12 Underground Facilities. No cesspool or well may  
24 be dug or installed without the prior written approval of the  
25 Board. No part of the Property shall be used for purposes of  
26 boring, mining, exploring for or removing oil or other  
hydrocarbons, minerals, gravel or earth (except to the limited  
extent required in connection with the normal construction

1 activities of Declarant, an affiliate or assignee of Declarant  
or a Parcel Owner during the applicable construction period).

2 10.13 Outdoor Burning. There shall be no outdoor burn-  
3 ing of trash or other debris, provided, however, that the fore-  
4 going shall not be deemed to prohibit the use of normal  
residential barbecues or other similar outside cooking grills  
or outdoor fireplaces.

5 10.14 Sanitation. Garbage and refuse facilities,  
6 containers and the like shall be attractively screened and cam-  
7 ouflaged in such manner as to conceal them from the view of  
8 neighboring Lots, Parcels, Dwelling Units, property, roads or  
9 streets (except for reasonable periods as necessary to permit  
10 the collection thereof by the applicable public or private  
11 sanitation service). All equipment for the storage or disposal  
of garbage or other waste shall be kept in a clean and sanitary  
condition. All rubbish, trash and garbage shall be kept only  
in containers meeting applicable municipal sanitation require-  
ments (and any applicable reasonable rules and regulations of  
the Association), shall be regularly removed from the Property  
and shall not be allowed to accumulate thereon.

12 10.15 Fences, Interferences and Obstructions.

13 10.15.1 All fences shall be of block construc-  
14 tion (except as may be otherwise permitted with the prior  
15 written consent of the Architectural Committee) and, except as  
16 otherwise approved by the Architectural Committee, shall be  
17 painted or colored to match the exterior of the structure(s)  
enclosed by or upon the same Lot or Parcel as such fence. No  
18 fence shall exceed six and one-half (6 1/2) feet in height,  
19 provided that no fence within fifteen (15) feet of the front  
20 property line of a Lot or Parcel shall exceed three (3) feet in  
21 height. The foregoing shall not apply to boundary walls or  
22 fences constructed by Declarant along property lines bounding  
23 public rights-of-way, provided, however, that such boundary  
24 walls or fences shall be constructed so as to comply with  
25 applicable municipal zoning and other laws and ordinances. No  
26 fence shall be permitted to interfere with existing recorded  
restrictions, drainageways or easements. Except as otherwise  
provided by applicable law or governmental rule or regulation,  
and subject to any applicable restrictions or requirements set  
forth in any recorded plat of all or any part of the Property,  
fences may be constructed in or over a recorded utility ease-  
ment, provided, however, that should the utility companies ever  
require access to such easement, it shall be the responsibility  
of the Owner of the applicable Lot or Parcel, at his, her or  
its sole expense, to remove and replace such fence.

1 10.15.2 No structure, shrubbery or other  
2 vegetation shall be permitted to exist on any Lot, Parcel or  
3 other portions of the Property, the height or location of which  
4 shall be deemed by the Architectural Committee either to con-  
5 stitute a traffic hazard or to be unattractive in appearance or  
6 unreasonably detrimental to adjoining property. As an aid to  
7 freer movement of vehicles at and near street intersections and  
8 in order to protect the safety of pedestrians and the operators  
9 of vehicles and/or property, the Board or Architectural  
10 Committee may impose further limitations on the height of  
11 fences, walls, gateways, ornamental structures, hedges,  
12 shrubbery and other fixtures, and construction and planting on  
13 corner Lots or Parcels at the intersection of two or more  
14 streets or roadways.

8 10.16 Nuisance. No rubbish or debris of any kind shall  
9 be placed or permitted to accumulate for any unreasonable  
10 length of time on any portion of the Property, and no odors  
11 shall be permitted to arise therefrom, so as to render the  
12 Property or any portion thereof unsanitary, unsightly or offen-  
13 sive or detrimental to any other portion of the Property in the  
14 vicinity thereof or to its occupants. No noxious, destructive  
15 or offensive activity, or any activity constituting an unrea-  
16 sonable source of annoyance, shall be conducted on any Lot or  
17 Parcel or on the Common Area. Without limiting the generality  
18 of any of the foregoing provisions, no exterior speakers,  
19 horns, whistles, bells or other sound devices, except ordinary  
20 intercom systems or security devices used exclusively for secu-  
21 rity purposes, shall be located, used or placed on the  
22 Property. The Board in its discretion shall have the right to  
23 determine the existence of any such activity or item. The  
24 Association shall have the standing and authority to initiate  
25 legal proceedings to abate such activity or to secure the  
26 removal of such item. Furthermore, the Board shall have the  
right to remove any such activity or item at the expense of the  
Owner responsible for such activity or item (or at the expense  
of the Owner whose tenant, Occupant or guest is responsible for  
such activity or item). Each Owner and Occupant shall refrain  
from any act on or use of his, her or its Lot or Parcel, or the  
Common Area, which could reasonably cause embarrassment, discom-  
fort or annoyance to other Owners or Occupants, and the Board  
shall have the power to make and enforce reasonable rules and  
regulations in furtherance of this provision.

23 10.17 Drainage Alteration; Easements. No vegetation  
24 (except suitable ground cover) may be planted or permitted to  
25 remain on areas subject to drainage easements, as shown on  
26 Recorded plats, in such manner as to interfere with drainage or  
which shall be deemed by the Board to be a detriment to utili-  
ties located under or near such vegetation. Except as other-  
wise provided herein, or by applicable governmental rule,

1 regulation or ordinance, the owner of property subject to  
2 Recorded easements shall be responsible for maintaining said  
3 property.

4 10.18 Clothes-Drying Facilities. Outside clotheslines  
5 or other outside facilities for drying or airing clothes shall  
6 not be erected, placed or maintained on any part of the  
7 Property unless they are erected, placed or maintained exclu-  
8 sively within a fenced yard or otherwise concealed and shall  
9 not be visible to a person six feet tall standing at ground  
10 level on neighboring property.

11 10.19 Pets. No animals, livestock or poultry of any  
12 kind shall be raised, bred or kept on the Property, provided,  
13 however, that nothing herein shall be construed as prohibiting  
14 the keeping of a reasonable number of ordinary household pets  
15 in or on a Lot or in an Apartment Unit (subject to any more  
16 stringent regulation or prohibitions thereof by the Owner or  
17 manager of the applicable Apartment Parcel in the rental agree-  
18 ment affecting such Apartment Unit), subject to rules and regu-  
19 lations adopted by the Board, provided that such pets are not  
20 kept, bred or maintained for any commercial purpose.  
21 Notwithstanding the foregoing, no pets may be kept upon the  
22 Property (or on or in any Lot, Parcel or Apartment Unit) which,  
23 in the opinion of the Board, result in any annoyance or are  
24 obnoxious to Owners or Occupants of other Lots, Parcels or  
25 Apartment Units in the vicinity.

26 10.20 Leasing; Obligations of Tenants and Other  
Occupants.

10.20.1 All leases shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Articles, the Bylaws and the rules and regulations of the Association. All tenants shall be subject to the terms and conditions of this Declaration, the Articles, the Bylaws and the rules and regulations of the Association as though such tenant were an Owner (except that such tenant shall not have any voting rights appurtenant to the Lot, Parcel or Apartment Unit occupied by such tenant except pursuant to an express written assignment complying with Section 3.4 hereof). Each Owner shall cause his, her or its tenants or other Occupants to comply with this Declaration, the Articles, the Bylaws and the rules and regulations of the Association and, to the extent permitted by applicable law, shall be responsible and liable for all violations and losses caused by such tenants or Occupants, notwithstanding the fact that such tenants or Occupants are also fully liable for any violation of each and all of those documents.

1 10.20.2 In the event that a tenant or other  
2 Occupant violates any provision of this Declaration, the  
3 Articles, the Bylaws and the rules and regulations of the  
4 Association, the Association shall have the power to bring an  
5 action or suit against such tenant or other Occupant to recover  
6 sums due for damages or injunctive relief, or for any other  
7 remedy available at law or equity. The Association's costs in  
8 doing so, including, but not limited to, reasonable attorneys'  
9 fees, together with interest as provided in Section 12.8  
10 hereof, shall be reimbursed by the tenant or other Occupant to  
11 the Association (or, in the absence of reimbursement by the  
12 tenant or other Occupant, or at the election of the Board, by  
13 the Owner of the Lot, Parcel or Apartment Unit occupied by such  
14 tenant or other Occupant) and constitute a lien on the applica-  
15 ble Lot or Parcel which shall have the priority, and may be  
16 enforced in the manner, described in Section 8.3 hereof.

9 10.20.3 The Board shall also have the power to  
10 suspend the right of the tenant or other Occupant to use the  
11 recreational facilities on or constituting a part of the Common  
12 Area for any violation by the tenant or other Occupant of any  
13 duty imposed under this Declaration, the Articles, the Bylaws  
14 or the rules and regulations of the Association and, where  
15 approved by Members holding a majority of the votes in each  
16 class of Members represented in Person or by valid proxy at a  
17 meeting of Members duly called for such purpose, to impose rea-  
18 sonable monetary fines upon the tenant or the Owner of the  
19 applicable Lot or Parcel, or both. No suspension hereunder of  
20 the right of a tenant or other Occupant to use the recreational  
21 facilities on or constituting part of the Common Area may be  
22 for a period longer than sixty (60) days except where the ten-  
23 ant or other Occupant fails or refuses to cease or correct an  
24 on-going violation or commits the same or another violation, in  
25 which event such suspension may be extended for additional per-  
26 iods not to exceed sixty (60) days each until such violation  
ceases or is corrected; the foregoing limitation shall not  
affect or prevent termination of the applicable lease if  
permitted by the terms of said lease or otherwise by applicable  
law.

21 10.20.4 No Owner may lease less than his, her  
22 or its entire Lot. No Lot may be leased for a period of less  
23 than thirty (30) days. Upon leasing his, her or its Lot, an  
24 Owner shall promptly notify the Association of the commencement  
25 and termination dates of the lease and the names of each tenant  
26 or other Person who will occupy the Lot during the term of the  
lease. This Subsection 10.20.4 shall not apply to rental or  
leasing of Apartment Units on an Apartment Parcel.

25 10.20.5 The provisions of this Section 10.20  
26 shall not apply to Declarant's use of Lots or Apartment Units

1 owned by (or leased to) Declarant as a model home, model  
2 Apartment Unit or office or for marketing purposes pursuant to  
3 Section 10.1.

4 10.21 Storage and Tool Sheds or Structures. No storage  
5 or tool sheds or similar structures shall be placed, erected or  
6 maintained upon any part of the Property except: (a) where  
7 such storage or tool shed or similar structure is constructed  
8 as an integral part of a Dwelling Unit or apartment building  
9 (including materials, color and the like); or (b) where such  
10 storage or tool shed or similar structure is temporarily placed  
11 on the Property by Declarant, an affiliate or assignee of  
12 Declarant, or the Owner of an Apartment Parcel in connection  
13 with construction activities of Declarant, such affiliate or  
14 assignee of Declarant, or such Apartment Parcel Owner.

15 10.22 Landscaping and Maintenance. Within sixty (60)  
16 days of acquiring a Lot (other than a Condominium Unit), each  
17 Owner (other than Declarant or a Developer Owner) shall land-  
18 scape, if not already landscaped, such Lot and any public  
19 right-of-way areas (other than sidewalks or bicycle paths)  
20 lying between the front or side boundaries of such Lot and an  
21 adjacent street, except where the installation or maintenance  
22 (or both) of landscaping within any public right-of-way area is  
23 designated on a Recorded plat Recorded by or with the written  
24 approval of Declarant as being the responsibility of the  
25 Association. Landscaping shall be subject to the provisions of  
26 Article 9 of this Declaration and any regulations, restrictions  
or standards adopted by the Architectural Committee pursuant  
thereto. Except in the case of an Owner whose Lot is situated  
within or on property subjected to the provisions of a Recorded  
declaration of covenants, conditions and restrictions, a  
Recorded declaration of condominium or any other Recorded  
instrument obligating a Residential Association to maintain  
landscaping, each Owner shall maintain the landscaping on such  
Owner's Lot and any public right-of-way areas lying between the  
front or side boundaries of such Lot and an adjacent street and  
shall keep the land free of debris and weeds at all times and  
promptly repair portions of the landscaping which have been  
damaged. In the case of an Owner whose Lot is situated within  
or on property subjected to the provisions of a Recorded decla-  
ration of covenants, conditions and restrictions, a Recorded  
declaration of condominium or any other Recorded instrument  
obligating a Residential Association to maintain landscaping,  
said Residential Association shall be responsible for perform-  
ing with respect to said property (and any public right-of-way  
areas lying between the boundaries of such property and adja-  
cent streets) the maintenance and repair obligations imposed by  
the preceding sentence and in the following provisions of this  
Section 10.22. Each Owner (or the applicable Residential  
Association, if appropriate) shall maintain the aforementioned

1 landscaping and exterior of the Owner's Dwelling Unit in  
2 accordance with standards prescribed by the Board and otherwise  
3 in a manner and to a level not less than the standards of qual-  
4 ity established by the Board with respect to the quality, quan-  
5 tity and frequency of watering, mowing, weeding, trimming,  
6 fertilizing, painting and the like. In the event any Owner or  
7 Residential Association, as applicable, fails to perform the  
8 obligations provided herein, the Association may, at the dis-  
9 cretion of the Board, perform those obligations at the expense  
10 of such Owner or Residential Association, which expense,  
11 together with attorneys' fees and interest as provided in  
12 Section 12.8 hereof, shall be secured by the lien on such  
13 Owner's Lot or upon all Lots in such Residential Association,  
14 as applicable, established by Section 8.3 hereof. The provi-  
15 sions of this Section 10.22 shall not apply to any Lot or other  
16 property owned by Declarant. This Section 10.22 shall not  
17 apply to Apartment Parcels or the Owner(s) thereof, provided  
18 that other or similar provisions relating to landscaping and  
19 maintenance of one or more Apartment Parcels or structures  
20 thereon may be imposed by a duly adopted and Recorded Tract  
21 Declaration or similar instrument Recorded: (a) by Declarant  
22 prior to conveyance of such Parcel to another Owner; or (b) by  
23 the Owner of such Parcel with the prior written approval of  
24 Declarant.

13 10.23 Encroachments. There are reserved and granted  
14 for the benefit of each Lot, over, under and across each other  
15 Lot and the Common Area, and for the benefit of the Common  
16 Area, over, under and across each Lot, non-exclusive easements  
17 for encroachment, support, occupancy and use of such portions  
18 of Lots and/or Common Area as are encroached upon, used and  
19 occupied as a result of any original construction design,  
20 accretion, erosion, deterioration, decay, errors in original  
21 construction, movement, settlement, shifting or subsidence of  
22 any building or structure or any portion thereof, or any other  
23 cause. In the event any improvements on a Lot or on the Common  
24 Area are partially or totally destroyed, the encroachment ease-  
25 ment shall exist for any replacement structure which is rebuilt  
26 pursuant to the original construction design. The easement for  
the maintenance of the encroaching improvement(s) shall exist  
for as long as the encroachment exists; provided, however, that  
no easement of encroachment shall be created due to the willful  
misconduct of the Association or any Owner. Any easement of  
encroachment may but need not be cured by repair and restora-  
tion of the structure.

23 10.24 Developer's Easement for Annexable Property.  
24 Declarant shall have, and hereby expressly reserves, for itself  
25 and its agents, successors and assigns, an easement over and  
26 across the Common Area for the purposes of reasonable ingress  
to and egress from, over and across the Property, including

1 private roads and pathways, to the Annexable Property until all  
 2 of the Annexable Property is fully developed and sold to retail  
 purchasers.

3 10.25 Miscellaneous. The Board, in its good faith dis-  
 4 cretion, is hereby authorized to grant such waivers of the  
 5 restrictions contained in this Article 10 as it shall deem  
 6 appropriate in the circumstances, so long as the use permitted  
 7 by such waiver shall not result in an unsafe, unsanitary or  
 8 aesthetically displeasing condition and shall not result, in  
 9 the Board's discretion, in a substantial departure from the  
 common plan of development contemplated by this Declaration.  
 In addition, all portions of the Property shall continue at all  
 times to be subject to any and all applicable zoning laws and  
 ordinances, provided, however, that where the provisions of  
 this Declaration are more restrictive than such laws or  
 ordinances, the provisions of this Declaration shall control.

#### 10 ARTICLE 11

#### 11 PARTY WALLS

12 11.1 General Rules of Law to Apply. Each wall or  
 13 fence which is located between two Lots, between two Parcels,  
 14 between a Parcel and a Lot, or between a Lot or Parcel and  
 15 Common Area shall constitute a party wall, and, to the extent  
 16 not inconsistent with the provisions of this Article 11, the  
 17 general rules of law regarding party walls and liability for  
 property damages due to negligent or willful acts or omissions  
 shall apply thereto. (For purposes of this Article 11 only, in  
 the case of a party wall between a Lot or Parcel and Common  
 Area, in interpreting the provisions of this Article the Common  
 Area bounded by such wall shall be deemed to be a "Lot" and the  
 Association shall be deemed to be the "Owner" of such "Lot.")

18 11.2 Repair and Maintenance. No Owner or Occupant of  
 19 any Lot or Parcel (or any tenant, guest, invitee, employee or  
 20 agent of such Owner or Occupant) shall do or permit any act (or  
 21 omit to do any act) that will or does damage, destroy or impair  
 22 the structural soundness or integrity of any party wall, or  
 23 which would cause any party wall to be exposed to the elements,  
 and, in the event any such Owner, Occupant, tenant, guest,  
 invitee, employee or agent does or permits any such act (or so  
 omits to do any act), such Owner's or Occupant's liability with  
 respect to such damage, destruction, impairment or exposure  
 shall be determined in accordance with applicable law.

24 11.3 Sharing of Repair and Maintenance. In the event  
 25 any repair, maintenance or reconstruction of any party wall  
 26 shall be necessary (other than due to the negligence or willful  
 act or omission of the Owner or Occupant of one Lot or Parcel,

1 or such Owner's or Occupant's tenants, guests, invitees,  
 2 employees or agents) the cost thereof shall be borne equally by  
 3 the Owners and/or Occupants of the Lot(s) or Parcel(s) having  
 4 in common such party wall, and in the event any Owner (or  
 5 Occupant) fails or refuses timely to pay such Owner's (or  
 6 Occupant's) share of such cost, the other Owner (or Occupant)  
 7 shall have the right to pay in full such cost and recover from  
 8 such Owner (or Occupant) such Owner's (or Occupant's) share of  
 9 such cost (together with interest as provided in Section 12.8  
 10 of this Declaration).

11 11.4 Consents to Modification. No Owner or Occupant  
 12 shall alter or modify any party wall in any respect without  
 13 having first obtained the written consent of the Owner of the  
 14 other Lot or Parcel adjoining such party wall, provided that  
 15 such consent shall not be required in the case of repair or  
 16 restoration of such party wall to its condition prior to any  
 17 damage or destruction if the negligence or willful act or omis-  
 18 sion of the Owner or Occupant of such other Lot or Parcel was  
 19 the cause of such damage or destruction and such Owner or  
 20 Occupant fails or refuses to repair or restore such party wall  
 21 promptly upon the request of the other Owner or Occupant. Any  
 22 consent required by this Section 11.4 shall be in addition to  
 23 and not in substitution for the consents or approvals of the  
 24 Architectural Committee required by this Declaration or of any  
 25 municipal or other governmental body having jurisdiction over  
 26 the Property.

11.5 Non-Applicability to Condominiums and Apartment  
Units. The provisions of this Article 11 are not intended to,  
 and shall not, apply to walls between Condominium Units or  
 between Apartment Units.

## 17 ARTICLE 12

### 18 GENERAL PROVISIONS

19 12.1 Term. The covenants, conditions and restrictions  
 20 of this Declaration: (a) shall run with and bind the Property;  
 21 (b) shall inure to the benefit of and shall be enforceable by  
 22 the Association or by the owner of any property subject to this  
 23 Declaration, their respective legal representatives, heirs,  
 24 successors and assigns; and (c) shall remain in full force and  
 25 effect until January 1, 2039, at which time said conditions,  
 26 covenants and restrictions, unless revoked by an affirmative  
 vote of Members owning not less than seventy-five percent (75%)  
 of all Lots, shall automatically be extended for successive  
 periods of twenty-five (25) years each, until revoked in the  
 manner provided above. Notwithstanding any such revocation of  
 this Declaration, each Owner of a Lot or Parcel (and such  
 Owner's Occupants, tenants, agents, guests and invitees) shall

1 nevertheless have a permanent easement across the Common Area  
 2 for access to such Lot or Parcel and for access to and use of  
 such recreational facilities as may exist on the Common Area at  
 the time of such revocation.

3       12.2 Amendment. Except as otherwise provided herein  
 4 (and subject to the provisions of Sections 12.10, 12.11, 12.12,  
 5 and 12.13), this Declaration may be amended only by the affir-  
 6 mative vote (in person or by proxy) or written consent of  
 Members owning at least seventy-five percent (75%) of all  
 7 Lots. No amendment to this Declaration shall be effective  
 unless and until such amendment is Recorded. In addition to  
 8 and notwithstanding the foregoing: (a) so long as the Class B  
 membership exists, no amendment to this Declaration shall be  
 9 effective without the prior approval of the Federal Housing  
 Administration and the Veterans Administration; and (b) no  
 10 amendment of a material nature to this Declaration (or to the  
 Articles or the Bylaws) shall be effective unless approved by  
 Eligible Mortgage Holders representing at least fifty-one  
 11 percent (51%) of all Lots subject to First Mortgages held by  
 Eligible Mortgage Holders. A change to any of the following  
 would be considered to be a change of a material nature:

12               12.2.1 provisions relating to voting rights in the  
 Association;

13               12.2.2 provisions relating to Assessments,  
 14 Assessment liens or subordination of Assessments;

15               12.2.3 provisions relating to reserves for mainte-  
 nance and repairs;

16               12.2.4 provisions relating to Owners' rights to use  
 17 the Common Area;

18               12.2.5 boundaries of any Lot;

19               12.2.6 conversion of any Lot into Common Area or  
 20 vice versa;

21               12.2.7 addition or annexation of property to, or  
 withdrawal of property from, the Property, or addition or  
 22 annexation of any property to, or withdrawal of any property  
 from, the Common Area (except to the limited extent certain  
 23 additions or annexations are expressly permitted without  
 approval of or notice to the holders, insurers or guarantors of  
 any Mortgage by Article 6 of this Declaration);

24               12.2.8 provisions relating to insurance or fidelity  
 25 bonds;

1 12.2.9 provisions relating to the leasing of Lots  
(or Dwelling Units thereon);

2 12.2.10 provisions relating to the right of an  
3 Owner to sell or transfer such Owner's Lot;

4 12.2.11 restoration or repair of any structures  
or improvements on the Common Area following a hazard damage or  
5 condemnation in a manner other than as specified in this  
Declaration;

6 12.2.12 any action to dissolve or otherwise  
7 terminate the Association or the legal status of the Property  
after substantial destruction or condemnation of improvements  
8 on the Property occurs; or

9 12.2.13 any provisions that expressly benefit  
the holders, insurers or guarantors of Mortgages.

10 In the event a proposed addition, amendment or change to this  
11 Declaration, the Articles or the Bylaws is deemed by the Board  
as not being of a material nature, the Association shall never-  
12 theless provide written notice to each Eligible Mortgage Holder  
of the proposed addition, amendment or change (and of the  
13 Board's determination that the same is not of a material  
nature), and each Eligible Mortgage Holder which shall not have  
14 made written negative response to such notice within thirty  
(30) days after the date of such notice shall automatically be  
15 deemed to have approved the proposed addition, amendment or  
change.

16 12.3 Indemnification. The Association shall indemnify  
17 each and every officer and director of the Association  
(including, for purposes of this Section, former officers and  
18 directors of the Association) against any and all expenses,  
including attorneys' fees, reasonably incurred by or imposed  
19 upon any officer or director of the Association in connection  
with any action, suit, or other proceeding (including settle-  
20 ment of any suit or proceeding, if approved by the Board  
serving at the time of such settlement) to which he or she may  
21 be a party by reason of being or having been an officer or  
director of the Association, except for their own individual  
22 willful misfeasance, malfeasance, misconduct or bad faith. The  
officers and directors shall have no personal liability with  
23 respect to any contract or other commitment made by them, in  
good faith, on behalf of the Association (except indirectly to  
24 the extent that such officers or directors may also be Members  
of the Association and therefore subject to Assessments here-  
25 under to fund a liability of the Association), and the  
Association shall indemnify and forever hold each such officer  
and director free and harmless from and against any and  
26

1 all liability to others on account of any such contract or  
2 commitment. Any right to indemnification provided for herein  
3 shall not be exclusive of any other rights to which any officer  
4 or director, or former officer or director of the Association,  
5 may be entitled. If the Board deems it appropriate, in its  
6 sole discretion, the Association may advance funds to or for  
7 the benefit of any director or officer (or former director or  
8 officer) of the Association who may be entitled to indemnifica-  
9 tion hereunder to enable such Person to meet on-going costs and  
10 expenses of defending himself or herself in any action or pro-  
11 ceeding brought against such Person by reason of his or her  
12 being, or having been, an officer or director of the  
13 Association. In the event it is ultimately determined that a  
14 current or former officer or director to whom, or for whose  
15 benefit, funds were advanced pursuant to the preceding sentence  
16 does not qualify for indemnification pursuant to this  
17 Section 12.3 or otherwise under the Articles, Bylaws or appli-  
18 cable law, such current or former officer or director shall  
19 promptly upon demand repay to the Association the total of such  
20 funds advanced by the Association to him or her, or for his or  
21 her benefit, with interest (should the Board so elect) at a  
22 rate not to exceed ten percent (10%) per annum from the date(s)  
23 advanced until paid.

12.4 Easements for Utilities. There is hereby  
13 reserved to the Association the power to grant blanket ease-  
14 ments upon, across, over and under all of the Common Area for  
15 installation, replacement, repair, and maintenance of master  
16 television antenna systems, security and similar systems, and  
17 all utilities, including, but not limited to, water, sewers,  
18 telephones, cable television, gas and electricity, and for  
19 delivering or providing public or municipal services such as  
20 refuse collection and fire and other emergency vehicle access  
21 (which easements shall also include appropriate rights of  
22 ingress and egress to facilitate such installation, replace-  
23 ment, repair and maintenance, and the delivery or provision of  
24 such public, municipal or emergency services), provided, that  
25 no such easement shall interfere with a Dwelling Unit,  
26 Apartment Unit or apartment building or their reasonable use or  
with Declarant's construction and sales activities and such  
easements shall require the holder of the easement to repair  
any damage caused to the property of any Owner. Should any  
entity furnishing a service covered by the general easement  
herein provided request a specific easement by separate  
Recordable document, the Association shall have the right to  
grant such easement on said property in accordance with the  
terms hereof.

12.5 No Partition. No Person acquiring any interest  
in the Property or any part thereof shall have a right to, nor  
shall any person seek, any judicial partition of the Common

1 Area, nor shall any Owner sell, convey, transfer, assign,  
2 hypothecate or otherwise alienate all or any of such Owner's  
3 interest in the Common Area or any funds or other assets of the  
4 Association except in connection with the sale, conveyance or  
5 hypothecation of such Owner's Lot or Parcel (and only appurte-  
6 nant thereto), or except as otherwise expressly permitted  
7 herein. This Section shall not be construed to prohibit the  
8 Board from acquiring and disposing of tangible personal prop-  
9 erty nor from acquiring or disposing of title to real property  
10 (other than disposition of title to the Common Area) which may  
11 or may not be subject to this Declaration.

7 12.6 Severability; Interpretation; Gender.  
8 Invalidation of any one of these covenants or restrictions by  
9 judgment or court order shall in no way affect any other provi-  
10 sions which shall remain in full force and effect. The provi-  
11 sions hereof shall be construed and interpreted with reference  
12 to the laws of the State of Arizona. Where the context hereof  
13 so requires, any personal pronouns used herein, whether used in  
14 the masculine, feminine or neuter gender, shall include all  
15 genders, and the singular shall include the plural and vice  
16 versa. Titles of Articles and Sections are for convenience  
17 only and shall not affect the interpretation hereof.

13 12.7 Perpetuities. If any of the covenants, condi-  
14 tions, restrictions or other provisions of this Declaration  
15 shall be unlawful, void or voidable for violation of the rule  
16 against perpetuities, then such provisions shall continue only  
17 until twenty-one (21) years after the death of the last survi-  
18 vor of the now living descendants of Ronald Reagan, President  
19 of the United States.

17 12.8 Enforcement. Subject to Section 9.1, the  
18 Association shall have the standing and power to enforce the  
19 provisions of this Declaration, the Articles, the Bylaws and  
20 the rules and regulations of the Association, and the provi-  
21 sions of any other Recorded document pertaining to any Lot or  
22 Lots, or Parcel or Parcels, and its costs in doing so,  
23 including, but not limited to, reasonable attorneys' fees,  
24 together with interest thereon from the date the costs are  
25 expended at a rate equal to ten percent (10%) per annum, shall  
26 constitute a lien on all Lots and Parcels owned by the Owner or  
Owners against whom the action is taken (or against whose  
Occupants the action is taken), which lien shall have the pri-  
ority and may be enforced in the manner described in  
Section 8.3. Further, any Owner shall have the standing and  
the right to bring an action against the Association for any  
violation or breach by the Association of any provision hereof  
or of the Articles or the Bylaws. In addition, any Owner or  
Owners shall have the standing and power to enforce the provi-  
sions of this Declaration, the Articles and the Bylaws, and the

1 prevailing party or parties in any action by an Owner or Owners  
2 to enforce any such provisions shall be entitled to recover  
3 from the other party or parties its or their costs in such  
4 action (including reasonable attorneys' fees), together with  
5 interest thereon at the rate of ten percent (10%) per annum,  
6 and shall further be entitled to have all such costs (including  
7 such interest) included in any judgment awarded to the  
8 prevailing party or parties in such action. Failure by the  
9 Association or by any Owner to take any such enforcement action  
10 shall in no event be deemed a waiver of the right to do so  
11 thereafter.

12 12.9 Property Held in Trust. Any and all portions of  
13 the Property (and of the Annexable Property) which are now or  
14 hereafter held in a subdivision or similar trust or trusts (or  
15 similar means of holding title to property), the beneficiary of  
16 which trust(s) is Declarant, shall be deemed for all purposes  
17 hereunder to be owned by Declarant and shall be treated for all  
18 purposes hereunder in the same manner as if such real property  
19 were owned in fee by Declarant. No conveyance, assignment or  
20 other transfer of any right, title or interest in or to any of  
21 such real property by Declarant to any such trust (or the trustee  
22 thereof) or to Declarant by any such trust (or the trustee  
23 thereof) shall be deemed for purposes of this Declaration to be  
24 a sale of such real property or any right, title or interest  
25 therein.

26 12.10 FHA/VA Approval. So long as the Class B  
membership is in existence, the following actions shall not be  
taken without the prior approval of the Federal Housing  
Administration and the Veterans Administration: (a) annexation  
of additional properties to the Property (except to the extent  
such annexation is in accordance with a plan of annexation or  
expansion previously approved by such agencies); (b) dedication  
of any part or all of the Common Area; or (c) amendment of this  
Declaration.

12.11 Notices to Certain Mortgage Holders, Insurers or  
Guarantors. The Association shall give timely written notice  
of any of the following actions, events or occurrences to any  
holder, insurer or guarantor of a Mortgage who or which, prior  
to such action, event or occurrence, shall have made written  
request to the Association for such notice (which written  
request shall state the name and address of such holder,  
insurer or guarantor and the Lot number or street address of  
the Lot to which the applicable Mortgage pertains):

12.11.1 Any condemnation or casualty loss that  
affects either a material portion of the Property or the Lot  
securing the applicable Mortgage;

1           12.11.2       Any delinquency lasting sixty (60) days  
2 or more in payment of any assessments or other charges owed to  
3 the Association by the Owner of the Lot securing the applicable  
4 Mortgage, or any other breach or default hereunder by the Owner  
5 of the Lot securing the applicable Mortgage which is not cured  
6 within sixty (60) days after notice thereof from the  
7 Association to such Owner;

8           12.11.3       Any lapse, cancellation or material  
9 modification of any insurance policy or fidelity bond main-  
10 tained by the Association; or

11           12.11.4       Any proposed action which requires the  
12 consent of a specified percentage of Eligible Mortgage Holders,  
13 as provided in Section 12.2 hereof.

14           12.12 Dissolution or Termination of the Association or  
15 Legal Status of the Property. No action to dissolve or other-  
16 wise terminate the Association or the legal status of the  
17 Property for any reason other than the substantial destruction  
18 or condemnation of the Property shall be taken without the con-  
19 sent of Eligible Mortgage Holders representing not less than  
20 sixty-seven percent (67%) of all Lots subject to First  
21 Mortgages held by Eligible Mortgage Holders.

22           12.13 Amendments Requested by Governmental Agency.  
23 Notwithstanding any other provision of this Declaration,  
24 Declarant shall have the right to amend all or any part of this  
25 Declaration to such extent and with such language as may be  
26 requested by the Federal Housing Administration, Veterans  
Administration, Federal National Mortgage Association, Federal  
Home Loan Mortgage Corporation or other governmental or quasi-  
governmental agency which issues, guarantees, insures or  
purchases Mortgages (or securities or other debt instruments  
backed or secured by Mortgages), or otherwise governs transac-  
tions involving Mortgages or instruments evidencing same, or  
otherwise governs development of the Property on the Annexable  
Property, as a condition to such agency's approval of this  
Declaration or of the development encompassing the Property.  
Any such amendment shall be effected by Declarant's Recording  
an instrument executed by Declarant and appropriately acknowl-  
edged, specifying the governmental or quasi-governmental agency  
requesting such amendment and setting forth the appropriate  
amendatory language. Recording of such amendment shall consti-  
tute conclusive proof of such governmental or quasi-  
governmental agency's request for such amendment. Such  
amendment shall be effective, without the consent or approval  
of any other Person, on and as of the date the same is  
Recorded, and shall thereupon and thereafter be binding upon  
any and all Owners or other Persons having any interest in all  
or any part of the Property. Except as expressly provided in

1 this Section, neither Declarant nor any other Person(s) shall  
2 have the right to amend this Declaration except in accordance  
with and pursuant to the other provisions and requirements of  
this Declaration.

3       12.14 Number of Days. In computing the number of days  
4 for purposes of any provision of this Declaration or the  
Articles or Bylaws, all days shall be counted including  
5 Saturdays, Sundays and holidays; provided however, that if the  
6 final day of any time period falls on a Saturday, Sunday or  
legal holiday, then the final day shall be deemed to be the  
next day which is not a Saturday, Sunday or legal holiday.

7       12.15 Declarant's Right to Use Similar Name. The  
8 Association hereby irrevocably consents to the use by any other  
9 nonprofit corporation which may be formed or incorporated by  
Declarant of a corporate name which is the same as or decep-  
10 tively similar to the name of the Association provided one or  
11 more words are added to the name of such other corporation to  
12 make the name of the Association distinguishable from the name  
of such other corporation. Within five (5) days after being  
13 requested to do so by the Declarant, the Association shall sign  
such letters, documents or other writings as may be required by  
14 the Arizona Corporation Commission in order for any other non-  
profit 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.

15       12.16 Temporary Sign Easement. Declarant hereby  
16 reserves to itself and its agents a temporary easement over,  
upon and across those portions of the Common Area adjacent to  
17 publicly dedicated streets and roadways for purposes of  
installing and maintaining signs identifying Persons building  
18 upon or developing portions of the Property (and Trustee joins  
in such reservation). The easement reserved hereby shall  
19 expire and terminate upon completion of Declarant's construc-  
tion and sales activities upon the Property.

20       12.17 Notice of Violation. The Association shall have  
the right to Record a written notice of a violation by any  
21 Owner or Occupant of any restriction or provision of this  
Declaration, the Articles, the Bylaws or the rules and regula-  
22 tions of the Association. The notice shall be executed and  
acknowledged by an officer of the Association and shall contain  
23 substantially the following information: (a) the name of the  
Owner or Occupant; (b) the legal description of the Lot or  
24 Parcel against which the notice is being Recorded; (c) a brief  
description of the nature of the violation; (d) a statement  
25 that the notice is being Recorded by the Association pursuant  
to this Declaration; and (e) a statement of the specific steps  
26 which must be taken by the Lot or Parcel Owner or Occupant to

1 cure the violation. Recordation of a notice of violation shall  
2 serve as a notice to the Owner and Occupant, and to any subse-  
3 quent purchaser of the Lot or Parcel, that there is such a  
4 violation. If, after the Recordation of such notice, it is  
5 determined by the Association that the violation referred to in  
6 the notice does not exist or that the violation referred to in  
7 the notice has been cured, the Association shall Record a  
8 notice of compliance which shall state the legal description of  
9 the Lot or Parcel against which the notice of violation was  
10 Recorded, the Recording data of the notice of violation, and  
11 shall state that the violation referred to in the notice of  
12 violation has been cured or, if such be the case, that it did  
13 not exist. Notwithstanding the foregoing, failure by the  
14 Association to Record a notice of violation shall not consti-  
15 tute a waiver of any existing violation or evidence that no  
16 violation exists.

17 12.18 Declarant's Disclaimer of Representations.

18 Notwithstanding anything to the contrary herein, Declarant  
19 makes no warranties or representations whatsoever that the  
20 plans presently envisioned for the complete development of  
21 Ironwood Village can or will be carried out, or that any real  
22 property now owned or hereafter acquired by it is or will be  
23 subjected to this Declaration, or that any such real property  
24 (whether or not it has been subjected to this Declaration) is  
25 or will be committed to or developed for a particular (or any)  
26 use, or that if such real property is once used for a particu-  
lar use, such use will continue in effect. While Declarant has  
no reason to believe that any of the restrictive covenants con-  
tained in this Declaration are or may be invalid or unenforce-  
able for any reason or to any extent, Declarant makes no  
warranty or representation as to the present or future validity  
or enforceability of any such restrictive covenant. Any Owner  
acquiring a Lot or Parcel in reliance on one or more of such  
restrictive covenants shall assume all risks of the validity  
and enforceability thereof and by accepting a deed to the Lot  
or Parcel agrees to hold Declarant harmless therefrom.

19 12.19 Declarant's Rights. Any or all of the special

20 rights and obligations of the Declarant may be transferred to  
21 other Persons, provided that the transfer shall not reduce an  
22 obligation nor enlarge a right beyond that contained herein,  
23 and provided, further, that no such transfer shall be effective  
24 unless it is in a written instrument signed by the Declarant  
25 and duly Recorded. Nothing in this Declaration shall be con-  
26 strued to require Declarant or any successor to develop any of  
the Annexable Property in any manner whatsoever. Notwithstand-  
ing any provisions contained in this Declaration to the contrary,  
so long as construction and initial sale of Lots shall continue,  
it shall be expressly permissible for Declarant to maintain and  
carry on upon portions of the Common Area such

1 facilities and activities as, in the sole opinion of Declarant,  
2 may be reasonably required, convenient or incidental to the  
3 construction or sale of such Lots, including, but not limited  
4 to, business offices, signs, model units and sales offices, and  
5 Declarant shall have an easement for access to such facil-  
6 ities. The right to maintain and carry on such facilities and  
7 activities shall include specifically the right to use Lots  
8 owned by Declarant and any clubhouse or community center which  
9 may be owned by the Association, as models, sales offices and  
10 other purposes related to Developer's sales activities on the  
11 Property and the Annexable Property. So long as Declarant con-  
12 tinues to have rights under this Section, no Person shall  
13 Record any subdivision plat or map, any declaration of cove-  
14 nants, conditions and restrictions, any declaration of condo-  
15 minium or any similar instrument affecting any portion of the  
16 Property without Declarant's review and written consent  
17 thereto, and any attempted Recordation without compliance here-  
18 with shall result in such subdivision plat or map, declaration  
19 of covenants, conditions and restrictions, declaration of con-  
20 dominium or similar instrument being void and of no force and  
21 effect unless subsequently approved by Recorded consent signed  
22 by Declarant. This Section may not be amended without the  
23 express written consent of Declarant; provided, however, the  
24 rights contained in this Section shall terminate upon the ear-  
25 lier of: (a) the date as of which Declarant no longer owns any  
26 portion of the Property or the Annexable Property; or (b) upon  
Recording by Declarant of a written statement that all con-  
struction and sales activities have ceased.

15 12.20 Amendments Affecting Declarant Rights.  
16 Notwithstanding any other provision of this Declaration, no  
17 provision of this Declaration (including but not limited to,  
18 this Section) which grants to or confers upon Declarant any  
19 rights, privileges, easements, benefits or exemptions (except  
20 for rights, privileges, easements, benefits, or exemptions  
21 granted to or conferred upon Owners generally) shall be modi-  
22 fied, amended or revoked in any way, so long as Declarant or  
23 Trustee owns any portion of the Property or any portion of the  
24 Annexable Property, without the express written consent of  
25 Declarant.

21 12.21 Nearby Airport. As of the date hereof, the  
22 Property lies approximately three (3) miles north and east of  
23 the Scottsdale Municipal Airport, and approximately one (1) to  
24 one and one-quarter (1 1/4) miles outside the "marginally sen-  
25 sitive" noise level area for residential areas, both currently  
26 and as projected for the year 2005, as described in the Airport  
Master Plan and Noise Compatibility Program for Scottsdale  
Municipal Airport prepared by Coffman Associates Airport  
Consultants.

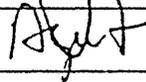
1 IN WITNESS WHEREOF, the undersigned have executed this  
Declaration as of the day and year first set forth above.

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DECLARANT:

REALTY DEALERS, LTD., an Illinois limited partnership

By UDC ADVISORY SERVICES, INC., an Illinois corporation, its General Partner

By   
Its 

TRUSTEE:

TITLE USA COMPANY OF ARIZONA, an Arizona corporation, as Trustee of its Trust No. 1547 and not personally

By   
Its Trust Officer

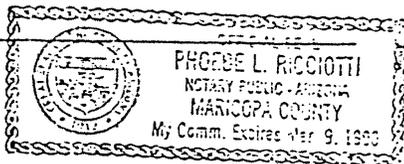
1 STATE OF ARIZONA )  
2 ) ss.  
3 County of Maricopa )

4 On this 22nd day of September, 1988, before me, the  
5 undersigned officer, personally appeared Gary D. Haarer,  
6 who acknowledged himself to be Agent of UDC  
7 ADVISORY SERVICES, INC., an Illinois corporation which is gen-  
8 eral partner of REALTY DEALERS, LTD., an Illinois limited  
9 partnership, and that he, in such capacity, being authorized so  
10 to do, executed the foregoing instrument for the purposes  
11 therein contained by signing the name of said corporation and  
12 said partnership by himself.

13 IN WITNESS WHEREOF, I hereunto set my hand and offi-  
14 cial seal.

15   
16 \_\_\_\_\_  
17 Notary Public

18 My commission expires:





## PARCEL DESCRIPTION

That part of the South Half of Section 30, Township 4 North, Range 5 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at the West Quarter corner of said Section 30;  
thence North 89 degrees 56 minutes 30 seconds East along the north line of said South Half a distance of 35.99 feet;  
thence South 00 degrees 03 minutes 30 seconds East a distance of 35.00 feet to the POINT OF BEGINNING;  
thence North 89 degrees 56 minutes 30 seconds East along the south line of the north 35.00 feet of said South Half a distance of 1,130.33 feet;  
thence South 11 degrees 25 minutes 46 seconds West a distance of 320.60 feet to a point of curvature from which the radius bears South 78 degrees 34 minutes 14 seconds East a distance of 450.00 feet;  
thence southerly along said curve, through a central angle of 24 degrees 47 minutes 22 seconds, a distance of 194.70 feet to a point of tangency;  
thence South 13 degrees 21 minutes 36 seconds East a distance of 211.02 feet to a point on a non-tangent curve from which the radius bears South 17 degrees 25 minutes 52 seconds East a distance of 1440.00 feet;  
thence southwesterly along said curve, through a central angle of 19 degrees 47 minutes 41 seconds, a distance of 497.49 feet to a point of tangency;  
thence South 52 degrees 46 minutes 27 seconds West a distance of 260.25 feet to a point of curvature from which the radius bears North 37 degrees 13 minutes 33 seconds West a distance of 20.50 feet;  
thence westerly along said curve, through a central angle of 90 degrees 00 minutes 00 seconds, a distance of 32.20 feet to a point of tangency;  
thence North 37 degrees 13 minutes 33 seconds West a distance of 251.12 feet to a point of curvature from which the radius bears North 52 degrees 46 minutes 27 seconds East a distance of 1535.00 feet;  
thence northwesterly along said curve, through a central angle of 35 degrees 05 minutes 55 seconds, a distance of 940.32 feet to a point of compound curvature from which the radius bears North 37 degrees 52 minutes 22 seconds East a distance of 20.00 feet;  
thence northeasterly along said curve, through a central angle of 92 degrees 04 minutes 03 seconds, a distance of 32.14 feet to the POINT OF BEGINNING.

## PARCEL DESCRIPTION

That part of the South Half of Section 30, Township 4 North, Range 5 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at the southeast corner of said Section 30;  
 thence South 89 degrees 56 minutes 00 seconds West along the south line of said Section 30 a distance of 1979.22 feet;  
 thence North 00 degrees 04 minutes 00 seconds West a distance of 51.76 feet to the POINT OF BEGINNING and to a point on a non-tangent curve from which the radius bears South 01 degrees 25 minutes 23 seconds East a distance of 11,570.00 feet;  
 thence westerly along said curve, through a central angle of 01 degrees 56 minutes 02 seconds, a distance of 390.51 feet to a point of tangency;  
 thence South 86 degrees 38 minutes 35 seconds West a distance of 277.77 feet to a point of curvature from which the radius bears North 03 degrees 21 minutes 25 seconds West a distance of 20.00 feet;  
 thence northwesterly along said curve through a central angle of 93 degrees 17 minutes 25 seconds, a distance of 32.56 feet to a point of tangency;  
 thence North 00 degrees 04 minutes 00 seconds West a distance of 172.05 feet to a point of curvature from which the radius bears North 89 degrees 56 minutes 00 seconds East a distance of 820.00 feet;  
 thence northeasterly along said curve, through a central angle of 43 degrees 43 minutes 01 seconds, a distance of 625.66 feet to a point of reverse curvature from which the radius bears North 46 degrees 20 minutes 59 seconds West a distance of 830.00 feet;  
 thence northeasterly along said curve, through a central angle of 31 degrees 57 minutes 17 seconds, a distance of 462.90 feet to a point of tangency;  
 thence North 11 degrees 41 minutes 44 seconds a distance of 219.71 feet to a point of curvature from which the radius bears South 78 degrees 18 minutes 16 seconds East a distance of 370.00 feet;  
 thence northeasterly along said curve, through a central angle of 31 degrees 57 minutes 13 seconds, a distance of 206.36 feet to a point of tangency;  
 thence North 43 degrees 39 minutes 02 seconds East a distance of 99.50 feet to a point of curvature from which the radius bears South 46 degrees 20 minutes 53 seconds East a distance of 20.50 feet;  
 thence easterly along said curve, through a central angle of 90 degrees 00 minutes 00 seconds, a distance of 32.20 feet to a point of tangency;  
 thence South 46 degrees 20 minutes 58 seconds East a distance of 434.30 feet to a point of curvature from which the radius bears South 43 degrees 39 minutes 02 seconds West a distance of 370.00 feet;  
 thence southeasterly along said curve, through a central angle of 46 degrees 16 minutes 53 seconds, a distance of 702.73 feet to a point of tangency;  
 thence South 00 degrees 04 minutes 00 seconds East a distance of 342.56 feet;  
 thence South 89 degrees 56 minutes 00 seconds West a distance of 476.41 feet;  
 thence South 33 degrees 44 minutes 06 seconds West a distance of 31.12 feet;  
 thence South 17 degrees 40 minutes 52 seconds West a distance of 154.75 feet;  
 thence South 61 degrees 08 minutes 02 seconds West a distance of 34.73 feet;  
 thence South 00 degrees 04 minutes 00 seconds East a distance of 137.30 feet to the POINT OF BEGINNING.



CARTER ASSOCIATES, INC.

88 559655

IRONWOOD

The South Half of Section 30, Township 4 North, Range 5 East, of the Gila and Salt River Meridian, Maricopa County, Arizona;

EXCEPT the East Half of the Northeast Quarter of the Southeast Quarter of said Section 30;

AND EXCEPT Commencing at the southeast corner of said Section 30; thence South 89 degrees 56 minutes 00 seconds West along the south line of said Section 30 a distance of 1377.85 feet;

thence North 00 degrees 04 minutes 00 seconds West a distance of 606.87 feet; thence North 89 degrees 56 minutes 00 seconds East a distance of 30.00 feet to the POINT OF BEGINNING;

thence continuing North 89 degrees 56 minutes 00 seconds East a distance of 611.97 feet;

thence South 12 degrees 56 minutes 31 seconds West a distance of 53.50 feet; thence South 07 degrees 23 minutes 31 seconds East a distance of 115.51 feet;

thence South 01 degrees 01 minutes 24 seconds East a distance of 163.03 feet to a point of curvature from which the radius bears South 88 degrees 58 minutes 36 seconds West a distance of 125.00 feet;

thence southwesterly along said curve, through a central angle of 72 degrees 19 minutes 02 seconds, a distance of 158.50 feet to a point of tangency;

thence South 71 degrees 37 minutes 38 seconds West a distance of 83.44 feet to a point of curvature from which the radius bears South 18 degrees 22 minutes 22 seconds East a distance of 49.16 feet;

thence southwesterly along said curve, through a central angle of 64 degrees 47 minutes 07 seconds, a distance of 55.59 feet to a point of reverse curvature from which the radius bears North 83 degrees 09 minutes 29 seconds West a distance of 100.00 feet;

thence southwesterly along said curve, through a central angle of 20 degrees 47 minutes 02 seconds, a distance of 36.28 feet to a point of non-tangency on the north line of the south 55.00 feet of said South Half;

thence South 89 degrees 56 minutes 00 seconds West along said north line a distance of 387.85 feet to a point of curvature from which the radius bears North 00 degrees 04 minutes 00 seconds West a distance of 20.50 feet;

thence northwesterly along said curve, through a central angle of 90 degrees 00 minutes 00 seconds, a distance of 32.20 feet to a point of tangency;

thence North 00 degrees 04 minutes 00 seconds West a distance of 531.37 feet to the POINT OF BEGINNING.

AND EXCEPT FOR the property described on Exhibit "A" to the Declaration to which this Exhibit "B" is attached.

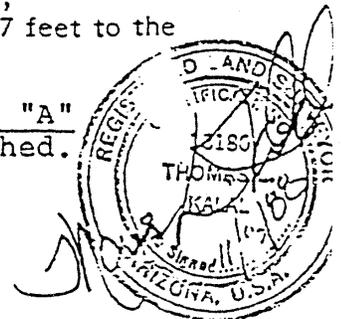


Exhibit "C"

1  
2 Tracts A, B and C, The Foothills at Ironwood Village,  
3 according to the plat recorded in Book 326 of Maps, page 32, in  
the office of the Maricopa County, Arizona Recorder; and

4 Tract A, The Estates at Ironwood Village, according to  
5 the plat recorded in Book 326 of Maps, page 31, in the office  
of the Maricopa County, Arizona Recorder.

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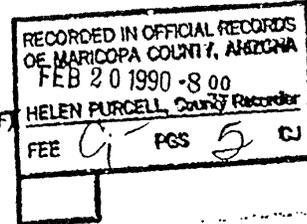
United Title Agency of Arizona, Inc.

90 074493

1 When recorded, return to:

2 HOLD FOR PICK UP  
3 United Title Agency of Arizona, Inc.  
4 Trust Department

MOD RSTR (DF)



5 FIRST AMENDMENT TO  
6 DECLARATION OF COVENANTS,  
7 CONDITIONS AND RESTRICTIONS  
8 FOR IRONWOOD VILLAGE

8 This First Amendment to Declaration of Covenants,  
9 Conditions and Restrictions is made as of February 19, 1990,  
10 by UNITED TITLE AGENCY OF ARIZONA, INC., an Arizona corporation  
11 formerly known as Title USA Company of Arizona ("Trustee"), and  
12 REALTY DEALERS, LTD., an Illinois limited partnership  
13 ("Declarant"), with reference to the following:

14 A. Trustee and Declarant have previously executed  
15 and caused to be Recorded that certain Declaration of  
16 Covenants, Conditions and Restrictions for Ironwood Village  
17 dated November 10, 1988 and Recorded November 15, 1988 at  
18 Recorder's No. 88-559655 in the office of the Maricopa County,  
19 Arizona Recorder (the "Declaration"; except as otherwise  
20 expressly provided herein, all terms defined in the Declaration  
21 shall have the same meanings in this First Amendment).

22 B. Trustee and Declarant desire to amend the  
23 Declaration to add further provisions relating to washes and  
24 other natural areas now or hereafter constituting a part of the  
25 Common Area or otherwise in or adjacent to the Property. As of  
26 the date hereof, Trustee, in its capacity as trustee of its  
Trust No. 1547 (the sole beneficiary of which is Declarant),  
owns fee title to at least seventy-five percent (75%) of all  
lots; therefore, pursuant to the Declaration, Trustee and  
Declarant have the power to amend the Declaration.

27 NOW, THEREFORE, Declarant and Trustee hereby declare  
28 as follows:

29 1. Amendment to Declaration. The following is  
30 hereby added to the Declaration as a new Section 10.26:

31 10.26 Dumping in Washes. No Owner or  
32 Occupant shall dump, place or leave in any  
33 wash in or adjacent to the Property, or in  
34 any other natural or open areas in or

1 adjacent to the Property, whether or not a  
2 part of the Common Area (or permit any  
3 builder, developer, contractor,  
4 subcontractor, laborer or materialman  
5 performing any construction, repair or other  
6 work on such Owner's or Occupant's Lot or  
7 Parcel, or any guest, invitee or licensee of  
8 such Owner or Occupant, to dump, place or  
9 leave in any such wash or other natural or  
10 open areas), whether temporarily or  
11 permanently: (a) any construction materials  
12 or debris of any kind; (b) any automobile,  
13 truck or other motor oil (or other related  
14 fluids of any kind, including but not  
15 limited to air conditioning coolant and  
16 radiator coolant); (c) "backwash" or other  
17 drainage of any kind from swimming pools,  
18 spas, hot tubs or the like; or (d) any other  
19 garbage, debris, waste, litter, refuse or  
20 materials of any kind or type. All Owners  
21 (as well as all Occupants) shall take all  
22 steps necessary to ensure compliance by  
23 themselves and by their respective  
24 Occupants, builders, developers,  
25 contractors, subcontractors, laborers,  
26 materialmen, guests, invitees and licensees  
with the provisions of this Section 10.26.  
In the event of any violation of this  
Section 10.26, the Owner or the Occupant who  
or which committed such violation (or whose  
Occupant, builder, developer, contractor,  
subcontractor, laborer, materialman, guest,  
invitee or licensee committed such  
violation) shall immediately take all steps  
necessary to cure or correct such violation  
(including any residual effects thereof),  
without cost or expense to the Association  
or to any other Owner or Occupant, and in  
the event such Owner or Occupant fails  
immediately to take such steps, the  
Association may, in the discretion of the  
Board, take such steps as the Board deems  
necessary to cure or correct such violation  
(including any residual effects thereof),  
and all costs and expenses thereof shall be  
the obligation of the Owner(s) and  
Occupant(s) in question, and shall be paid  
by such Owner or Occupant immediately upon  
demand by the Association (with interest  
thereon from the date expended by the  
Association until fully paid at the rate set

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forth in Section 12.8 and with all costs incurred by the Association in seeking to enforce this Section 10.26, including, but not limited to, court costs and attorneys' fees), and all such amounts (including all interest and any attorneys' fees or other costs incurred to enforce this Section 10.26) shall be secured by the lien established by Section 8.3 hereof with respect to such Owner's or Occupant's Lot or Parcel. Nothing in this Section 10.26 is intended to limit the Association's remedies with respect to a violation of this Section 10.26, and the Association shall have, in addition to the rights and remedies expressly provided in this Section 10.26, all other rights and remedies provided under this Declaration or otherwise at law or in equity.

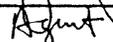
2. Limited Effect. The Declaration shall not be amended, modified or affected by this First Amendment except as expressly set forth herein.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the date first set forth above.

DECLARANT:

REALTY DEALERS, LTD., an Illinois limited partnership

By UDC ADVISORY SERVICES, INC., an Illinois corporation, its General Partner

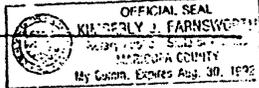
By  \_\_\_\_\_  
Its  \_\_\_\_\_

1 formerly known as Title USA Company of Arizona, as Trustee of  
2 its Trust No. 1547 and not personally, and that he/she, in such  
3 capacity, being authorized so to do, executed the foregoing  
4 instrument for the purposes herein contained by signing the  
5 name of said corporation by himself/herself.

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

*Kimberly J. Farnsworth*  
Notary Public

8 My commission expires:



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TRUSTEE:

UNITED TITLE AGENCY OF ARIZONA,  
INC., an Arizona corporation  
formerly known as Title USA  
Company of Arizona, as Trustee of  
its Trust No. 1547 and not  
personally

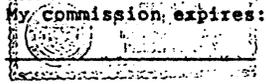
By Donna Cassidy  
Its Trust Officer

STATE OF ARIZONA )  
                          ) ss.  
County of Maricopa )

On this 14th day of February, 1990, before me, the  
undersigned officer, personally appeared Gary D. Haarer,  
who acknowledged himself to be Agent of UDC  
ADVISORY SERVICES, INC., an Illinois corporation which is  
general partner of REALTY DEALERS, LTD., an Illinois limited  
partnership, and that he, in such capacity, being authorized so  
to do, executed the foregoing instrument for the purposes  
therein contained by signing the name of said corporation and  
said partnership by himself.

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

Shale J. Grewth  
Notary Public

My Commission expires:  


STATE OF ARIZONA )  
                          ) ss.  
County of Maricopa )

On this 19th day of February, 1990, before me the  
undersigned officer, personally appeared Donna Cassidy,  
who acknowledged himself/herself to be Trust Officer of  
UNITED TITLE AGENCY OF ARIZONA, INC., an Arizona corporation