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When Recorded Return To:

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PROP RSTR (PRI)

DECLARATION OF HORIZONTAL PROPERTY REGIME
 AND DECLARATION OF COVENANTS, CONDITIONS
 AND RESTRICTIONS FOR PAR 34

THIS DECLARATION, made as of the date hereinafter
 set forth by Par 34 Partnership, a California general part-
 nership (hereinafter referred to as "Declarant").

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W I T N E S S E T H :

WHEREAS, Declarant is the sole owner of that certain real property situated in the City of Mesa, County of Maricopa, State of Arizona, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as the "Parcel"); and

WHEREAS, Declarant desires to submit and subject the Parcel to a horizontal property regime pursuant to Title 33, Chapter 4.1 of the Arizona Revised Statutes; and

WHEREAS, Declarant further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property (as hereinafter defined), or any part thereof, certain easements and rights in, over and upon said Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, Declarant desires and intends that the unit owners, mortgagees, beneficiaries and trustees under trust deeds, occupants and all other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the rights, easements, privileges and restrictions hereinafter set forth, all of which shall run with the land and be binding upon the Property and all parties having or acquiring any right, title or interest in or to the Property, or any part thereof, and shall inure to the benefit of each owner thereof, and all of which are declared to be in furtherance of a plan to promote and protect the cooperative use, conduct and maintenance of the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness thereof.

NOW, THEREFORE, Declarant, as the sole owner of the Parcel and for the purposes hereinafter set forth,

1. Definitions. As used herein, unless the context otherwise requires, the following terms shall have the following definitions.

1.1 "Act" means Title 33, Chapter 4.1 of the Arizona Revised Statutes.

1.2 "Association" means Par 34, Inc., an Arizona nonprofit corporation, its successors and assigns, formed or to be formed by the Declarant, and unless otherwise provided, shall mean and include its board of directors, officers and other authorized agents.

1.3 "Board" shall mean the board of directors of the Association.

1.4 "Building" means each building located on the Property which constitutes a part of the Property. Eighteen (18) Buildings are currently located on the Property, as shown on the Plat attached hereto as Exhibit "B" and incorporated herein by reference, seventeen (17) of which are known as Buildings 1 through 17, which Buildings have two (2) structural stories above the ground floor, containing in total 154 Units, and various mechanical and equipment rooms, and one of which Buildings, known as Unit 100, contains recreational facilities and are as further described on such Plat.

1.5 "Common Elements" mean the "general common elements", as that term is defined in Arizona Revised Statutes §33-551(6), including without limitation the land on which the Buildings are constructed, the roofs of the Buildings, the Building shown on the Plat as Unit 100, the laundry room and recreation room as shown on the Plat attached hereto as Exhibit "B", storage rooms, mechanical rooms, central air conditioning and heating systems (excluding any portion of such system which exclusively serves one particular unit), the patios and balconies adjacent to the Units, parking areas, driveways, landscaped areas, bicycle paths, swimming pools, recreational areas and all other portions of the Property, except the Units.

1.6 "Declarant" means Par 34 Partnership, a California general partnership, its successors and assigns in the ownership of the Property for the purpose of the original development and sale thereof. Without limiting the foregoing, the successors and assigns of the Declarant shall include any person or entity acquiring title to any portion of the Property by virtue of a trustee's sale or sheriff's sale held pursuant to the provisions of a Mortgage encumbering the Declarant's interest in more than one Unit.

1.7 "Declaration" means this instrument by which the Property is submitted to a horizontal property regime, as from time to time amended.

1.8 "Eligible Mortgage Holder" means the holder of a First Mortgage on a Unit who has in writing informed the Association of such Holder's address and requested notification of and the right to participate in (if applicable) any action to be taken by the Association pursuant to paragraphs 10.2, 25 or 32 hereof.

1.9 "Eligible Insurer or Guarantor" means an insurer or governmental guarantor of a First Mortgage on a Unit which has informed the Association of such insurer or guarantor's address and requested notification of and the right to participate in (if applicable) any action to be taken by the Association pursuant to paragraphs 10.2, 25 and 32 hereof.

1.10 "Lease" means any agreement for the leasing or rental of a Unit and the interest in the Common Elements appurtenant to such Unit, or any portion thereof.

1.11 "Majority" or "Majority of Owners" means the Owners of Units to which more than fifty percent (50%) of the undivided ownership of the Common Elements is appurtenant. Any specified fraction or percentage of the Owners means the Owners of Units to which that fraction or percentage of undivided ownership of the Common Elements is appurtenant.

1.12 "Mortgage" means any recorded, filed or otherwise perfected instrument given in good faith and for valuable consideration which is not a fraudulent conveyance under Arizona law as security for the performance of an obligation, including without limitation a deed of trust, but shall not include any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code. Notwithstanding anything contained herein to the contrary, that certain Deed of Trust executed by Par 34 Partners, a California general partnership, as Trustor, in favor of ~~First American Title Insurance Company of Arizona, an~~ ^{TRANSAMERICA TITLE INSURANCE COMPANY} ~~CALIFORNIA~~ Arizona corporation, as Trustee for the use and benefit of Ralph Hogan and Eva Hogan, his wife, and Kenneth Bobrow and Marilyn Bobrow, his wife, as Beneficiary dated October 1, 1981 shall be deemed to be a First Mortgage for purposes of this Declaration and the beneficiaries, their successors and assigns shall be entitled to all of the rights, benefits and privileges accorded to First Mortgagees pursuant to this Declaration. Provided, however, the interest of Ralph Hogan and Eva Hogan, his wife, and Kenneth Bobrow and Marilyn Bobrow, his wife, shall be junior and subordinate to those of Ralph C. Sutro Co. under its deed of trust recorded September 15, 1980, as Instrument No. 295906 in Docket 14686 at pages 974 through 984, inclusive, and re-recorded October 1, 1980, as Instrument No. 319095 in Docket 14730, pages 1374 through 1384, inclusive, of the records of the County Recorder of Maricopa County, Arizona. "Mortgagee" means a person secured by a Mortgage, including a trustee and beneficiary under a deed of trust; and "Mortgagor" means the party executing a Mortgage. "First Mortgage" means a Mortgage which is the first and most senior of all Mortgages upon the same property.

1.13 "Occupant" means a person or persons, other than an Owner, in rightful possession of a Unit.

1.14 "Owner" means the record owner, whether one

or more persons or entities, of the fee simple title, whether or not subject to any Mortgage, to any Unit which is a part of the Property, including a purchaser under an agreement for sale within the meaning of A.R.S. §33-741, but excluding those having such interest merely as security for the performance of an obligation. In the case of Units the fee simple title to which is vested of record in a trustee pursuant to Arizona Revised Statutes §33-801 et seq., the trustor shall be deemed to be the owner thereof.

1.15 "Parcel" means the parcel of real property described on Exhibit "A" attached hereto, which is hereby submitted to a horizontal property regime.

1.16 "Parking Space" means each of the separate parking spaces as shown and numbered on the Plat attached hereto as Exhibit "B". "Restricted Parking Space" means the particular Parking Spaces which are assigned to each Unit in accordance with paragraph 6.1 hereof. "Guest Parking Space" means any Parking Space in any perimeter parking area maintained by the Association which is not assigned to a Unit.

1.17 "Person" means a natural individual, corporation, partnership, trustee or other entity capable of holding title to real property.

1.18 "Plat" means the plat of survey of the Property, as hereinbefore and hereinafter more fully described and identified which is attached hereto as Exhibit "B", which plat was recorded in Book 225 of Maps at page 6 of the records of the County Recorder of Maricopa County, Arizona.

1.19 "Property" means (a) the Parcel, (b) the Buildings, (c) the Units comprising the horizontal property regime hereby created, and (d) all buildings, improvements and other permanent fixtures of whatsoever kind thereon, all rights and privileges appurtenant thereto, and all furniture, furnishings, fixtures, machinery, equipment, appliances, and personal property located thereon, intended for the mutual use, benefit

and enjoyment of the Owners; and such term shall in general have the same meaning as set forth in Arizona Revised Statutes §33-551(9), as it relates to the horizontal property regime hereby created.

1.20 "Record" or "Recording" refers to the record or the act of recording, in the office of the County Recorder of Maricopa County, Arizona.

1.21 "Unit" means each of the 154 portions of the Property contained or planned to be contained in the Buildings which consist of are planned to consist of one or more rooms designed or intended for independent use as a dwelling unit, as shown on Exhibit "B" attached hereto, and as more fully described in paragraph 3.2 hereof. A Unit is an "Apartment" within the meaning of Arizona Revised Statutes §33-551(1), and includes an undivided interest in the Common Elements as set forth in paragraph 3 hereof.

2. Submission of Property. Declarant hereby submits and subjects the Property to a horizontal property regime pursuant to Title 33, Chapter 4.1 of the Arizona Revised Statutes, to be hereafter known as Par 34 and does hereby declare that all of the Units shall be owned, leased, sold, conveyed and encumbered or otherwise held or disposed of subject to the terms, conditions and other provisions of this Declaration.

3. Description of the Buildings, the Units and the Common Elements. The entire horizontal property regime shall consist of the Common Elements, and the Units.

3.1 Buildings. There are eighteen (18) Buildings in the horizontal property regime known as Buildings 1 through 17 and Unit 100. Reference is hereby made to Exhibit "C" for a description of the cubic content space contained in or planned for each of the Buildings.

3.2 Units. There are a total of 154 Units in the Buildings. Reference is hereby made to Exhibit "C" for a

description of the cubic content space of each Unit. Each Unit shall include the space enclosed and bounded by the interior unfinished surfaces of the ceiling, floor, walls and windows or any extensions thereof, together with any plumbing fixtures and electrical equipment which exclusively serves such Unit; provided, however, that no portion of the roof, bearing walls or other structural components of the Building in which each Unit is located, and no pipes, wires, conduits, ducts, flues, shafts, or public utility, water or sewer lines situated within such Unit and forming part of any system serving one or more other Units or the Common Elements shall be deemed to be a part of a Unit. Appurtenant to each Unit there shall be an exclusive easement over and across the patio and balcony areas immediately adjacent to such Unit as shown on the Plat attached hereto as Exhibit "B" for purposes of the use, occupancy and enjoyment of such patio and balcony areas. The right to use such easement shall extend to each Occupant and the agents, servants, tenants, family members and invitees of the Owner of the Unit immediately adjacent to such patio and balcony areas. The use of such easement shall be subject to such limitations, restrictions, rules and regulations as may from time to time be promulgated by the Board, and shall be subject to and governed by the provisions of this Declaration, the Articles and Bylaws. The Owner of any Unit to which an easement over a ground floor patio area is appurtenant shall have the right to landscape such patio area provided, however, that no trees, shrubbery or other plant material shall be planted in any patio area which will exceed a maximum of six (6) feet in height at maturity. Any such landscaping installed in the patio area by an Owner shall be kept adequately weeded and watered and neatly trimmed by such Owner. Each patio or balcony shall be maintained in a clean, neat and orderly condition by the Owner of the Unit benefited by the easement over such patio

or balcony.

3.3 Common Elements. A description of the Common Elements included in and comprising parts of each Building is the description referred to in paragraph 3.1 hereof less the descriptions of the Units referred to in paragraph 3.2 hereof. A description of the other Common Elements is as set forth in paragraph 1.5 hereof.

3.4 Interest in the Common Elements. The percentage interest which each Unit bears to the entire horizontal property regime, which interest shall constitute an undivided interest in the Common Elements appurtenant to each such Unit, shall be as provided in Exhibit "T" attached hereto and incorporated herein by reference.

4. Association. The Association has been, or will be formed, to constitute the "Council of Co-Owners", as that term is defined in Arizona Revised Statutes §33-501(5). The Association shall serve as the governing body for all of the Owners for the protection, improvement, alteration, expansion, augmentation, disposal, divestment, redescription, maintenance, repair, replacement, administration and operation of the Property, the assessment of expenses, payment of losses, disposition of hazard insurance proceeds received by the Association, and other matters as provided in the Act, in this Declaration, in the Articles of Incorporation of the Association (hereinafter referred to as the "Articles") and in the Bylaws of the Association (hereinafter referred to as the "Bylaws"). The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the Owners in accordance with the provisions of this Declaration, the Articles and the Bylaws. Each Owner shall be a Member of the Association as soon and so long as he shall be an Owner. Such membership shall automatically terminate when an Owner ceases for any reason to be an Owner, and the new

Owner shall likewise automatically succeed to such membership in the Association. Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of the Unit to which it is appurtenant (and then only to such purchaser) or by intestate succession, testamentary disposition, foreclosure of a Mortgage of record or other legal process transferring fee simple title to such Unit (and then only to the Person to whom such fee simple title is transferred). Any attempt to make a prohibited transfer of a membership will be void and will not be recognized by or reflected upon the books and records of the Association. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his name upon the sale of his Unit to the purchaser of such Unit, the Association shall have the right to record a transfer upon the books of the Association and issue a new membership to 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.

4.1 Classes of Membership; Voting Rights of Classes. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant and, except as hereafter provided in the case of an election of directors, shall be entitled to one vote for each Unit owned which vote shall be weighted as to all matters in the proportion that the cubic content space of such Owner's Unit bears to the total cubic content space of all Units in Par 34. When more than one person holds an interest in any Unit, all such persons shall be members. The voting for such Unit shall be exercised as such persons among themselves determine, but in no event shall more

than one vote be cast with respect to any Class A Unit. If any Owner or Owners casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that such Owner or Owners were acting with the authority and consent of all other Owners of the same Unit.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Unit owned which votes shall be weighted as to all matters in accordance with the proportion that the cubic content space of the particular Unit bears to the total cubic content space of all Units in Par 34. The total votes which the Declarant shall be entitled to cast may be cast in such proportion on any matter as Declarant may determine. Each Class B membership shall cease and be converted to Class A membership, without further act or deed, upon the happening of any of the following events:

(a) Upon the conveyance by Declarant of any particular Unit to an Owner, other than in connection with an assignment by Declarant of all or substantially all of its rights under this Declaration (including a pledge or assignment by Declarant to any lender as security), with respect to the particular Unit or Units so sold or otherwise disposed of; or

(b) With respect to all remaining Class B memberships, upon the first to occur of the following:

(1) Upon the expiration of One Hundred Twenty (120) days following the first date when the total votes

outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership, or

(ii) Five (5) years after the conveyance of the first Unit to a Unit Owner other than Declarant.

If any lender to whom Declarant has assigned, or hereafter assigns, as security all or substantially all of its rights under this Declaration succeeds to the interest of Declarant by virtue of said assignment, the Class B memberships shall not be terminated thereby, and such lender shall hold the Class B memberships on the same terms as such were held by Declarant pursuant hereto. So long as any Class B membership remains outstanding, the Class A members shall not be entitled to cast any vote with respect to the election of directors.

4.2 Qualifications of Directors. Each director shall be an Owner or the spouse of an Owner (or if an Owner is a corporation, partnership or trust, a director may be an officer, partner or beneficiary of such Owner). If a director shall cease to meet such qualifications during his term, he will thereupon cease to be a director, and his place on the Board shall be deemed vacant. The requirements of this subparagraph shall not apply to directors elected as a result of any of the votes cast by the Class B member.

4.3 Board's Determination Binding. In the event of any dispute or disagreement between any Owners relating to the Property, or any question of interpretation or application of the provisions of this Declaration, the Articles or the Bylaws, the determination thereof by the Board shall be final and binding on each and all of such Owners.

4.4 Action by Owners. To the extent permitted by the Act, all actions required to be taken by the Owners, acting as a Council of Co-Owners for the Property, shall be taken.

by the Association acting as such Council of Co-Owners, by and through its directors and officers, such actions to include, without limitation, adoption or ratification of the Bylaws and rules and regulations for the horizontal property regime created hereby.

4.5 Additional Provisions in Articles of Incorporation and Bylaws of the Association. The Articles and Bylaws may contain any provision not inconsistent with law or with this Declaration relating to the conduct of the affairs of the Association and the rights and powers of its directors, officers, employees, agents and members.

5. Use of Common Elements. There shall be appurtenant to each Unit in Par 34, a non-exclusive right and easement to use the Common Elements in common with all other persons entitled to use the Common Elements as may be required for the purposes of access, ingress and egress to and from, and the use, occupancy and enjoyment of the Units and the Common Elements for their intended purposes as provided herein. Such right and easement shall extend to each Occupant and the agents, servants, tenants, family members and invitees of each Owner in Par 34. Such right and easement shall be subject to such limitations, restrictions, rules and regulations as may from time to time be promulgated by the Board including, but not limited to, the right of the Board to suspend the right of any Occupant and the agents, servants, tenants, family members and invitees of any Unit Owner to use the recreational facilities which are a part of the Common Elements and/or the right of any Unit Owner to vote pursuant to the provisions of paragraph 4.1 hereof for any period during which the Common Expenses attributable to such Owner's Unit as provided in paragraph 7 hereof remain unpaid or for a period not to exceed sixty (60) days for violation of any regulations adopted and published by the Board, and shall be subject to and governed by the provisions of this Declaration,

the Articles and Bylaws. The Board shall have authority to lease, convey easements or grant concessions consistent with the overall character and use of the Property with respect to parts of the Common Elements and to change the character, description and use thereof, subject to the provisions of this Declaration, the Articles and the Bylaws. Any funds received by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe. Notwithstanding any other provision hereof to the contrary, Declarant shall be entitled to exclusive access to and occupancy of all or any portion of any Unit until such time as the construction thereof has been completed and the particular Unit has been conveyed to an Owner by Declarant, and Declarant shall be entitled to non-exclusive access to and occupancy of all or any portion of the Common Elements until such time as all Units have been conveyed to Owners by Declarant.

6. Parking Spaces. There shall be two types of Parking Spaces, called "Restricted Parking Spaces" and "Guest Parking Spaces" as shown and numbered on the Plat attached hereto as Exhibit "B".

6.1 Restricted Parking Spaces. Restricted Parking Spaces shall constitute part of the Common Elements. Upon the sale and conveyance of each Unit to an Owner, Declarant shall assign in the deed of conveyance one or more Restricted Parking Spaces to such Unit together with an exclusive easement over and across the assigned Restricted Parking Space or Spaces appurtenant to the particular Unit for parking purposes, which easement shall be subject to the rights granted herein to the Association to manage, operate, maintain, repair and restore the Common Elements. So long as Declarant remains the Owner of any Unit in Par 34, there shall be reserved unto Declarant an exclusive easement over and across all of the

unassigned Restricted Parking Spaces for parking purposes which easement shall be deemed to be appurtenant to the Units of which Declarant is the Owner. No easement for the use of a Restricted Parking Space shall be sold, leased, mortgaged, assigned or otherwise transferred separate from the particular Unit to which it is appurtenant, provided, however, that two or more Owners may with the prior written consent of the Board and the Mortgagees of the Units affected, agree to exchange parking easements appurtenant to their Units provided, further, that any such exchange agreement shall result in all Units affected having an easement over at least one of the Restricted Parking Spaces. A complete list of the names and addresses of the persons entitled to use the Restricted Parking Spaces shall be maintained by the Association at all times, and the Association may exclude from any Restricted Parking Space any person who is not so listed.

6.2 Guest Parking Spaces. Guest Parking Spaces shall be part of the Common Elements and shall be those spaces not assigned to a particular Unit. The Board shall have full authority to establish, operate, and manage the Guest Parking Spaces for and on behalf of all Owners, and the use thereof shall be subject to such rules and regulations as may be imposed by the Board.

7. Common Element Maintenance Expenses and Reserve. As provided herein, each Owner shall pay his proportionate share of the expenses of the administration and operation of the Common Elements of Par 34 and any other expenses incurred in conformance with this Declaration, the Articles and the Bylaws including by way of illustration, but not of limitation, premiums for insurance, the cost of maintenance and repair of the Common Elements and any and all replacements and additions thereto, and reasonable reserves for contingencies, replacements or other proper purposes (hereinafter referred to as the "Common Expenses"). The Association shall maintain an adequate reserve for re-

placement of the Common Elements and, for a period of one (1) year from and after the conveyance of the first Unit to any Owner by Declarant, shall maintain a working capital fund equal to at least two (2) months estimated Common Expenses of the Association. The proportionate share of such Common Expenses payable by each Owner other than Declarant shall be in the proportion that the interest in the Common Elements appurtenant to the particular Unit as provided in paragraph 3.4 hereof bears to the interest in the Common Elements appurtenant to all of the Units of which the Declarant is not the Owner. Notwithstanding anything contained in this paragraph 7 to the contrary, the Declarant shall be assessed as his share of the Common Expenses attributable to unoccupied Units of which Declarant is the Owner an amount equal to twenty five percent (25%) of the proportionate share of the Common Expenses otherwise assessable against such Units.

7.1 Payment of Common Expenses. The Common Expenses shall be payable monthly in such amounts and in such manner as may be provided in the Articles and Bylaws or as determined by the Board. Notwithstanding anything contained herein or in the Articles or Bylaws to the contrary, assessments for the Common Expenses attributable to unoccupied Units of which Declarant is the Owner, shall commence within sixty (60) days after conveyance of the first Unit to a Unit Owner other than Declarant. With respect to all other Units; assessments for the Common Expenses shall commence upon the first day of the first month immediately following the conveyance of such Unit to a Unit Owner other than Declarant. Payment of each Owner's share of the Common Expenses, together with a late charge established by the Board not exceeding ten percent (10%) per annum from the due date of such payment, costs, and reasonable attorneys' fees, shall constitute the personal obligation of the person who was the Owner of such Unit at the time such payment became due. The personal obligation for delinquent payments shall not pass to an Owner's successor in title

placement of the Common Elements and, for a period of one (1) year from and after the conveyance of the first Unit to any Owner by Declarant, shall maintain a working capital fund equal to at least two (2) months estimated Common Expenses of the Association. The proportionate share of such Common Expenses payable by each Owner other than Declarant shall be in the proportion that the interest in the Common Elements appurtenant to the particular Unit as provided in paragraph 3.4 hereof bears to the interest in the Common Elements appurtenant to all of the Units of which the Declarant is not the Owner. Notwithstanding anything contained in this paragraph 7 to the contrary, the Declarant shall be assessed as his share of the Common Expenses attributable to unoccupied Units of which Declarant is the Owner an amount equal to twenty five percent (25%) of the proportionate share of the Common Expenses otherwise assessable against such Units.

7.1 Payment of Common Expenses. The Common Expenses shall be payable monthly in such amounts and in such manner as may be provided in the Articles and Bylaws or as determined by the Board. Notwithstanding anything contained herein or in the Articles or Bylaws to the contrary, assessments for the Common Expenses attributable to unoccupied Units of which Declarant is the Owner, shall commence within sixty (60) days after conveyance of the first Unit to a Unit Owner other than Declarant. With respect to all other Units, assessments for the Common Expenses shall commence upon the first day of the first month immediately following the conveyance of such Unit to a Unit Owner other than Declarant. Payment of each Owner's share of the Common Expenses, together with a late charge established by the Board not exceeding ten percent (10%) per annum from the due date of such payment, costs, and reasonable attorneys' fees, shall constitute the personal obligation of the person who was the Owner of such Unit at the time such payment became due. The personal obligation for delinquent payments shall not pass to an Owner's successor in title

unless expressly assumed by him, provided, however, that the personal obligation shall survive any voluntary or involuntary transfer of a Unit with respect to the Owner of the Unit at the time such payment became due.

7.2 Lien for Unpaid Common Expenses. If any Owner shall fail or refuse to make any payment for Common Expenses when due, the amount thereof, together with a late charge established by the Board not exceeding ten percent (10%) per annum from the due date of such payment, costs and reasonable attorneys' fees, shall constitute a lien on such Owner's Unit and on any rents or proceeds therefrom; provided, however, that such lien shall be subordinate to the lien of a recorded First Mortgage on the applicable Unit, acquired in good faith and for value, except for the amount of the unpaid Common Expenses and other charges which accrue from and after the date on which the First Mortgagee acquires title to or comes into possession of the applicable Unit, and any lien for unpaid assessments and other charges prior to such date shall upon such date automatically terminate and be extinguished and such First Mortgagee shall not be liable for such unpaid assessments and other charges, provided, however, that the extinguishment of such lien shall not in any way affect the personal obligation of the Owner of the Unit at the time the payment giving rise to such lien became due. Any person acquiring an interest in any Unit shall upon giving written notice to the Board be entitled to a statement from the Association setting forth the amount of unpaid assessments and other charges, if any, and such person shall not be liable for, nor shall any lien attach to such Unit in excess of, the amount set forth in such statement, except for assessments and other charges which accrue or become due after the date thereof. The lien provided for in this paragraph may be foreclosed by the Association in any manner provided or permitted for the foreclosure of real property mortgages or deeds of trust in the State of Arizona.

8. Mortgages. Each Owner shall have the right, subject to the provisions hereof, to make separate Mortgages

of his Unit. No Owner shall have the right or authority to make or create or cause to be made or created any Mortgage, or other lien or security interest, on or affecting the Property or any part thereof, except to the extent of his Unit, the interest in the Common Elements appurtenant to such Unit, the interest in any Restricted Parking Space or Spaces assigned to such Unit and such Owner's interest in the Association.

9. Insurance Requirements Generally. The Association shall obtain and maintain in full force and effect at all times certain casualty, liability and other insurance as hereinafter provided. All such insurance shall be obtained from responsible companies duly authorized to do insurance business in the State of Arizona with a rating in Best's Insurance Guide (or any comparable publication) of at least A-AAA (or any comparable rating). All such insurance shall name the Association as the insured, in its individual capacity for the benefit of the Owners and also either as attorney-in-fact or trustee for all Owners. The Board shall review all such insurance at least annually and shall increase the amounts thereof as it deems necessary or appropriate.

All such insurance shall:

(1) Contain a special condominium endorsement providing for a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees and agents and against each Owner and each Owner's employees, agents and invitees, and against each Mortgagee of all and any part of the Property or of any Unit, and any other person for whom the Association, any Owner or Mortgagee may be responsible;

(2) Provide that any "no other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by any Owner or Mortgagee of all or any part of the Property or

any Unit and that the insurance policy shall not be brought into contribution with insurance maintained by the Owner or Mortgagee of all or any part of the Property or any Unit;

(3) Contain a standard without contribution mortgage clause endorsement in favor of the Mortgagee of any Unit or all or any part of the Property;

(4) Provide that the policy of insurance shall not be terminated, cancelled or reduced in coverage without at least thirty (30) days prior written notice to the Association and to each Owner and to each Mortgagee covered by any standard mortgage clause endorsement;

(5) Provide that the insurer shall not have the option to restore the premises if condominium ownership of the Units and Property is to be terminated or the Units and Property are to be sold as an entirety in accordance with paragraph 10 of this Declaration; and

(6) Contain a severability of interest endorsement which shall preclude the insurer from denying the claim of any Owner or the Association due to the negligent acts of the Association or other Owner(s).

Under no circumstances shall any policies of insurance be obtained where (i) under the terms of the insurance carrier's charter, bylaws or policy, contributions or assessments may be made against the Association, any Unit Owner or any Mortgagee; or (ii) under the terms of the insurance carrier's charter, bylaws or policy, loss payments are contingent upon action by the insurance carrier's board of directors, policy holders or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could

prevent any Unit Owner or any Mortgagee from collecting insurance proceeds.

Such public liability and property damage insurance may provide for coverage of any cross liability claims of Owners against the Association or other Owners and of the Association against Owners without right of subrogation. Any insurance policy may contain such deductible provisions as the Association deems consistent with good business practice.

Certificates of insurance coverage or copies of insurance policies shall be issued to and at the expense of each Owner and each Mortgagee who makes or on whose behalf written request is made to the Association for any such certificate or copy.

The cost and expense of all insurance obtained by the Association, except insurance covering additions, alterations or improvements made to a Unit or Restricted Common Elements by an Owner or other insurance obtained at the request of and specifically benefiting any particular Owner, shall be a Common Expense.

9.1 Casualty Insurance. The Association shall obtain and maintain a master policy or policies of casualty insurance covering the Common Elements and each Unit exclusive of the personal property contained therein, but including all wall and floor coverings, cupboards, cabinets, fixtures and built-in appliances installed in each Unit and all fixtures and building service equipment to the extent such is a part of the Common Elements insuring against loss or damage by fire and such other hazards as are covered under standard extended coverage policies, for not less than one hundred percent (100%) of the replacement cost of the Common Elements and each Unit (exclusive of the land, foundations, excavations and other items normally excluded from coverage), as determined on an annual basis by an appraisal made in accordance with the rules and regulations of the Board of Underwriters or like board or

body recognized and accepted by the insurance company or companies writing such insurance. Such master policy or policies of casualty insurance shall, to the extent available, contain a standard all risk endorsement and shall insure against all other perils which are customarily covered with respect to condominium projects which are similar in construction, location and use.

9.2 Public Liability and Property Damage Insurance.

The Association shall obtain and maintain comprehensive public liability and property damage insurance covering liability for bodily injury, including death, and liability for property damage occurring in, upon or about the Common Elements. Each Owner and the Association shall be insured with respect to such liability arising out of the ownership, maintenance, repair or operation of the Property and the Common Elements. The limits of liability for such coverage shall not be less than \$1,000,000.00 for each injury or death and \$3,000,000.00 for each occurrence with respect to bodily injury and \$250,000.00 for each occurrence with respect to property damage. The Association shall also obtain and maintain steam boiler explosion insurance with limits of liability of not less than \$100,000.00 per occurrence in the event there is a steam boiler in operation on the Property.

9.3 Workmen's Compensation and Employer's Liability Insurance.

The Association shall obtain and maintain workmen's compensation and employer's liability insurance as may be necessary to comply with applicable law.

9.4 Fidelity Bonding.

The Association shall obtain and maintain bonds covering all persons or entities which handle funds of the Association, including without limitation any professional manager employed by the Association and any of such professional manager's employees, in amounts not less than one hundred fifty percent (150%) of the estimated annual budget of the Association from time to time.

9.5 Insurance by Owners. Each Owner shall be free to obtain such additional or other insurance as he deems desirable, including insurance covering his furnishings and personal property, including by way of illustration, but not of limitation, any additions, alterations and improvements he may have made to his Unit, and covering personal liability of himself and his employees, agents and invitees and any other persons for whom such Owner may be responsible. Any insurance policy obtained by an Owner must not diminish or adversely affect or invalidate any insurance or insurance recovery under policies carried by the Association and must, to the extent possible, contain a waiver of the rights of subrogation by the insurer as to any claim against the Association, its officers, directors, agents and employees and against other Owners and their employees, agents and invitees and against any Mortgagee of all or any part of the Property or any Unit or other person for whom the Association or any such Owner or Mortgagee may be responsible.

9.6 Receipt and Application of Insurance Proceeds. Except in a case where a Mortgagee or any other person shall have the legal right to receive insurance proceeds directly, all insurance proceeds and recoveries under policies maintained by the Association shall be paid to and received by an independent financial institution or title company selected by the Association authorized to act as escrow agent for the benefit of the Association, the Declarant, all Owners and all Mortgagees of any Unit or all or any part of the Property as their respective interests may appear. The Association shall have the right, acting alone, to adjust or settle any claim by it under any insurance maintained by it. Such funds shall be disbursed by said escrow agent in accordance with the following priorities, subject to such evidence of application as such escrow agent shall require, and shall be applied by the Association as follows: first, as expressly provided in paragraph 10

hereof; second, to the Owners or persons whom the Association determines are legally or equitably entitled thereto; and third, the balance, if any, to the Owners in proportion to their respective interest in the Common Elements. Notwithstanding any provision contained herein to the contrary, the rights of and lien priority of any First Mortgagee shall not be affected by any loss, damage or destruction and shall continue in any insurance proceeds payable with respect to the Unit subject to such Mortgage in accordance with the provisions of such Mortgage.

9.7 Other Insurance by the Association. The Association shall also have the power and authority to obtain and maintain other and additional insurance coverage, including but not limited to casualty insurance covering personal property of the Association, fidelity bonds or insurance covering employees and agents of the Association and insurance indemnifying officers, directors, employees and agents of the Association. Notwithstanding any other provisions of this Declaration, the Association shall continuously maintain in effect such casualty, flood and liability insurance and fidelity bonds meeting the insurance and fidelity bond requirements for condominium projects established by Federal National Mortgage Association or Government National Mortgage Association, so long as either is a Mortgagee or Owner of a Unit, except to the extent that such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

10. Destruction, Condemnation, Obsolescence, and Restoration or Sale of Property.

10.1 Definitions. As used herein, the following terms shall have the following definitions:

(1) "Substantial Destruction" shall exist whenever the Board determines that, as a result of any casualty, damage to or destruction of the Property or any part thereof, the excess of estimated costs of Restoration (as herein defined) over

Available Funds (as herein defined) is fifty percent (50%) or more of the estimated Restored Value of the Property, (as herein defined). "Partial Destruction" shall mean any other casualty, damage to or destruction of the Property or any part thereof.

(2) "Substantial Condemnation" shall exist whenever the Board determines that a complete taking of the Property has occurred or that a taking of part of the Property by condemnation or eminent domain or by grant or conveyance in lieu of condemnation or eminent domain has occurred, and that the excess of the estimated costs of Restoration over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Property. "Partial Condemnation" shall mean any other such taking by eminent domain or by grant or conveyance in lieu of eminent domain.

(3) "Substantial Obsolescence" shall exist whenever the Owners of Units to which seventy-five percent (75%) of the undivided interest in the Common Elements is appurtenant determine by vote that the Property or any part thereof has reached an undesirable state of obsolescence or disrepair. "Partial Obsolescence" shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence.

(4) "Restoration", in the case of any casualty, damage or destruction, shall mean restoration of the Property to a condition the same or substantially the same as the condition in which the Property existed prior to the casualty, damage or destruction; in the case of condemnation, shall mean restoration of the remaining portion of the Property to an attractive, sound and desirable condition; and, in the case of obsolescence, shall mean restoration of the Property to an attractive, sound and desirable condition.

(5) "Restored Value of the Property" shall mean the value of the Property after restoration as determined by the Board.

(6) "Available Funds" shall mean any proceeds of insurance or condemnation awards or payments in lieu of con-

demnation received by the Association and any uncommitted reserves of the Association other than amounts derived through assessments or special assessments. Available Funds shall not include that portion of insurance proceeds or condemnation awards or payments in lieu of condemnation legally required to be paid to any party other than the Association, including a Mortgagee of all or any part of the Property or of any Unit, or that portion of any condemnation award or payment in lieu of condemnation paid to the Owner of a Unit for the condemnation or taking of that Owner's individual air space.

10.2 Restoration of the Property. Restoration of the Property shall be undertaken by the Association without a vote of the Owners in the event of Partial Destruction, Partial Condemnation or Partial Obsolescence and shall be undertaken in the event of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence unless the Owners of Units to which sixty-seven percent (67%) of the undivided interest in the Common Elements is appurtenant and Eligible Mortgage Holders holding Mortgages on Units to which fifty-one percent (51%) of the undivided interest in the Common Elements is appurtenant consent to terminate the horizontal property regime established pursuant to this Declaration. Such restoration shall be performed substantially in accordance with this Declaration and the original plans and specifications for the buildings, the Common Elements and the Units unless other action is approved by Eligible Mortgage Holders holding Mortgages on Units to which fifty-one percent (51%) of the undivided interest in the Common Elements is appurtenant.

10.3 Sale of the Property. In the event of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence and the consent of the Owners of Units to which sixty-seven percent (67%) of the undivided interest in the Common Elements is appurtenant and the consent of Eligible Mortgage Holders holding Mortgages on Units to which fifty-one percent (51%) of the undivided interest in the Common

Elements is appurtenant to terminate the horizontal property regime pursuant to this Declaration, the property shall be sold. In the event of such sale, condominium ownership under this Declaration shall terminate and the proceeds of sale and any insurance proceeds, condemnation awards or payments in lieu of condemnation shall be distributed by the Association to each Owner in accordance with such Owner's individual interest in the Common Elements. Such payments shall be made to Owners or, as to Units which are subject to a Mortgage of record at the time of such payment, jointly to such Owner and such Mortgagee as their interests may appear.

10.4 Authority of Association to Restore or Sell.

The Association is hereby irrevocably appointed as attorney-in-fact, and as such attorney-in-fact for each Owner, shall have full power and authority to restore or to sell the Property and each Unit whenever Restoration or sale, as the case may be, is undertaken as hereinabove provided. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be.

10.5 Special Assessments for Restoration. Whenever

Restoration is to be undertaken, the Association may levy and collect assessments from each Owner in proportion to such Owner's undivided interest in the Common Elements, payable over such period as the Association may determine, to cover the costs and expenses of Restoration to the extent not covered by Available Funds. Such special assessments together with interest at the rate of eighteen percent (18%) per annum from the date such special assessment became due, costs and reasonable attorneys' fees, shall be secured by a lien on the Unit of each such Owner in the same manner as the lien provided for in paragraph 7 hereof. Notwithstanding any other provisions in this Declaration, in the case of Substantial Obsolescence, any such special assessment shall not be

a personal obligation of any such Owner who did not vote in favor of or consent to Restoration but, if not paid, may be recovered only by foreclosure of the lien against the Unit of such Owner.

10.6 Receipt and Application of Condemnation Funds.

Except in a case where a Mortgagee or any other person shall have the legal right to receive condemnation awards or payments in lieu of condemnation or eminent domain directly, all compensation, damages or other proceeds constituting awards for condemnation or eminent domain or payments in lieu of condemnation or eminent domain shall be paid to, or if received by the Association shall be turned over promptly, in the identical form received without commingling with any asset or property of the Association, to an independent financial institution or title company selected by the Association authorized to act as escrow agent for the benefit of the Association, the Declarant, all Owners and all Mortgagees of any Unit or all or any part of the Property as their respective interest may appear. Subject to the rights of any Mortgagee, the Association shall have the right, acting alone, to adjust or settle any condemnation award or payment in lieu of condemnation or eminent domain payable to it. Such funds shall be disbursed by said escrow agent in accordance with the following priorities, subject to such evidence of application as such escrow agent shall require. The amount thereof equitably allocable as compensation for the taking of or injury to the individual air space of a particular Unit or to improvements of an Owner therein shall be apportioned and paid to the Owner of such Unit or, as to Units which are subject to a Mortgage of record at the time of such payment, jointly to such Owner and such Mortgagee as their interests may appear. The balance of such funds shall be applied to costs and expenses of Restoration, if undertaken, and, to the extent not so applied, shall be allocated as follows:

first, any portion of such funds allocable to the taking of or injury to the Common Elements shall be apportioned among all Owners of the Common Elements in proportion to their respective undivided interest in the Common Elements; secondly, any portion of such funds received or awarded for severance damages shall be apportioned among Owners of Units whose individual air space was not taken or injured in proportion to their respective undivided interests in the Common Elements; thirdly, any portion of such funds received or awarded for consequential damages or for other purposes shall be apportioned as the Association determines to be equitable under the circumstances. The lien priority of any First Mortgagee shall not be disturbed by any condemnation proceeding and shall continue in the proceeds of any condemnation award attributable to the mortgaged Unit in accordance with the provisions of this paragraph.

10.7 Reorganization in the Event of Condemnation.

In the event all of the individual air space within a Unit is taken by condemnation or eminent domain, such Unit shall, upon payment of compensation as hereinabove provided, cease to be a part of the Property, the Owner thereof shall cease to be a member of the Association, and the undivided interest in Common Elements appurtenant to that Unit shall automatically become vested in the Owners of the remaining Units in proportion to their respective undivided interest in the Common Elements.

11. Rights of Owners in any Distributions. In the event that any Owner or Mortgagee is entitled to receive any distribution of money, property or other things from the Association for any reason, including without limitation the sale or other disposition of all or any part of the Common Elements or the cessation or termination for any reason of the horizontal property regime created hereby, such distribution shall be in proportion to the interest in the Common Elements appurtenant to the Unit or Units owned by such Owner

or Mortgagee, except as provided in paragraphs 9 or 10 hereof.

12. Maintenance, Repairs and Replacements; Right of Access. Each Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Unit and of any portion of the airconditioning and heating system which exclusively serves his Unit; and each Owner shall keep the patio and balcony areas adjacent to his Unit in a neat, clean and attractive condition. If, due to the willful or negligent act of an Owner or a member of his family or guest or other occupant or visitor of such Owner, or other person for whom such Owner may be responsible, damage shall be caused to the Common Elements or to a Unit or Units owned by others or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Owner upon receipt of a statement from the Board shall pay for such damage and for such maintenance, repairs or replacements as may be determined by the Board. The amount payable for such maintenance, repairs or replacements, together with interest at the rate of eighteen percent (18%) per annum from the date such amount is due, costs and attorneys' fees, shall be secured by a lien against the Unit of such Owner as provided in paragraph 7 hereof. An authorized representative of the Board, or of the manager or managing agent of the Building, and all contractors and repairmen employed or engaged by the Board or such manager or managing agent, shall be entitled to access at any time to each of the Units as may be required in connection with maintenance, repairs or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units and the Common Elements.

13. Alterations, Additions or Improvements. No alterations of any Common Elements or any additions or improvements thereto or any alterations, additions or improvements to the patios or balconies associated with any Unit

shall be made by any Owner, except Declarant, without the prior written approval of the Board. Any Owner may make non-structural alterations, additions or improvements within the interior of his Unit (but excluding for purposes of the authority herein granted any patio or balcony) without the prior written approval of the Board, but such Owner shall be responsible for any damage to any other Units, the Common Elements or the Property which may result from such alteration, addition or improvement. In addition to the required approval of the Board, there shall be no structural alterations or additions to any Building without the prior approval of a majority of the Owners given at a regular or special meeting of the members of the Association and the prior approval of all First Mortgagees. Unless otherwise determined at any such meeting, the cost of such alterations or additions shall be paid by means of a special assessment levied and collected from each Owner in proportion to such Owner's undivided interests in the Common Elements. Such special assessment together with interest at the rate of eighteen percent (18%) per annum from the date such special assessment became due, costs and reasonable attorneys' fees, shall be secured by a lien against each Unit as provided in paragraph 7 hereof.

14. Decorating. Each Owner, at his own expense, shall furnish and be responsible for all of the decorating within his own Unit (but any furnishing or decorating of any patio or balcony shall be subject to the provisions of paragraph 18 hereof) from time to time, including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other furniture and interior decorating. Each Owner shall be entitled to the exclusive use of the interior unfinished surfaces of the walls, floors and ceilings within his Unit, and each Owner shall have the right to decorate such surfaces from time to time as he may see fit at his sole expense. However, such Owner shall main-

tain such surfaces in good condition, and all such use, maintenance and decoration shall be subject to regulation by the Board. Decorating and maintenance of the Common Elements and any redecorating of Units to the extent made necessary by any damage caused by maintenance, repair or restoration work by the Association on the Common Elements shall be furnished by the Association and paid for as part of the Common Expenses.

15. Encroachments. If any portion of the Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portion of the Common Elements, or if any Unit or entryway providing ingress and egress thereto or therefrom shall actually encroach upon another Unit or entryway, as the Common Elements and the Units are shown on the Plat attached hereto as Exhibit "B" whether such encroachment results from the initial construction or from subsequent repair, reconstruction, settlement or shifting, there shall be deemed to be mutual easements in favor of the Owners of the Common Elements and the respective Owners involved to the extent of such encroachment so long as the same shall exist; provided, however, that no such easement shall result from any alteration, addition or improvement made by an Owner, except Declarant, without the prior written approval of the Board. The Association shall at all times have the right to maintain any Common Elements now existing or hereafter constructed, regardless of any encroachment now or hereafter existing of any such Common Elements on any Unit.

16. Purchase of Unit by Association. Upon the consent or approval of a majority of Owners present and voting at a general or special meeting of the members of the Association or in such other manner as may be deemed by the Board to be necessary or expedient, the Board shall have the power and authority to bid for and purchase any Unit at a sale pursuant

or a foreclosure of any lien for assessments provided for in this Declaration, or at a sale pursuant to an order or direction of a court, or other involuntary sale, and the Board shall have the power and authority to finance such purchase of a Unit by Mortgage, special assessment or any other financing arrangement that the Board may deem necessary or expedient.

17. Use and Occupancy Restrictions. No part of the Property shall be used other than as a dwelling and the related common purposes for which the Property was designed, except that Declarant shall have the right to maintain sales and any other offices, model units, and signs on the Property, together with rights of ingress and egress therefrom, and to do such other acts and maintain such other facilities as are incidental to the development and sale of the Units now or hereafter existing in the horizontal property regime created hereby. Without limiting the foregoing, no Owner shall enter into any Lease for less than the entire Unit or for a term of less than thirty (30) days. Any Lease for any Unit shall be in writing, shall in all respects be subject to and in compliance with the provisions of this Declaration, the Articles and Bylaws and shall expressly provide that a violation of any such provisions shall be a default under such Lease, and a copy of any such Lease shall be delivered to the Association prior to the commencement of the term of such Lease. Each Unit or any two or more adjoining Units used together shall be used as a single family residence or for such other purposes as are permitted by this Declaration and for no other purpose. That part of the Common Elements separating any two or more adjoining Units under common ownership and used together for a proper purpose as aforesaid may be altered to afford ingress and egress to and from such adjoining Units at the sole

submitted to and prior approval is obtained from the Board. The foregoing restrictions shall not, however, be construed in any manner as to prohibit an Owner from maintaining his personal and/or a reasonable professional library therein and keeping his personal business records therein.

The Common Elements shall be used only for access, ingress and egress to and from the respective Units by the Owners thereof, their agents, servants, tenants, family members, licensees and invitees and for such other purposes as are incidental to the residential use of the Units. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Owner.

No Owner shall keep or maintain any thing or shall suffer any condition to exist in his Unit or cause any other condition on the Property or the Common Elements which materially impairs any easement or right of any other Owner or otherwise materially impairs or interferes with the use and enjoyment by other Owners of their Units and the Common Elements. Subject to the foregoing, commonly accepted household pets not exceeding twenty (20) pounds in weight may be kept in a Unit, but no such pets shall be bred or allowed loose or unsupervised on any part of the Property. Walking of pets shall be prohibited except at such times and subject to such rules, regulations and fines as the Board may from time to time establish.

If the Board determines that any motor vehicle is creating loud or annoying noises by virtue of its operation within the Property, or that the parking or storage of any vehicle or trailer on the Property is unsightly or detracts from the overall character of the Property, such determination shall be conclusive and final that the operation or storage of such vehicle is a nuisance, and said operation, upon notice

by the Board to the owner or operator thereof, shall be prohibited within the Property.

No structure of a temporary character shall be permitted on the Property or the Common Elements, and no tent, shack, barn or trailer shall be permitted on the Property or Common Elements either temporarily or permanently, unless it is located thereon by or with prior written consent of the Board.

No sign of any nature whatsoever, other than a dignified name and/or address sign, shall be displayed or placed on any Unit, in any window or on any part of the Property or the Common Elements. No "For Sale" or "For Rent" signs of any nature whatsoever shall be permitted on any part of the Property, and no other signs or graphics shall be permitted on any patio or balcony or on any of the Common Elements without the prior written consent of the Board. A master "For Sale" sign may be placed on the Property by the Board of Directors with a telephone number to call for information. The provisions of this paragraph relating to signs shall not apply to the Declarant until the last Unit owned by Declarant has been sold.

Except as initially installed by Declarant, no spotlights, flood lights or other high intensity lighting shall be placed or utilized upon any building, structure, patio or balcony which in any manner will allow light to be directed or reflected on the Common Elements or any part thereof.

No window air conditioners or portable units of any kind shall be installed in any Unit.

No reflective materials including but not limited to aluminum foil, reflective screens or glass mirrors or sim-

ilar type items, shall be permitted to be installed or placed on the outside or inside of any windows. Enclosures, shades, screens or other items affecting the exterior appearance of any patio or balcony shall not be permitted without the prior written consent of the Board of Directors and shall be subject at all times to the rules and regulations of the Board and to the provisions of paragraph 18 hereof.

No radio, television or other antennas of any kind or nature shall be placed or maintained upon any Unit or any other portion of the Property, except that Declarant shall have the right to install a master antenna or antennas and to provide access to such antenna to the Units.

No clotheslines shall be installed on any patio or balcony and no Owner shall permit any personal property to be stored on any patio or balcony which is visible from the exterior of any Building.

Without limiting the foregoing, each Owner shall maintain and keep his Unit at all times in a safe, sound and sanitary condition and shall repair and correct any condition or refrain from any activity which might interfere with the reasonable enjoyment by other Owners of their respective Units or of the Common Elements.

Pursuant to the right of entry provided for in paragraph 20 hereof, the Board or its authorized agents may enter any Unit in which a violation of these restrictions exists and may correct such violation at the expense of the Owner of such Unit, and the Board shall be empowered to levy fines upon the Owner of any such Unit in the amount of up to \$50.00 per day for each such violation during the continuance thereof. Such expenses and fines together with interest at the rate of eighteen percent (18%) per annum from the date such expenses were incurred or the date such fine was levied, costs and reasonable attorneys' fees shall be secured by a

lien against such Unit in the same manner as the lien provided for in paragraph 7 hereof.

The Association may modify the foregoing restrictions or otherwise restrict and regulate the use and occupancy of the Property and the Common Elements by reasonable rules and regulations of general application adopted by the Board from time to time.

18. Architectural Control. No building, fence, wall, antenna, tower, awning, sign or other structure of any kind or character shall be constructed, erected, placed or maintained upon the Property, nor shall any exterior addition, change or alteration be made thereto or therein, including without limitation to any exterior wall, patio or balcony, whether or not part of any Unit, which is visible from the exterior of the Building, and no additions to, changes in, or alterations of landscaping, grade or drainage shall be made, until plans and specifications showing the nature, kind, color, shape, height, materials, location and other physical attributes of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board or by an architectural committee appointed by the Board. In the event the Board, or such committee, if one has been appointed, fails to approve or disapprove such proposal at its next regular meeting occurring more than thirty (30) days after proper plans and specifications have been received by it, such approval will not be required, and this paragraph will be deemed to have been fully complied with. The restrictions contained in this paragraph shall not apply to the Declarant in any way.

19. Exemption of Declarant from Restrictions. Notwithstanding anything contained in this Declaration to the contrary, none of the restrictions contained in this Declaration shall be construed or deemed to limit or prohibit any

act of Declarant, its employees, agents, and subcontractors, or parties designated by it in connection with the construction, completion, sale or leasing of the Units.

20. Entry by Board or its Agent. The Board or its authorized agents may enter any Unit at any time, upon reasonable notice to the Owner of such Unit, when any two (2) members of the Board deem it necessary or advisable for the enforcement of any restriction hereinabove set forth, to effect necessary repairs or otherwise for the protection and preservation of that Unit or other Units. In addition, the Board or its authorized agents may enter any Unit at any time without notice when any member of the Board or its authorized agent believes in his discretion that an emergency exists and that such entry is necessary in order to protect any person or property in such Unit or any adjoining Units. If it becomes necessary to break into a Unit because no key or means of access was provided by the Occupant or Owner, as required herein, the Association, its directors, officers and agents shall not be liable for any damage done to the Unit as a result of the exercise of this right of entry. The party exercising this right of entry shall see that reasonable measures are taken to secure the Unit until either the Occupant or Owner shall be notified that the Unit has been entered. Each Occupant or Owner shall either (1) leave a key with the manager of the Association or (2) leave a key with another Occupant or Owner and inform the manager in writing of the name of the Occupant or Owner with whom such key has been left. In the event that the Occupant or Owner with whom such key has been left is not available at a time when it is necessary to exercise this right of entry, the Unit may be forcibly entered pursuant to the conditions stated above.

21. Roof Leaks and Repairs. The Association shall repair promptly all leaks or other damage to the roofs of any of the Buildings of which the Association has

notice in writing, provided, however, that the cost of repairing leaks or damage due to the willful or negligent act of an Owner or a member of his family or guest or other occupant or visitor of such Owner or other person for whom such Owner may be responsible shall be the obligation of such Owner as provided in paragraph 12 hereof.

22. Public Dedication. Nothing contained in this Declaration shall be deemed to constitute a dedication for public use or to create any rights in the general public. Nothing contained in this Declaration shall be construed as creating an obligation on the part of the City of Mesa or any other governmental authority having jurisdiction over the Property and the Common Elements to maintain, repair or replace any portion of the Property, the Common Elements or the appurtenances thereto.

23. Copy of Declaration to New Members. The Board shall give each new Owner of a Unit a copy of this Declaration and any and all amendments hereto within sixty (60) days notice of the conveyance of a Unit to such new Owner. However, the failure of the Board to provide such copy shall not relieve the new Owner from complying with this Declaration nor waive any of the rights, conditions or restrictions stated herein or create any liability on the part of the Association, the Board or their agents.

24. Remedies. In the event that any Owner shall fail to comply with the provisions of the Act, this Declaration, the Articles, the Bylaws, or the rules and regulations of the Association, the Association shall have each and all of the rights and remedies provided for in the Act, this Declaration, the Articles, the Bylaws or said rules and regulations, or which may be available at law or in equity and may prosecute any action or other proceedings against such Owner for enforcement of such provisions or foreclosure of its lien and the appointment of a receiver for the Unit,

or damages, or injunctive relief, or specific performance, or judgment for payment of money and collection thereof, or the right to take possession of the Unit and to rent said Unit and apply the rents received to payment of any amounts due and interest thereon, or to sell the same as hereinafter provided, or any combination of such remedies or any other and further relief which may be available at law or in equity, all without notice and without regard to the value of such Unit or the solvency of such Owner. The proceeds of any rental or sale shall first be applied to discharge court costs, other litigation costs, including without limitation reasonable attorneys' fees, and all other expenses of the proceeding and sale. The remainder of such proceeds shall be applied first to the payment of any unpaid assessments or other charges and the satisfaction of any other damages, and any balance shall be held by the Association for the payment of any future assessments or other charges. Upon the confirmation of the sale, the purchaser of such Unit shall be entitled to a deed to the Unit and to immediate possession of the Unit and may apply to the court for a writ of possession for the purpose of acquiring such possession. The purchaser at any such sale shall take the Unit sold subject to this Declaration. All expenses of the Association in connection with any such action or proceeding, including court costs and reasonable attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of eighteen percent (18%) per annum from the date incurred, costs and reasonable attorneys' fees, until paid, shall be secured by a lien upon the Unit of such defaulting Owner as provided in paragraph 7 hereof. In the event of any such breach by any Owner, the Association shall also have the authority, with or without legal proceedings and with or without notice to such Owner, to correct such default and to do whatever may be necessary for

such purpose, and all expenses in connection therewith, together with interest at the rate of eighteen percent (18%) per annum and reasonable attorneys' fees shall be secured by a lien upon the Unit of such Owner as provided in paragraph 7 hereof. Any and all rights and remedies of the Association may be exercised at any time and from time to time, cumulatively or otherwise.

Notwithstanding any provision of this Declaration to the contrary, any breach of any of the covenants, conditions, restrictions, reservations and servitudes provided for in this Declaration, or any right of reentry by reason thereof, shall not defeat or adversely affect the lien and/or rights of any Mortgagee except as herein expressly provided, each and all of such covenants, conditions, restrictions, reservations and servitudes shall be binding upon and effective against any lessee under any Lease or against any Owner of any Unit whose title thereto is acquired by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise.

25. Amendment. The provisions of this Declaration may be changed, modified or amended by an instrument in writing setting forth such change, modification or amendment, signed by Owners of Units to which not less than sixty seven percent (67%) of the undivided interest in the Common Elements is appurtenant and acknowledged; provided, however, that no amendment limiting, rescinding or otherwise modifying in any respect any right, power, privilege, immunity, or easement granted or reserved to Declarant in this Declaration shall be effective as long as Declarant owns any interest in the Property unless such instrument is also signed and acknowledged by Declarant; and provided further that Eligible Mortgage Holders holding Mortgages on Units to which seventy five percent (75%) of the undivided interest in the Common Elements is appurtenant shall have consented in writing to any such change, modification or amendment which establishes, provides

for, governs or regulates any of the following:

- (1) Voting;
- (2) Assessments, assessment liens or subordination of such liens;
- (3) Reserves for maintenance, repair and replacement of the Common Elements;
- (4) Insurance or fidelity bonds;
- (5) Rights to use of the Common Elements;
- (6) Responsibility for maintenance and repair of the Common Elements and the Units;
- (7) Expansion or contraction of Par 34 or the addition, annexation or withdrawal of property to or from Par 34;
- (8) Boundaries of any Unit;
- (9) The interests in the Common Elements;
- (10) Convertibility of Units into Common Elements or of Common Elements into Units;
- (11) Leasing of Units;
- (12) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey such Owner's Unit;
- (13) Any provisions which are for the express benefit of Mortgage Holders, Eligible Mortgage Holders or Eligible Insurers or Guarantors of First Mortgages on any Unit.

Any Eligible Mortgage Holder who receives a written request to approve any such change, modification or amendment and who does not notify the requesting party in the manner provided in paragraph 26 hereof within thirty (30) days after receipt of such request shall be deemed to have approved such change, modification or amendment.

Notwithstanding anything contained herein to the contrary, if the Act, this Declaration, the Articles or the Bylaws require the consent or agreement of the Owners of Units

the Common Elements exceeding sixty seven percent (67%) is appurtenant and/or any other persons having any interest in the Property for any such amendment or for any action specified in the Act or this Declaration, then any instrument so amending this Declaration or any provision hereof or providing for such action shall be signed by the Owners of not less than such specified percentage and/or such other persons having an interest in the Property. Any such change, modification or amendment accomplished under any of the provisions of this paragraph 25 shall be effective upon recording of the instrument providing therefor signed and acknowledged as provided herein.

26. Notices. Notices provided for in the Act, this Declaration, the Articles or the Bylaws shall be in writing and shall be mailed postage prepaid if to the Association or the Board addressed to the address to which payments of assessments are then sent and if to an Owner addressed to his Unit. The Association or the Board may designate a different address or addresses to which notices shall be sent from time to time by giving written notice of such change of address to all Owners. Any Owner may also designate a different address or addresses to which notices shall be sent by giving written notice of his change of address to the Association. Notices shall be deemed delivered five (5) days after being deposited properly addressed in the United States mail, postage prepaid, by registered or certified mail or when delivered in person.

Upon written request to the Board, which written request specifies an address to which notices may be sent, any Mortgagee shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners of the Unit subject to the Mortgage held by such Mortgagee.

27. Severability. If any provision of this Dec-

laration, the Articles, the Bylaws or the rules and regulations of the Association, or any section, clause, sentence, phrase or word, or the application thereof in any circumstance, is held invalid by a court of competent jurisdiction, the validity of the remainder of this Declaration, the Articles, the Bylaws or the rules and regulations of the Association, and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby, and the remainder of this Declaration, the Articles, the Bylaws or the rules and regulations, shall remain in full force and effect as if such invalid part were never included therein, and such invalid part shall be promptly amended as herein provided or reformed by such court so as to implement the intent thereof to the maximum extent permitted by law.

28. Perpetuities and Restraints on Alienation.

If any of the easements, privileges, covenants, interests or rights created by this Declaration would otherwise be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue until twenty-one (21) years after the death of the survivor of the now living descendants of the President of the United States, Ronald W. Reagan, or the Governor of Arizona, Bruce E. Babbitt.

29. Rights and Obligations. Each grantee of Declarant, by the acceptance of a deed of conveyance, each purchaser under any agreement of sale within the meaning of A.R.S. §33-741, by execution of such agreement for sale and each Mortgagee by the acceptance of any instrument conveying any interest in the Property as security for the performance of an obligation, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby granted, created,

reserved or declared, and all impositions and obligations hereby imposed, shall be deemed and taken to be covenants running with the land and equitable servitudes and shall be binding upon and shall inure to the benefit of any grantee, purchaser or any person having at any time any interest or estate in the Property or the Common Elements in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance, purchase contract or other instrument of transfer, and each such grantee shall be entitled to bring, and shall be subject to, an action for the recovery of damages, or for injunctive relief, or both, resulting from any breach of any such provisions.

30. Performance or Relief. After the date hereof, any person who acquires any interest or estate in all or any part of the Property, other than in connection with an assignment by Declarant of all or substantially all of its rights under this Declaration (including a pledge or assignment by Declarant to any lender as security), agrees by virtue of and upon the acquisition of such interest or estate that said acquiring person shall not look to Declarant but shall look only to the other property Owners or other persons hereafter acquiring an interest or estate in said Property for any performance or enforcement of or relief from any violation of any of the covenants, conditions and restrictions contained herein.

31. Utility Easements. Notwithstanding any other provisions hereof, there is hereby created a blanket non-exclusive easement upon, across, over and under the property and Common Elements for ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and systems, including by way of illustration, but not of limitation, water, sewer, gas, telephone, electricity, television cable and communication lines and systems. By

virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on the Property and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of the Buildings; provided, that no such utility and service line or system may be installed or relocated on said Property except as initially planned and approved by Declarant or as thereafter approved by Declarant or by the Board. This easement shall in no way affect any other previously recorded easements on the Property.

32. Protection for Eligible Mortgage Holders. Unless sixty-seven percent (67%) of all Eligible Mortgage Holders have given their prior written approval, neither the Association nor any Owner(s) shall be entitled to:

- a. Change the pro rata interest or obligations of any Unit for the purpose of levying assessments and charges, determining shares of ownership of each Unit in the Common Elements and allocating distributions of hazard insurance proceeds and condemnation awards;
- b. Partition or subdivide any Unit;
- c. By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements (the granting of easements for public utilities or for any other public purposes consistent with the intended use of the Common Elements as provided in paragraph 5 hereof shall not be deemed to be a sale or transfer within the meaning hereof);
- d. By act or omission seek to rescind, abandon or terminate the horizontal property regime created hereby, except as provided by law in the case of substantial loss to the Units and the Common Elements or of a taking by condemnation or eminent domain or in the case of substantial obsolescence;

e. Use hazard insurance proceeds arising from losses to any Unit(s) or the Common Elements for other than the repair, replacement or reconstruction thereof, except in the case of substantial loss to the Units and the Common Elements as provided in paragraph 10 hereof;

f. Terminate professional management and assume self management of the Association; or

g. Amend the Bylaws or this Declaration.

All Eligible Mortgage Holders and Eligible Insurers and Guarantors who have notified the Association of an address to which notices may be sent in the manner provided in paragraph 26 hereof shall be entitled to written notification by the Association upon the commencement of any eminent domain or condemnation proceedings against all or any part of the Property or of substantial damage to or destruction of any part of the Property. Upon written request, all Eligible Mortgage Holders and Eligible Insurers and Guarantors shall have the right (i) to examine all books and records of the Association during normal business hours; (ii) to receive an audited financial statement of the Association as soon as available and in any any event within ninety (90) days following the end of any fiscal year of the Association; (iii) to receive written notice of all meetings of the Unit Owners and to designate a representative to attend all such meetings; (iv) to receive written notice of any default by any Mortgagor in the performance of any obligation by such Mortgagor under this Declaration or the Articles and Bylaws of the Association which default is not cured by such Mortgagor within sixty (60) days of the occurrence of such default; (v) to receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (vi) to receive written notice of any proposed action which would require the consent of Eligible

Mortgage Holders holding Mortgages on Units to which a specified percentage interest in the Common Elements is appurtenant as set forth in this Declaration.

33. Professional Management Agreement. Any Agreement for professional management of the Property and the Common Elements or any contract providing for services to be performed by the Declarant for the Association shall provide for termination by the Association without cause and without payment of a termination fee or penalty on thirty (30) days written notice, and no such contract or agreement shall be of a duration in excess of one (1) year, renewable by agreement of the parties for successive one (1) year periods.

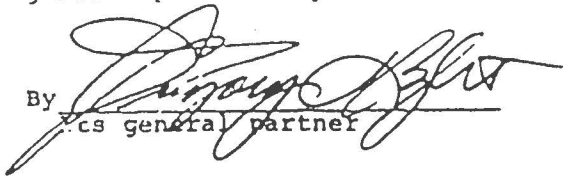
34. Dobson Ranch Homeowner's Association. The covenants, conditions and restrictions created hereby are intended to be and are in all respects subordinate and subject to the covenants, conditions and restrictions created by virtue of that certain Declaration of Conditions and Restrictions recorded October 23, 1973 in Docket 10365 at pages 923 to 943 as subsequently amended by instruments recorded in Docket 10436 at page 628 and Docket 14774 at page 471, of the records of the County Recorder of Maricopa County, Arizona. By acceptance of a deed to a Unit, each Owner shall become a member of Dobson Association, Inc., an Arizona corporation, and agrees to be bound by all of the covenants, conditions and restrictions contained in said Declaration of Conditions and Restrictions and to pay any and all assessments levied against his Unit by Dobson Association, Inc., in accordance with the provisions of said Declaration.

35. Waiver. Any right or remedy provided for in this Declaration shall not be deemed to have been waived by any act or omission, including without limitation any acceptance of payment or partial performance or any forbearance, except by an instrument in writing specifying such right or remedy and executed by the person against whom enforcement

of such waiver is sought.

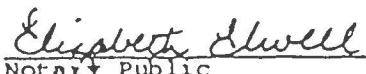
IN WITNESS WHEREOF, Par 34 Partnership, a California general partnership, has executed this instrument as of this 8th day of October, 1981.

PAR 34 PARTNERSHIP, a California general partnership

By 
its general partner

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 8th day of October, 1981, before me personally appeared GREGORY B. BRIGHT, the general partner of PAR 34 PARTNERSHIP, a California general partnership, on behalf of the partnership.


Notary Public

My Commission Expires:

My Commission Expires Feb. 14, 1985

PARCEL I

THAT PART OF PAR 34 AS RECORDED IN BOOK 225, PAGE 6, IN THE OFFICE OF THE RECORDER, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST NORTHWESTERLY CORNER OF SAID PAR 34; THENCE ALONG THE WESTERLY LINE OF SAID PAR 34 BY A BEARING OF S 23°00'39" W A DISTANCE OF 91.50 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING ALONG SAID WESTERLY LINE S 23°00'39" W A DISTANCE OF 264.00 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF WEST LINDEK AVENUE, ALSO BEING A CURVE CONCAVED SOUTHWESTERLY WITH THE RADIUS AT SAID POINT BEARING N 25°31'06" E A DISTANCE OF 1151.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°28'17" AN ARC DISTANCE OF 290.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVED NORTHEASTERLY WITH THE RADIUS AT SAID POINT BEARING S 39°59'23" W A DISTANCE OF 680.83 FEET; THENCE ALONG SAID TANGENT CURVE THROUGH A CENTRAL ANGLE OF 3°18'15" AN ARC DISTANCE OF 39.25 FEET TO A POINT ON A NON-TANGENT LINE, A RADIAL THROUGH SAID POINT BEARING S 36°41'08" W; THENCE ALONG SAID NON-TANGENT LINE N 28°23'12" E A DISTANCE OF 197.28 FEET; THENCE N 6°48'06" E A DISTANCE OF 210.00 FEET; THENCE S 89°32'58" W A DISTANCE OF 200.00 FEET; THENCE N 66°59'21" W A DISTANCE OF 50.00 FEET; THENCE N 23°00'39" E A DISTANCE OF 5.00 FEET; THENCE N 66°59'21" W A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING. CONTAINING 2.330 ACRES.

EXHIBIT A

When recorded, mail to:
Brian L. Zemp, Esq.
BRIAN L. ZEMP & ASSOCIATES
8687 E. Via de Ventura, #215
Scottsdale, Arizona 85258



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

95-0251401 05/03/95 02:15

TONY

1 OF 25

**SECOND AMENDMENT TO
DECLARATION OF HORIZONTAL PROPERTY REGIME
AND
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PAR 34
[KNOWN AS DOBSON GREENS CONDOMINIUM]**

THIS AMENDMENT is made this 25th day of April, 1995.

WHEREAS, according to the Declaration of Horizontal Property Regime and Declaration of Covenants, Conditions and Restrictions for Par 34 [known as Dobson Greens Condominium] recorded October 9, 1981, in Docket 15571, pages 1232 through 1291, records of Maricopa County, Arizona (the "Declaration"), an amendment to the Declaration can be made by an instrument in writing setting forth the change, signed by Owners of Units to which not less than sixty seven percent (67%) of the undivided interest in the Common Elements is appurtenant.

WHEREAS, Owners of Units to which approximately seventy-six percent (76%) of the undivided interest in the Common Elements is appurtenant of Par 34 Units signed written instruments consenting to the following Amendment to the Declaration as evidenced by the Secretary's Certificate made a part hereof.

Paragraph 17, "Use and Occupancy Restrictions," is hereby amended by adding the following language as the next to the last subparagraph thereof:

In the event the Board, by resolution, elects to participate in a crime free multi-family housing program sponsored by the City of Mesa or other bona fide program where tenants of Owners are screened for past criminal activity, where specific lease provisions must be included in Unit leases, and/or where specific remedies are provided by statute or ordinance with respect to criminal or gang-related activities in a Unit or by tenants residing therein, each Owner shall notify his tenant of the existence of such program and the terms thereof, secure any lease addendum or modification required thereby and grant such permission and take any other action as may be required to facilitate the implementation and conduct of such program. Failure of any Owner to comply with the terms of this subparagraph shall subject the Owner to fines and penalties as may be established by the Board.

WHEREAS, Owners of Units to which approximately sixty-eight percent (68%) of the undivided interest in the Common Elements is appurtenant of Par 34 Units signed written instruments consenting to the following Amendment to the Declaration as evidenced by the Secretary's Certificate made a part hereof.

Paragraph 17, "Use and Occupancy Restrictions," is hereby amended by deleting the third subparagraph thereof and adding the following language in its place:

No Owner shall keep or maintain anything or suffer any condition to exist in his Unit or cause any other condition on the Property or the Common Elements which materially impairs any easement or right of any other Owner or otherwise materially impairs or interferes with the use and enjoyment by other Owners of their Units and the Common Elements.

No animal, other than small birds, hamsters, small turtles, small lizards and the like that are kept in cages and fish, may be kept or maintained in any Unit. Dogs, cats, domesticated pigs, monkeys, snakes, tortoises and other large reptiles, large lizards, frogs, toads, birds of prey, insects and the like are specifically prohibited. Even if otherwise permitted, any animal kept for breeding or commercial purposes or any animal which, in its natural state, produces a venom or sera, toxic or nontoxic, or a noxious odor, is prohibited, whether or not such animals have been rendered incapable of producing same.

The foregoing restriction on the keeping of animals notwithstanding, Owners of Units at the time this Amendment takes effect who have commonly accepted household pets not exceeding twenty (20) pounds in weight may be kept in a Unit until such time as such pets expire, are sold, given away, etc. Existing Owners with household pets that will be kept in their Units beyond the date of this Amendment must register their pets with the Association in accordance with guidelines established by the Board. No such grandfathered pets shall be bred or allowed loose or unsupervised on any part of the Property. Walking of grandfathered pets shall be prohibited except at such times and subject to such rules, regulations and fines as the Board may from time to time establish.

IN WITNESS WHEREOF, Par 34, [Dobson Greens Condominium], an Arizona nonprofit corporation, has executed this Amendment as of the day and year first above written.

Dobson Greens Condominium Association, Inc.

By: 
Cecil Thompson, President

DECLARATION OF BOARD POLICY

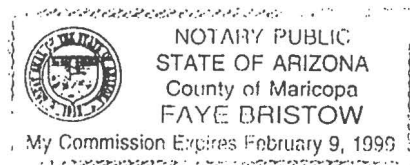
In no event shall the amendment to Paragraph 17 with respect to the keeping of animals be construed or enforced in such a manner as to prohibit disabled Owners of Units or disabled tenants of Unit Owners from keeping animals trained to assist them in carrying out one or more of the major life activities.

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 24 day of April, 1995, by Carrie McIntyre, the Secretary of Dobson Greens Condominium Association, an Arizona nonprofit corporation, for an on behalf of the corporation.

Faye Bristow
Notary Public

My Commission Expires:

2-9-99

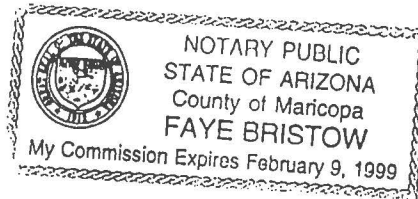


SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 24 day of April, 1995, by Cecil Thompson, the President of Dobson Greens Condominium Association, an Arizona nonprofit corporation, for and on behalf of the corporation.

Faye Bristow
Notary Public

My commission Expires:

2-9-99

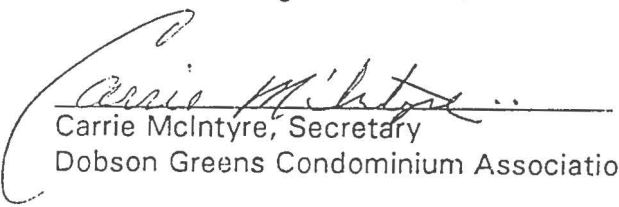


SECRETARY'S CERTIFICATE

I, Carrie McIntyre, being the duly elected Secretary of Dobson Greens Condominium, hereby certify that the owners of Dobson Greens Units 101, 102, 104, 106, 107, 108, 109, 110, 111, 113, 114, 115, 116, 117, 119, 120, 121, 123, 127, 128, 129, 130, 131, 133, 134, 135, 136, 137, 138, 139, 141, 142, 143, 145, 149, 150, 152, 153, 154, 157, 159, 160, 161, 162, 163, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 201, 202, 203, 205, 206, 207, 208, 209, 210, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 224, 225, 226, 230, 231, 232, 233, 234, 235, 236, 237, 238, 240, 241, 242, 243, 244, 245, 246, 248, 249, 250, 251, 252, 253, 254, 255, 256, 259, 260, 262, 263, 266, 267, 269, 270, 272, 277 and 278 signed written consents to amend the Declaration to include language regarding participation in the City of Mesa crime-free multifamily housing program, and do hereby certify that the owners of Dobson Greens Units 101, 102, 104, 106, 107, 108, 109, 111, 113, 114, 115, 116, 117, 121, 123, 125, 127, 128, 130, 134, 135, 136, 137, 138, 140, 141, 142, 143, 145, 149, 150, 152, 153, 154, 156, 157, 159, 160, 162, 163, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 177, 178, 201, 202, 203, 205, 206, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 224, 225, 226, 228, 230, 231, 232, 233, 234, 235, 236, 237, 238, 241, 242, 245, 246, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 260, 261, 263, 266, 268, 270, 272 and 277 signed written consents to amend the Declaration to include language regarding pets.

Said Units represent approximately seventy-six percent (76%) (117 out of 155) of the undivided interest in the Common Elements of Dobson Greens voting for amending the Declaration to include crime-free housing language. Said Units represent approximately sixty-eight percent (68%) (107 out of 155) of the undivided interest in the Common Elements of Dobson Greens voting for including language regarding pets.

(Percentages of the undivided interest in the Common Elements of Dobson Greens voting for each issue determined by reference to Exhibit D of the Original CC&Rs.)


Carrie McIntyre, Secretary

Dobson Greens Condominium Association, Inc.