DKT 10638 PG 224

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110702

DECLARATION OF HORIZONTAL PROPERTY REGIME
FOR QUAIL HILL PARCEL "B" CONDOMINIUM

HUGH KNOELL BUILDERS, an Arizona corporation, (hereinafter referred to as "Declarant") is the owner of all that certain real property subject to this Declaration, located in the County of Maricopa, State of Arizona, more particularly described as:

> Units 1-104 inclusive, Tracts A, A1, A2, A3, B, B1, C, C1, D, D1, E, E1, F, G, G1, H, H1, inclusive, QUAIL HILL PARCEL "B", County of Maricopa, State of Arizona, as per amended Plat of Dedication recorded in Book 172 of maps, page 24 in the Office of the County Recorder of said county.

WHEREAS, Declarant will convey the said properties, subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth; and

WHEREAS, Declarant hereby established by this Declaration on a plan for the individual ownership of the real property estates consisting of the area or space contained in each of the units in each multi-family structure, and the co-ownership by the individual and separate owners thereof, as tenants in common and as hereafter set forth, of all of the real property which is hereafter defined and referred to herein as the "common areas", and for the maintenance therof.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following covenants, conditions, charges, liens, restrictions, easements and reservations (hereinafter collectively sometimes called "restrictions"), all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property, and all of which are hereby declared to be for the benefit of all of the property described herein and the owners thereof, their heirs, successors, grantees and assigns. These restrictions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties of any part thereof, and shall inure to the benefit of each owner thereof. Said restrictions establish and impose a general plan for the improvement and development of said property described herein and the adoption and establishment of covenants, conditions, charges, liens, easements and restrictions upon said land and upon any and all townhouse units constructed or to be constructed thereon, and upon the use, occupancy and enjoyment thereof. Every conveyance of any of said townhouses, or property or portion thereof shall be and is subject to these covenants, conditions, conditions, charges, liens, restrictions, easements and restrictions as follows:

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to QUAIL HILL PARCEL "B" HOMEOWNERS CORPORATION, its successors and assigns.

Section 2. "Properties" or "premises" shall mean and refer to that certain real property hereinbefore described.

Section 3. "Common area" and "common elements" shall be synonymous and are defined as follows:

(a) The general common areas shall include all areas designated as Tracts A, A1, A2, A3, B, B1, C, C1, D, D1, E, E1, F, G, G1, H, H1, inclusive, a recreational area with swimming pool, play areas and all other community facilities and other improvements located thereon. The common elements shall also include all recreational facilities including swimming pool, community and commercial facilities, if any, pumps, trees, pavements, streets, pipes, wires, conduits and other public utility lines.

(b) The limited or special common areas shall include the individual patio areas designated for each unit.

Section 4. "Unit" and "townhouse" shall be synonymous and shall mean and refer to a separately designated and legally described freehold estate consisting of the residential units and carports in each multi-family structure, each separately shown, numbered and designated on the Condominium Plan referred to in Article II, Section 5, hereof, and shall be a separate freehold estate consisting of the space bounded by and contained within the center of the common party walls where applicable, ground elevation to 30 feet above ground elevation, the outside of all exterior walls where applicable and a vertical dimension at the front of the carports extending from ground elevation to a height of 30 feet of each townhouse each of such space being defined and referred to herein as a "unit".

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Beneficiary" or Owner" shall mean and refer to the record owner, whether one or more persons or entities, of equitable title (or legal title if equitable title has merged) of any unit which is part of the properties.

Section 7. "Mortgage" shall mean and refer to "Deed of Trust" and any terms associated with "mortgage" shall also be associated with the "Deed of Trust".

Section 8. "Declarant" shall mean and refer to Hugh Knoell Builders, an Arizona corporation, Trustee, its successors or assigns if such successors or assigns should acquire more than one undeveloped building site from the Declarant for the purpose of development.

ARTICLE II

DECLARATION

Section 1. Declarant, the fee owner of the above described real property hereby makes the following declaration as to division, easements, rights, liens, charges, covenants, restrictions, limitations, conditions and uses to which the project may be subjected, hereby specifying that such declaration shall constitute covenants to run with the land and shall be binding on Declarant, its successors and assigns, and all subsequent owners of all or any part of the project, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

Section 2. Declarant, in order to establish a plan of condominium ownership for the project in accordance with the Horizontal Property Regime Statutes of Arizona, Sec. 33-551 through 33-561, Arizona Revised Statutes, declares, covenants and agrees that it hereby divides the project into the following separate freehold estates:

(a) As defined in Article I, Section 4, hereinabove.

(b) General common elements as defined in Article I, Section 3 (a) hereinabove.

Section 3. Each unit together with the respective undivided interest in the common areas specified and established in ARTICLE II, Sections 4 and 5, hereof, is defined and hereinafter referred to as a "Condominium", and the ownership of each condominium shall include a unit and an undivided interest in the common areas.

Section 4. The 104 individual units are hereby established and shall be individually conveyed, together with their respective undivided fractional interests in all of the common areas, as shown on the recorded plat.

Section 5. The undivided interest in the general common areas are hereby established and shall be conveyed with each respective unit shall be 1/104th per unit.

Section 6. In addition to each of the 104 individual unit owners receiving an undivided interest in the general common areas, as provided in Section 5, immediately above, each unit owner likewise shall have appropriately conveyed to such individual unit owner the exclusive right to the special and limited common areas attached to each unit where the individual unit owner shall have his own patio area so conveyed to him.

Section 7. The proportionate shares of the separate owners of the respective condominiums in the profits and common expenses in the common areas, shall be the same as their respective interests in the common areas as shown in ARTICLE II, Sections 4 and 5.

Section 8. Incorporated herein by this reference thereto is that certain Condominium Plan referred to as [illegible]LL PARCEL "B", Condominium, consisting of four (4) sheets, as per amended Plat of Dedication recorded in Book 172, page 24, Maricopa County Recorder.

ARTICLE III

MEMBERSHIP

Section 1. Membership in the Association, except for membership of the incorporators, the Declarant and the first Board of Directors, shall be limited to owners of townhouses constructed or planned to be constructed on the property described above. An owner of a townhouse shall automatically, upon becoming the owner of a townhouse, be a member of the Association, and shall remain a member of the Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. Ownership of a unit shall be the sole qualification and criteria for membership.

Section 2. A membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of townhouse and then only to such purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the owner of any townhouse should fail or refuse to transfer the membership registered in his name to the purchaser of such townhouse, the Association shall have the right to record the transfer upon the books of the Association and issue a new membership for the purchaser and thereupon the old membership outstanding in the name of the seller shall be null and void as though the same had been surrendered.

Section 3. The owner of each townhouse shall be entitled to one membership in the Association, and there shall be no more than one membership for each townhouse unit owned, which membership shall be subject to all of the provisions of the Association's Articles of Incorporation, Bylaws, and these Restrictions, as now in effect or fully adopted and amended.

ARTICLE IV

VOTING RIGHTS

Section 1. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in ARTICLE III. A Class A member shall be entitled to one vote for each unit owned by said member, as provided above.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to fifteen (15) votes for each unit in which it holds the interest required for membership by ARTICLE III, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) Three (3) years from the date of this Declaration.

Section 2. In the event any townhouse unit owner shall be in arrears in the payment of any amount due under any of the provisions of this Declaration for a period of thirty (30) days, or shall be in default in the performance of any of the terms of this Declaration for a period of thirty (30) days, said unit owner's right to vote as a member of the QUAIL HILL PARCEL "B" HOMEOWNERS CORPORATION shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied.

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the common elements, including the private street shown on the recorded subdivision plat, and such easement shall be appurtenant to and shall pass with the title to each and every townhouse. It is expressly acknowledged and agreed by all parties concerned that this ARTICLE is for the mutual benefit of all owners of the townhouses and of QUAIL HILL PARCEL "B" HOMEOWNERS CORPORATION, and is necessary for the protection of said owners. It is understood and agreed that the rights of use and enjoyment of the common elements may be exercised by any person legally in possession of a townhouse in a manner not in violation of the provisions hereof, but nothing herein shall be deemed to alter or amend the provisions of ARTICLE III herof with respect to membership or to affect the provisions of ARTICLE IV hereof with respect to voting rights. Such right and easement of enjoyment shall be subject to reasonable rules and regulations as from time to time are promulgated by the Board of Directors, and which may include, but shall not be limited to:

(a) The right of the Association to limit the number of guests of members;

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common areas;

(c) The right of the Association, in accordance with its Articles and Bylaws, to borrow money (but only after 104 townhouses have been constructed upon the premises and sold by the major builder) for the purpose of improving the common areas and the facilities and in aid thereof, to mortgage said property (the common areas) as may be permitted by law. The rights of such mortgagee in said properties shall be subordinate to the rights of the homeowners hereunder.

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

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Maintenance. It is anticipated that residential dwelling units will be constructed on various parcels within the townhouse project's property and that the ownership together with the undivided fractional interest in the general elements constituting a "townhouse". Maintenance, upkeep and repairs of individual patios shall be the sole responsibility of the Board of Directors. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the general common elements, exterior trim painting of the townhouse units, including but not limited to, recreation, parking areas and walks, may be taken by the Board of Directors or by its duly delegated representative, as it may deem to be in the best interest of all parties in carrying out the purposes of this Declaration. The powers, rights and duties of the Association and the Board of Directors shall be as contained in this Declaration, and as may be adopted in its Articles of Incorporation and Bylaws not inconsistent herewith.

Section 2. The Association, or its duly delegated representative, shall maintain and otherwise manage all property, including, but not limited to the landscaping, recreation areas, parking areas, and streets located upon the above described properties, and shall maintain and otherwise manage and be responsible for the rubbish removal of all areas within the above described property. The Board of Directors shall use a reasonably high standard of care in providing for the repair, management and maintenance of said property so that said townhouse project will reflect a high pride of ownership.

Section 3. All interior maintenance and interior repair of the individual townhouse units shall be the sole obligation and expense of the individual unit owners.

Section 4. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each unit owned within the properties, hereby covenants, and each owner of any unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association; (1) annual assessments of charges, and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorneys' fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due, but such personal obligation and liability of the "owner" shall not be deemed to limit or discharge the charge on the land and continuing lien upon the property against which such assessment is made.

Section 5. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the properties and in particular for the improvement and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common area, and of the townhouses situated upon the properties.

Section 6. Establishment, Basis and Maximum of Assessments. Declarant and the owner of each such townhouse, for themselves, for their heirs, successors and assigns, further covenant that each such townhouse shall be subject to an assessment in an amount to be determined by the Association, in the following manner:

(a) Such townhouse unit's prorata share of the actual cost to the Association of all taxes, repair, construction, replacement and maintenance of the general common elements, recreation areas, private streets, and landscaping within the street rights-of-way in the subdivision, and other facilities and activities including, but not limited to, mowing grass, caring for the grounds and pool, sprinkler system, common area utilities, and other charges required by this Declaration of HORIZONTAL PROPERTY REGIME FOR QUAIL HILL PARCEL "B" CONDOMINIUM.

(b) Such townhouse unit's prorata share of the actual cost to the Association of such recreational facilities as may from time to time be provided by the Association;

(c) Such townhouse unit's prorata share of such sum as the Board of Directors of the Association shall determine to be fair and prudent for the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges as specified herein, including fire and other hazard insurance premiums as hereinafter provided, and a liability insurance policy in the face amount of not less than $300,000.00, which policy, in addition to public liability shall cover repair and construction work to all of the assets and property owned by or to be maintained by the Association. The disposition of liability insurance proceeds shall be made upon majority vote of the Board of Directors but in all events shall be used to and for the purpose of the Association.

(d) Such townhouse unit's prorata share of such additional sum as the Board of Directors of the Association shall determine to be necessary to meet the primary purposes of the Association.

(e) Each townhouse unit's prorata share shall be 1/104th of the total amount determined under subparagraphs (a), (b), (c), and (d) above.

In the event the actual number of townhouses constructed is no 104, the denominator in the fraction "1/104" shall, wherever it appears in this Declaration, be changed to reflect the correct number of townhouses.

Section 7. The amount to be prorated among the members of the Association pursuant to subparagraphs (a), (b), (c), (d), and (e) above, shall be established annually by the Board of Directors. Said amount shall be established after the Board of Directors has met with the management corporation, as hereinafter provided, and has examined the annual report to be prepared by said management corporation, and the annual audit prepared by a certified public accountant.

Section 8. An annual report shall be prepared by the management corporation or by such other party as the Board of Directors shall order. The exact date for the annual report shall be determined by the Board of Directors. The Board of Directors shall meet with the management corporation or other party preparing said report within forty (40) days following the preparation of same to discuss and set the rate for the current year.

Section 9. At the time of the first conveyance of each townhouse unit and from time to time thereafter, the Board of Directors or the designated representative shall notify the owner or owners of each townhouse unit as to the amount of the estimated annual assessment and shall each month collect for each townhouse unit one-twelfth (1/12) of said townhouse unit's proportional share of said annual assessment.

Section 10. Until the end of the first fiscal year immediately following the conveyance of the first unit to an owner, the maximum annual assessment shall be $480.00 unit. From and after the end of said first fiscal year, the maximum monthly assessment may be increased, effective the first day following the end of each fiscal year by a majority vote of the duly elected Directors of the Association so acting at any regular or special meeting of the Directors, subject to exceptions provided hereinafter in Section 13.

Section 11. Special Assessments. In addition to any other assessments authorized by this Declaration, the Association's Board of Directors shall have the right and power to provide for the construction of additional recreational and other common facilities, from time to time, as in their discretion appears to be in the best interests of the Association and the townhouse project. Any such alteratolition, removal, construction, improvements or additions, increasing the owners' annual assessment over the then maximum limitation, shall be authorized by an affirmative vote of three-fourths (3/4) of the Board of Directors at a duly called meeting at which a quorum is present, and ratified and approved by the affirmative vote of sixty-six percent (66%) of the members present at a duly called meeting at which a quorum is present.

Section 12. For purpose of these Sections, the presence at a duly called meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forth coming at any meeting, another meeting may be called by sending written notice to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 13. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all units as to the assessments for the general common elements. All of these assessments may be collected on a monthly basis. It is understood, however, that the units owned by the original Developer are specifically exempt from such periodic charges and assessments until December 31, 1977 or the date of the last unit sale closing, whichever first occurs. This specific exemption is granted for the reason that the original Developer may be subsidizing the Association directly in meeting the actual cash outlay until such time as majority units are sold.

Any of the units, so long as they are incomplete and/or unsold shall not be subject to monthly assessments, provided Hugh Knoell Builders contributed services or cash to the maintenance of the general common areas.

Section 14. Effect of Nonpayment of Assessments and Remedies of the Association. Each townhouse owner, for himself, his heirs, successors, during the period that he is an owner, he will remit these charges directly to the management corporation, or to such other party or parties as directed by the Association's Board of Directors.

Section 15. Any assessments which are not paid when due shall be delinquent. Each townhouse owner further agrees that these charges, if not paid within five (5) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum and shall become a lien upon said owner's lot and townhouse and shall continue to be such lien until fully paid. This lien shall be subordinate to the lien of any first mortgage.

Section 16. Each such owner expressly vests in the QUAIL HILL PARCEL "B" HOMEOWNERS CORPORATION of its agents, the right and power to bring all actions against such owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage of real property, and such owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other townhouse owners. The Association, acting on behalf of the unit owners, shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. In the event any person, corporation or association authorized to enforce the provisions of this Declaration employs an attorney or attorneys to enforce said lien or the collection of any amounts due pursuant to this Declaration, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, the owner, owners and parties against whom the action is brought shall pay all attorney's fees and costs thereby incurred by said enforcing party in the event said enforcing party prevails in any such action.

Section 17. No owner of a townhouse may exempt himself from liability for his contribution toward the common expenses by waiver of the use of enjoyment of any of the common elements or by the abandonment of this townhouse.

Section 18. Exempt Property. The following property, subject to this Declaration, shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the common areas; and (c) all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Arizona. However, no land or improvement devoted to dwelling use shall be exempt from said assessments and (d) and as to those units as applicable under the provisions of ARTICLE VI, Section 13.

ARTICLE VII

PARTY WALLS

Section 1. The rights and duties of the owners of townhouses within this townhouse project with respect to party walls and/or walls erected entirely on one unit but closely to the next unit line shall be governed by the following:

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

(b) In the event any such party wall is damaged or destroyed through the act of one adjoining owner, or any of his guests, tenants, licensees, agents or member of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining owner of the full use and enjoyment of such, the owner shall forthwith proceed in accordance with the procedure referred to hereinafter in Article XI.

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

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

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

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

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

ARTICLE VIII

ARCHITECTURAL CONTROL

Section 1. No improvement, whether a building, fence, wall or other structure shall be commenced, erected or maintained on any unit until the plans and specifications for the same showing all construction details, including the nature, shape, height, materials, floor plans, location and approximate cost thereof shall have been submitted to and approved in writing by QUAIL HILL PARCEL "B" HOMEOWNERS CORPORATION, an Arizona corporation, it's successors or assigns. Said corporation shall have the right to deny approval of any plans or specifications which are not, in its opinion, suitable or desirable for aesthetic or any other reasons, and shall have the right to take into consideration the harmony and conformity of the building with the surrounding buildings and the suitability of the same with the surrounding area and the effect of such structure or building as seen from adjacent or neighboring properties. All subsequent replacements, alteration, repainting or improvements of any building, fence, wall or other structure, also shall be subject to the prior approval of QUAIL HILL PARCEL "B" HOMEOWNERS CORPORATION, ITS SUCCESSORS OR ASSIGNS. In the event QUAIL HILL PARCEL "B" HOMEOWNERS CORPORATION, its successors or assigns, fails to approve or disapprove such plans and specifications within thirty (30) days after submission thereof, approval will not be required and this ARTICLE will be deemed to have been fully complied with; provided, however, that in no event shall any unit owner have the right to make changes or additions to his or her residence which would exceed in any amount the original square footage of the said residence. Until three-fourths (3/4) of the units are sold the function of the Architectural Control Committee may be performed by Hugh Knoell Builders.

ARTICLE IX

EXTERIOR MAINTENANCE

Section 1. The Association, or its duly delegated representatives, may maintain and otherwise manage all property up to the exterior building lines and patio enclosures, including, but not limited to, the landscaping, parking areas, streets, recreational facilities, common elements and painting of exterior trim of the buildings l, on the above described properties (except windows of townhouse units and exterior door and window fixtures and other hardware), and such additional maintenance of the buildings as the Board of Directors may from time to time determine to be in the best interest of the Association and the co-owners and may maintain and otherwise manage and be responsible for the rubbish removal of all areas within the above described property. The Board of Directors shall use a reasonably high standard of care in providing for the repair, management and maintenance of said property, so that said townhouse project will reflect a high pride ownership. All maintenance and repair to the individual townhouse units shall be the sole obligation and expense of the individual units owners, except to the extent the exterior maintenance and repair is provided by the Association.

Section 2. In the event that the need for maintenance or repair is caused through the willful or negligent act of the owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such lot is subject.

ARTICLE X

INTERIOR AND OTHER MAINTENANCE

Section 1. Each owner shall be responsible for the upkeep and maintenance of the interior of his townhouse and for the upkeep and maintenance of all other areas, features or parts of his townhouse and property not otherwise maintained by the Association. All fixtures and equipment installed within a townhouse unit, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the exterior walls of a townhouse unit, shall be maintained and kept in repair by the owner thereof. Termite control shall be the responsibility of the owner. An owner shall do no act nor any work that will impair the structural soundness or integrity of the multi-family building or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other townhouse units or their owners.

Section 2. Maintenance of the limited common areas including the patios and carports attached to and included with any unit shall be the sole responsibility of that townhouse owner.

Section 3. All private water and sewer lines, beginning at the property lines of QUAIL PARCEL "B" and extending to the point of entry at each unit shall be maintained and kept in repair by the Association as part of its authoirzed and delegated functions.

ARTICLE XI

DAMAGE OR DESTRUCTION OF PROPERTY

Section 1. In the event any common element, townhouse, carport or storage facility is damaged or destroyed by an owner or any of his guests, tenants, licensees, agents or members of his family, such owner does hereby irrevocably authorize the Association, except when other arrangements have been approved in writing by the Association according to Article VII, Section 1 (b), to repair said damaged element, townhouse, carport or storage facility, and the Association unless excepted as above, shall repair said damaged element, townhouse carport or storage facility, in a good workmanlike manner in conformance with the original plans and specifications of the townhouses. The owner shall then repay the Association in the amount actually expended for such repairs and any costs and expenses incurred in connection therewith.

Section 2. In the event any townhouse is damaged or destroyed by an owner or any of his guests, tenants, licensees, agents or members of his family, such owner, and/or the Association shall within thirty (30) days from the date of the occurence of the damage or destruction, repair and rebuild the exterior of said townhouse and any damage to adjacent townhouses or property in a good like manner in conformance with the original plans and specifications used in the construction of said townhouses. In the event such owner refuses or fails to so repair and rebuild any and all such damage to the exterior of the twonhouse and adjacent property within said thirty-day period, the Association, by and through its Board of Directors, is hereby irrevocably authorized by such owner to repair and rebuild any such townhouse and/or adjacent property in a good workmanlike manner in conformance with the original plans and specifications of the townhouses. The owner shall then repay the Association in the amount actually expended for such repairs.

Section 3. Each townhouse owner further agrees that these charges for repairs, if not paid within ten (10) days after completion of the work, shall be delinquent and shall become a lien upon said owner's lot and townhouse and shall continue to be such lien until fully paid. Said charges shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum. The amount of principal and interest owed by said owner to the Association shall be a debt, and shall be collectable by any lawful procedure allowed by the laws of the State of Arizona. This lien shall be subordinate to the lien of any first mortgage.

Section 4. Each such owner, by his acceptance of a deed to a townhouse, hereby expressly vests in the Association or its agents the right and power to bring all actions against such owner for the collection of such charges and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including those specified in ARTICLE VI, Section 5, paragraphs (a), (b), (c), (d), (e) and (f) above, and such owner hereby expressly grants to the Association a power of sale in connection with said lien.

Section 5. Nothing contained in the ARTICLE XI shall be construed in any way so as to relieve any insurance company from the payment of any and all amounts which would be payable under any policy or policies had not this ARTICLE been inserted.

Section 6. In the event of a dispute between an owner and the Board of Directors with respect to the cause of damage or the extent of repairs necessitated or with respect to the cost thereof, then upon written request of the owner addressed to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the

Association or its Board of Directors. If no such rules have been adopted then the matter shall be submitted to three arbitrators, one chosen by the Board of Directors, one chosen by the owner, and these two arbitrators shall then choose a third arbitrator. If the two arbitrators cannot agree as to the selection of the third arbitrator, then by any Judge of the Superior Court of Maricopa County, Arizona. A determination by any two of the three arbitrators shall be binding upon the owner and the Association, who shall share the cost of arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after receipt of a request in writing for arbitration from the other party, then said other party shall have the right and power to choose both arbitrators.

Section 7. In the event any multi-family structure subject to this Declaration is totally or substantially damaged or destroyed, the repair, reconstruction or disposition thereof shall be a provided by an agreement approved by owners representing more than fifty percent (50%) of the total voting interest of all condominiums represented in such structure,as such voting interests are established in this Declaration. In such event, an action may be taken for full withdrawal from the Horizontal Regime, pursuant to Section 33-556, A.R.S., and, subsequently, an action for partition may be brought by any owner under and pursuant to the provisions of Sections 12-1211 through 12-1225, Arizona Revised Statutes. The Association, acting through its Board of Directors, is hereby granted an irrevocable power of attorney to sell the entire project for the benefit of all owners thereof when partition of the project may be had under said Sections 12-1211 through 12-1225, Arizona Revised Statutes, which shall (a) be binding on all owners; (b) be exercisable only after prior approval of not less than a majority of owners in the project; (c) be exercisable only after recordation by the duly authorized officers of the Association of a certificate setting forth compliance with the foregoing conditions, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith. Nothing herein shall be deemed to prevent partition of a convenancy in any condominium unit. This section is subject to the consent of the first mortgagee.

ARTICLE XII

INSURANCE

Section 1. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all the common area buildings including townhouses, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard and shall also obtain a broad form public liability policy covering all common elements, and all damage or injury caused by the negligence of the Association or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance, except on the individual townhouses, shall be common expenses. All such insurance coverage, including insurance on individual townhouses obtained by the Board of Directors shall be written in the name of the Board of Directors as trustee for each of the townhouse owners. Premiums for insurance obtained by the Board of Directors on individual townhouses shall not be part of the common expense, but shall be an expense of the specific townhouse or townhouses so covered and a debt owed by the individual owners, and shall be collectable by any lawful procedure permitted by the laws of the State of Arizona and as provided herein. In addition, if said debt is not paid within twenty (20) days after notice of such debt, such amount shall automatically become a lien upon such owner's lot and townhouse and shall continue to be such a lien until fully paid. This lien shall be subordinate to the lien of any first mortgage and shall be enforceable in the same manner as any lien created by failure to pay the maintenance assessments. It shall be the individual responsibility of each owner at his own expense to provide as he sees fit, fire, liability insurance, theft and other insurance covering personal damage and loss. In the event of damage or destruction by fire or other peril to any property covered by the insurance written in the name of the Board of Directors, the Board of Directors shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency, with the proviso agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall contract with any licensed contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly, the Board of Directors shall levy a special assessment against all townhouse owners of the damaged building to make up any deficiency, except that the special assessment shall be levied against all townhouse owners, as established by ARTICLE V, Section 5, Paragraph (e) above, to make up an deficiency for repair or rebuilding of the common elements not a physical part of a townhouse unit/ In the event such insurance proceeds exceed the cost of repair and reconstruction such excess shall be paid over to the respective mortgagees and owners as their interests may then appear. Such payments shall be made to all such owners and their mortgagees in proportion to their percentage interests.

Section 2. At the outset of the delivery of the buildings, including the townhouses, the builder, or his duly authorized agent, shall have the authority to and shall obtain insurance for all the buildings, including the townhouses, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage by fire or other hazards, and shall include the broad fomof public liability policy covering all pents. This policy or policies shall be turned over to the Board of Directors of the Association as soon as they are organized and ready to assume responsibility.

ARTICLE XIII

USE RESTRICTIONS

Section 1. Each unit in the premises shall be known as, and limited in use to a single family townhouse condominium unit, and construction thereon shall be limited to a townhouse no more than two living stories in height. All buildings or structures erected upon said premises shall be of new construction and no buildings or structures shall be moved from other locations, onto said premises. No subsequent buildings or structures other than townhouses being residence units joined together by party walls, shall be built on any lot where the builder theretofore programmed and constructed a townhouse. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any portion of the premises at any time as a residence either temporarily or permanently.

Section 2. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissable for the builder of a major portion of said townhouses to maintain during the period of construction and sale of said townhouses, upon such portion of the premises as HUGH KNOELL BUILDERS may authorize a temporary office convenient or incidental to the construction and sale of said townhouses.

Section 3. No noxious or offensive activity may be carried on or permitted on any unit, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood; nor shall any part of the premises be used for business; professional, commercial, religious or institutional purposes. Provided, however, the foregoing restrictions shall not apply to the business activities or the construction and maintenance of buildings by the builder, its agents and assigns during the construction and sale period, and/or the Association in furtherance of its powers and purposes as herein set forth.

Section 4. No animals, fish or birds of any kind shall be raised, bred or kept on the premises; except that commonly accepted household pets may be kept, provided that such pets are not kept, bred or maintained for any commercial purposes.

Section 5. Water beds of every kind shall be prohibited in all two-story units.

Section 6. All clotheslines, equipment, service yards, woodpiles or storage piles shall be kept screened be adequate planting or fencing so as to conceal them from view of neighboring townhouses and streets. An electric garbage disposal unit (as determined by major developer) shall be installed in each townhouse. To the extent feasible, all rubbish, trash or garbage shall be kept in containers and screened from view of the neighboring townhouses and streets until the date of pickup by a trash collection service. No rubbish, trash or garbage shall be burned on the premises. Incinerators of every kind shall be prohibited.

Section 7. Gas, electric, power, telephone, water, sewer, cable television and other utility or service lines (used for the general benefit of the unit owners) and other utility or service lines of every kind or character (whether now or hereafter invented or used) shall be placed and kept underground up to the walls of the buildings on the premises (except to the extent, if any, such underground placement may be prohibited by law.or, by the nature of the service to be rendered, such underground placement prevents the lines from being functional.) This restriction shall apply to the service and utility lines for each and every unit and the common areas, as well as to the distribution lines located in the streets or elsewhere in the Subdivision. However, the foregoing shall not prohibit service pedestals and above ground switch cabinets and transformers, where required.

Section 8. Except in the individual patio areas and common areas, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said premises except such as are installed in accordance with the initial construction of the building located thereon or as approved by the Association.

Section 9. All radio, television and other antennas of every kind or nature shall be placed and maintained upon the premises (or the improvements located thereon) so that no portion thereof shall be visible from the outside of any townhouse or common area or other neighboring property or the streets.

Section 10. Any signs, "For Sale" or "For Rent", may be installed temporarily by a unit owner only after the unit owner has obtained written approval from the Association as to size, place, duration, color, and any other conditions as to such signs. It is further provided that during the construction and sale of buildings, the builder may erect such signs as it deems appropriate; and provided further that this restriction shall not apply to the activities of the Association in furtherance of its powers and purposes as herein set forth.

Section 11. The respective condominiums shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as (a) rental for any period less than thirty days, or (b) any rental if the occupants of the unit are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and line, and bellboy service. Other than the foregoing limitations, the owners of the respective condominiums shall have the absolute right to lease the same, provided that the lease is made subject to the covenants, conditions, restrictions, limitations and uses contained in this Declaration and further subject to the Bylaws attached hereto.

Section 12. No trucks, buses, trailers, boats, campers, etc. (other than passenger automobiles) shall be permitted on any unit in any year without prior written approval each year by the QUAIL HILL, PARCEL "B" HOMEOWNERS CORPORATION with respect to the manner of screening or concealing the same from view of neighboring property and streets.

Section 13. The common elements shall remain undivided, and shall at all times be owned by the Association or its successors, it being agreed that this restriction is necessary in order to preserve the right of the owners with respect to the operation and management of the common elements.

Section 14. The Declarant hereby acknowledges that the tracts or parcels A, A1, A2, A3, B, B1, C, C1, D, D1, E, E1, F, G, G1, H, H1, above and hereinafter described are being planned for the exclusive use and benefit of the individual residential unit owners in the QUAIL HILL PARCEL "B" Condominium, which is a total residential project, hereinafter sometimes referred to as the "Project", in accordance with the Horizontal Property Regime Statutes of Arizona, Section 33-551 - 33-561 as amended in Arizona Revised Statutes and does hereby declare, covenant and agree that the said subject parcels are subject to the provisions contained hereinafter as follows:

(a) Tracts A, A1, E, G, and H, are general common areas consisting of landscaping, paving, walkways, and recreational facilities for the exclusive use and benefit of the owners of the individual residential townhouse units in QUAIL HILL, PARCEL "B". These tracts shall be appropriately and attractively maintained at all times.

(b) Tracts A2, B, C, D, E1, F, G1, H1 are to be landscaped and shall contain transformers, junction boxes, trash containers, mailboxes and other general utility services. These tracts shall be appropriately and attractively maintained at all times.

(c) Tracts A3, also known as 'Second Street', and B1 also known as 'Second Place', and C1 also known as 'Betty Elyse Lane, 2nd Place and Ponderosa Lane', D1 also known as '2nd Way and Beck Lane' are private streets for the use and benefit exclusively of the owners' individual residential units in QUAIL HILL PARCEL "B". Although these streets are private, a service and maintenance easement is hereby established upon such hereinabove described tracts. It is contemplated these tracts will be maintained by the City of Phoenix and will not be the responsibility of the QUAIL HILL, PARCEL "B" HOMEOWNERS CORPORATION or the Trustee unless either elects to accept such responsibility. There are installed in said tracts privately owned utilities to be maintained by the QUAIL HILL PARCEL "B" HOMEOWNERS CORPORATION or the Trustee for the benefit of the individual unit owners.

(d) These common areas designated by the 17 tracts described hereinabove shall remain undivided as set forth above and no townhouse owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the townhouse owners with respect to the operation and management of this residential subdivision.

ARTICLE XIV

EASEMENTS

Section 1. There is hereby created a blanket easement upon, across, over and under the above described premises for ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and systems, including, but not limited to, water, sewers, gas telephones, electricity, television cable or communication lines and systems, etc. By virtue of this easement, it shall be expressly permissable for the providing utility or service company to install and maintain facilities and equipment on said property and (subject to the requirements of ARTICLE XIII, Section 6) to affix and maintain wires, circuits, and conduits on, in and under the roofs and exterior walls of said townhouses. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on said premises except as initially programmed and approved by the major builder of said premises or thereafter approved by the said builders or the Association's Board of Directors. This easement shall in no way affect any other recorded easement on said premises.

Section 2. Each townhouse and the common elements shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the original builder. A valid easement for said encroachments and for the maintenance of same, so long as it stands, or totally destroyed, and then rebuilt, the owners of the townhouses agree that minor encroachments of parts of the adjacent townhouse units or common elements due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

Section 3. In addition to the easement rights dedicated on the plat, Tracts A5, B3, C3, D3 shown thereon are private roads for the use of owners and their assignees and as further provided in ARTICLE XIII, Section 13 (c).

ARTICLE XV

RIGHTS AND DUTIES OF FIRST MORTGAGEE AND MAJOR BUILDER

Section 1. Notwithstanding and prevailing over any other provisions of this Declaration, of the Association's Articles of Incorporation or Bylaws, or any rules, regulations of management agreements, the following provisions shall apply to and benefit each holder of a first mortgage upon a townhouse unit (called the first mortgagee) and the major builders:

(a) The first mortgagee shall not in any case or manner be personally liable for the paymy assessment or charge, nor for the observance or performance of any covenants, restrictions, regulation, rule, Association Articles of Incorporation, or Bylaws, or Management Agreement, except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, except as hereinafter provided.

(b) During the pendency of any proceeding to foreclose the first mortgage, including any period of redemption, the first mortgagee (or any receiver appointed in such action) may but need not, exercise any or all of the rights and privileges of the owner of the mortgaged townhouse, including, but not limited to the right to vote as a member of the Association to the exclusion of the owner's exercise of such rights and privileges.

(c) At such time as the first mortgagee shall become record owner of a townhouse, said first mortgagee shall be subject to all of the terms and conditions of these Covenants, Conditions and Restrictions, including, but not limited to, the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any other owner.

(d) The first mortgagee, or any other party acquiring title to a mortgaged townhouse unit through foreclosure suit or through any equivalent proceedings such as, but no limited to, the taking of a deed in lieu of foreclosure, shall acquire title to the mortgaged townhouse unit free and clear of any lien authorized by or arising out of any of the provisions of this Declaration which secures the payment of any assessment for charges accrued prior to the final conclusion of any such foreclosure suit or equivalent proceeding, including the expiration date of any periof of redemption, except as follows: Any such unpaid assessment against the townhouse unit foreclosed against may be treated as an expense common to all of the townhouse units, which expense may be collected by a prorata assessment against the remaining unforeclosed upon townhouse units, and which prorata assessment may be enforced as a lien against each townhouse unit in the manner provided for other assessments authorized in this Declaration. Any such unpaid assessment shall nevertheless continue to exist as the personal obligation of the defaulting owner of the respective townhouse unit to the Association, and the Board of Directors shall use reasonable efforts to collect the same from the owner even after he is no longer a member of the Association. There shall be a lien upon the interests of the first mortgagee or other party which acquires title to a mortgaged unit by foreclosure suit or by equivalent procedures for all assessments authorized by this Declaration which accrue and are assessed after the date the acquirer has acquired title to the unit free and clear of any right of redemption.

ARTICLE XVI

GENERAL PROVISIONS

Section 1. Binding Effect and Enforcement. The covenants, con- conditions, liens, reservations, easements and restrictions contained herein shall run with the land and shall be binding upon all persons purchasing, owning, leasing, subleasing or occupying or otherwise having any interest in any townhouse on said property, their heirs, executors, administrators, successors, grantees and assigns. After the date on which this instrument has been recorded, these restrictions may be enforced by any one or more of the following: (a) the Association or its Board of Directors, which shall have the right and duty to enforce the same and expend Association moneys in pursuance thereof; (b) the major builder (as long as it has an interest in any part of the premises). Any person who acquires title to a unit, except through delivery of a sheriff's deed as a result of a foreclosure, shall take title to such unit subject to the lien hereof for all charges pursuant to ARTICLES VI and XI; and provided also, that the breach of any of said restrictions may be enjoined, abated or reviewed by appropriate proceedings, notwithstanding the lien or existence of any such mortgage. The personal obligation to pay the annual and special assessments as provided in ARTICLE VI, Section 3 of this instrument shall not pass to a successor in title unless the obligation is expressly assumed by the successor in title or unless, prior to such transfer of title as evidenced by the records of the County Recorder of other appropriate governmental agency. All instruments of conveyance of any interest of all or any part of said townhouses may continue the restrictions herein by reference to this instrument. However, the terms and conditions of this instrument shall be binding upon all persons affected by its terms, regardless of whether any reference is made to this instrument of conveyance. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenants either to restrain violation or to recover damages. Provided, however, that a violation of these Restrictions, or one or more of them, shall not affect the lien of any mortgage now of record or which may hereafter be placed on record upon said lot, or any part thereof. In the event the major builder, HUGH KNOELL BUILDERS, INC., or the Association, employs an attorney or attorneys to enforce said lien or the collection of any amounts due pursuant to this Declaration or to enforce compliance with or specific performance of the terms and conditions of this Declaration, the owner, owners and parties against whom the action is brought shall pay all attorneys' fees and costs thereby incurred by any such enforcing party prevailing in any such action. Nothing herein shall be deemed to indicate that damages at law constitute an adequate remedy for violation of a restriction herein.

Section 2. Waiver or Abandonment. The waiver of, or failure to enforce any breach or violation of any restriction herein contained shall not be deemed to be a waiver or abandonment of such restrictions, or a waiver of the right to enforce any subsequent breach or violation of such restrictions.

The foregoing shall apply regardless of whether any person affected hereby (or having the right to enforce these restrictions) had knowledge of the breach or violation. No restriction contained herein shall be deemed to have been waived or abandoned unless this Declaration is amended to delete such restrictions pursuant to ARTICLE XVI, Section 7 herein.

Section 3. Equal Treatment of Owners. These restrictions shall be applied to all owners without discrimination except as specifically permitted herein to the original developer or builder.

Section 4. Severability. The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this instrument or any part thereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained therein should be invalid or should operate to render this agreement invalid, this agreement shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, or section or sections had not been inserted.

Section 5. Gender. The singular, wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 6. Topical Headings. The marginal or topical headings of the paragraphs contained in this Declaration are for convenience only and do not define, limit or construe the contents of the paragraphs or of this Declaration.

Section 7. Management Company Duties. The performance of the various duties and obligations for the management and operation of the common areas are to be performed in accordance with the provisions of any management contract duly entered into by the original developer and/or association. The duration and continuation of such management agreement so entered into by the original developer or declarant shall be as provided in that agreement.

Section 8. Amendment. These restrictions shall remain in full force and effect for a period of thirty (30) years from the date hereof. Thereafter, they shall be deemed to have been renewed for successive terms of ten (10) years, unless revoked or amended by an amendment in writing, executed and acknowledged by the then owners of not less than two-thirds (2/3) of the units in the premises which said instrument shall be recorded in the Office of the Recorder for the County of Maricopa, State of Arizona, within ninety (90) days prior to the expiration of the initial effective period hereof or any ten (10) year extension. Following the expiration of the period of twenty (20) years from the date hereof, these restrictions may be amended at any time by an instrument signed by the then owners of not less than three-fourths (3/4) of the townhouses on said property. These restrictions may be amended during the first twenty (20) year period by an instrument signed by the then owners of not less than ninety per cent (90%) of the units in the premises, and the consent of the mortgagee.

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IN WITNESS WHEREOF, HUGH KNOELL BUILDERS, by and through its undersigned officers, has set its hand and seal on this the 1st day of May, 1974.

HUGH KNOELL BUILDERS
Declarant

By: Hugh L. Knoell

By: J. Ben Knoell

AGREED, RATIFIED AND CONFIRMED:

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

By: [signature]
V.P. & Counsel

10638 243

STATE OF ARIZONA }
COUNTY OF MARICOPA } ss.

On this 1st day of May, 1974, before me the undersigned Notary Public, personally appeared R. [illegible] and Hugh F. Knoell, who acknowledged themselves to be the President and Chairman of the Board of HUGH KNOELL BUILDERS, an Arizona Corporation, and that they as such officers being authorized so to do, executed the within instrument for the purposes therein contained by signing the name of said corporation, by themselves as such officers.

WITNESS my hand and official seal.

Beverly W. [illegible]
Notary Public

My commission expires:

December 23, 1975

STATE OF ARIZONA }
County of Maricopa } ss

I hereby certify that the within instrument was filed and recorded at request of Hugh Knoell Builders Inc.

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In Docket 10638
on page 224-243

Witness my hand and official seal the day and year aforesaid.

Paul M. Marston
County Recorder

By Ruth Brooks
Deputy Recorder

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