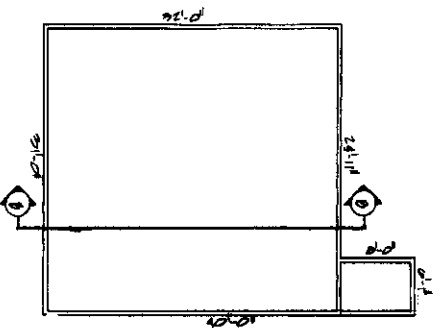


HORIZONTAL PROPERTY REGIME SPANISH HILLS

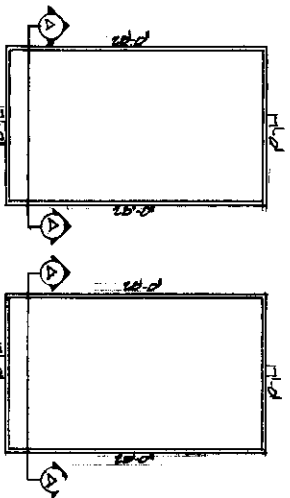
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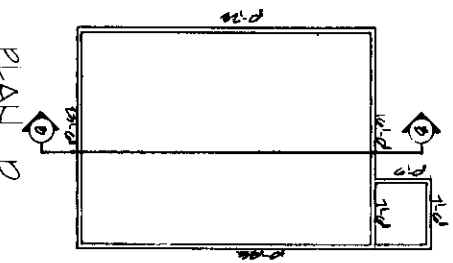
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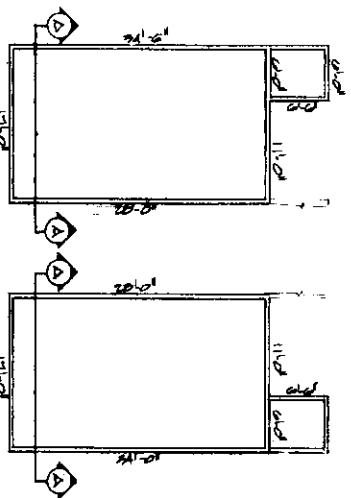
PLAN A



UPPER LEVELS-PLANS B&C



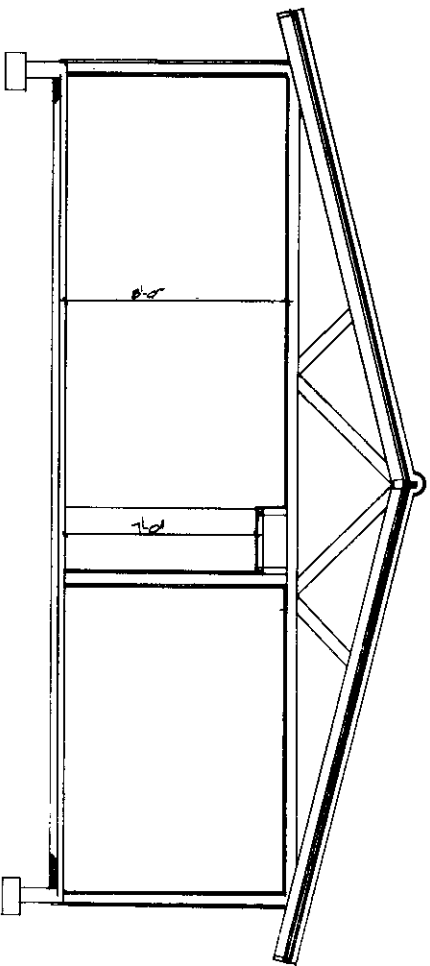
PLAN D



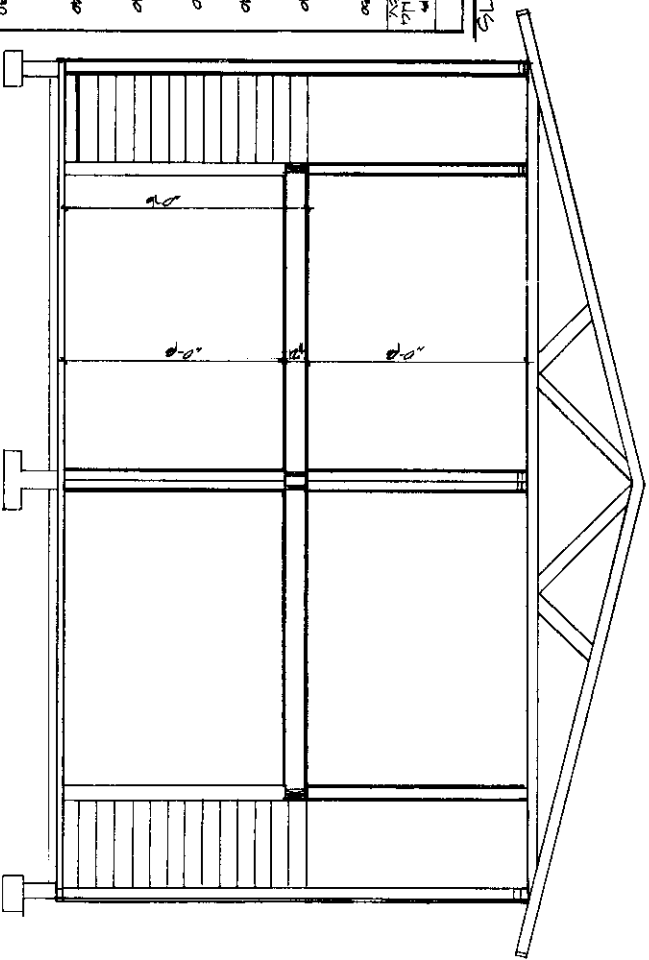
LOWER LEVEL PLANS B&C

SPANISH HILLS CONDOMINIUMS

UNIT	FLOOR	FINISH FLOOR ELEV.	MECHANICAL ROOM FLOOR ELEV.	CEILING ELEV.
1	1	1124.40	1124.40	1141.40
2	1	1124.40	1124.40	1141.40
3	1	1124.40	1124.40	1141.40
4	1	1124.40	1124.40	1141.40
5	1	1124.40	1124.40	1141.40
6	1	1124.40	1124.40	1141.40
7	1	1124.40	1124.40	1141.40
8	1	1124.40	1124.40	1141.40
9	1	1124.40	1124.40	1141.40
10	1	1124.40	1124.40	1141.40
11	1	1124.40	1124.40	1141.40
12	1	1124.40	1124.40	1141.40
13	1	1124.40	1124.40	1141.40
14	1	1124.40	1124.40	1141.40
15	1	1124.40	1124.40	1141.40
16	1	1124.40	1124.40	1141.40
17	1	1124.40	1124.40	1141.40
18	1	1124.40	1124.40	1141.40
19	1	1124.40	1124.40	1141.40
20	1	1124.40	1124.40	1141.40
21	1	1124.40	1124.40	1141.40
22	1	1124.40	1124.40	1141.40
23	1	1124.40	1124.40	1141.40
24	1	1124.40	1124.40	1141.40
25	1	1124.40	1124.40	1141.40
26	1	1124.40	1124.40	1141.40
27	1	1124.40	1124.40	1141.40
28	1	1124.40	1124.40	1141.40
29	1	1124.40	1124.40	1141.40
30	1	1124.40	1124.40	1141.40
31	1	1124.40	1124.40	1141.40
32	1	1124.40	1124.40	1141.40



B-B CROSS SECTION UNITS A&D



A-A CROSS SECTION UNITS B&C



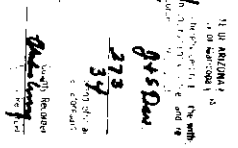
SPANISH HILLS CONDOMINIUMS
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 HANCOCK DESIGN AND ARCHITECTS
 P.O. BOX 1243 GARDENAS, FL 33131
 59117

SPANISH HILLS

HORIZONTAL PROJECT REGIME

THE E 1/4 OF LOT 5 KAY ACCESS RECORDED BK 33 OF MAPS
Pg 28 M.C.R., MARICOPA COUNTY ARIZONA
EXCEPT THE WEST 1100 FEET THEREOF

273-34
10-5-84
g+sow
37



DEDICATION
 KNOW ALL MEN BY THESE PRESENTS
 THAT JES DEVELOPMENT LTD AN ARIZONA CORPORATION, HEREBY PUBLISHES THIS MAP OF DEDICATION FOR THE
 SPANISH HILLS CONDOMINIUMS SITUATED IN A PORTION OF THE S 1/4 OF SECTION 13, T33N, R33E, G4S & B34,
 MARICOPA COUNTY ARIZONA, AS SHOWN HEREON, AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE
 LOCATION AND GIVES THE DIMENSIONS FOR THE STREETS AND EASEMENTS CONSTITUTING THE
 SAME AND THAT EACH STREET SHALL BE KNOWN BY THE NAME THAT IS GIVEN. IT ON SAID MAP.
 JES DEVELOPMENT LTD, AN ARIZONA CORPORATION, HEREBY DEDICATES THE STREETS AND
 EASEMENTS FOR THE PURPOSES SHOWN.

IN WITNESS WHEREOF:
 JES DEVELOPMENT LTD AN ARIZONA CORPORATION, HAS HEREBY CAUSED ITS CORPORATE NAME TO BE SIGNED AND
 ITS CORPORATE SEAL TO BE AFFIXED BY THE UNDERSIGNED OFFICER THEREUNTO DULY AUTHORIZED THIS 5TH DAY OF ~~SEPTEMBER~~
 1984.

BY W. Williams OFFICER

ACKNOWLEDGEMENT

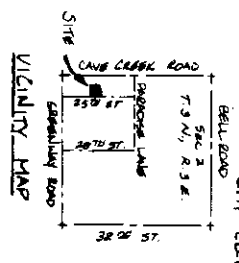
STATE OF ARIZONA
 COUNTY OF MARICOPA
 ON THIS 5TH DAY OF ~~SEPTEMBER~~ 1984, BEFORE ME THE UNDERSIGNED OFFICER PERSONALLY APPEARED _____ WHO
 ACKNOWLEDGED HIMSELF TO BE AN OFFICER OF THE JES DEVELOPMENT LTD AN ARIZONA CORPORATION AND THAT HE
 AS AN OFFICER BEING DULY AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN
 CONTAINED, BY SIGNING THE NAME OF THE CORPORATION AS OWNER BY HIMSELF AS A TRUST OFFICER
 IN WITNESS WHEREOF, I HEREBY SET MY HAND AND OFFICIAL SEAL
 MY COMMISSION EXPIRES _____

CERTIFICATION

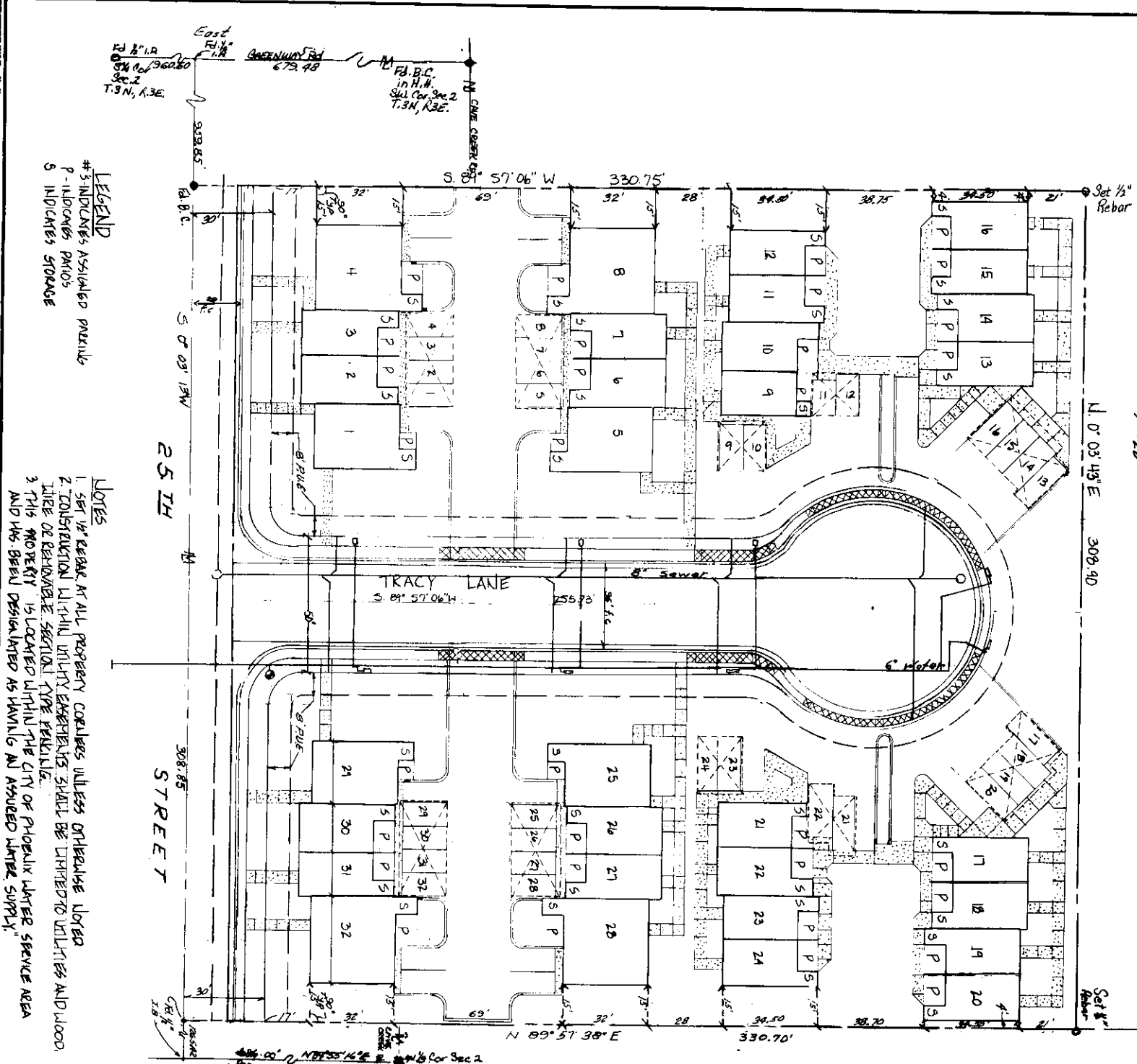
THIS IS TO CERTIFY THAT THE SURVEY OF THE PREMISES DESCRIBED AND PLATTED HEREON HAS BEEN MADE
 UNDER MY DIRECTION DURING THE MONTH OF ~~SEPTEMBER~~ 1984, AND THAT THE PLAT IS CORRECT AND ACCURATE, THAT THE HOLDERS SAID
 HEREON HAVE BEEN LOCATED OR ESTABLISHED AS DESCRIBED HEREON.
 WALTER E. PORTMAN JR. No. 1000

APPROVALS:

APPROVED BY THE COUNCIL OF THE CITY OF PHOENIX, ARIZONA, THIS _____ DAY OF _____ 1984.
 BY _____ ATTEST: CITY CLERK APPROVED BY CITY ENGINEER _____



SPANISH HILLS CONDOMINIUMS	DATE	10-5-84
PREPARED BY	WALTER E. PORTMAN JR.	NO. 1000
CHECKED BY	GARY S. WILLIAMS	NO. 1000
DATE	10-5-84	



LEGEND
 #3 INDICATES ASSOCIATED PERMITS
 P - INDICATES PERMITS
 S - INDICATES STORAGE

NOTES

1. SET 1/2" REBAR AT ALL PROPERTY CORNERS UNLESS OTHERWISE NOTED
2. CONSTRUCTION UTILITIES EXISTENCES SHOULD BE CHECKED TO UTILITIES AND WOOD
3. THIS PROPERTY IS LOCATED WITHIN THE CITY OF PHOENIX WATER SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY.

Phoenix, Arizona

85028

84 444140

DECLARATION OF HORIZONTAL PROPERTY REGIME
TOGETHER WITH
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE SPANISH HILLS CONDOMINIUMS
in Phoenix, Maricopa County, Arizona

Declarant:
J & S Development Ltd., an Arizona corporation

Prepared by:
Eaton, Lazarus & Dodge, Ltd.
5050 North 40th Street
Suite 108
Phoenix, Arizona 85018-2199

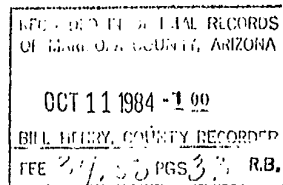


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DECLARATION OF HORIZONTAL PROPERTY REGIME
TOGETHER WITH
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE SPANISH HILLS CONDOMINIUMS

This declaration is made by J & S Development Ltd., an Arizona corporation.

ARTICLE I

DECLARATION OF HORIZONTAL PROPERTY REGIME

Section 1. DESCRIPTION. Declarant is the legal owner of real property in Phoenix, Maricopa County, Arizona, described on the attached Exhibit A (the "Property"). The Property is platted as a Horizontal Property Regime according to the plat recorded at Book 273 of Maps, Page 34, Official Records of Maricopa County, Arizona, a reduced copy of which is attached hereto as Exhibit B.

Section 2. DECLARATION. Pursuant to Sections 33-551 to 33-561 inclusive, Arizona Revised Statutes, Declarant does hereby submit the Property including the improvements to be constructed thereon, and all easements, rights and appurtenances belonging thereto, to a Horizontal Property Regime and said Declarant does further hereby declare that all of such Property shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are declared to be in furtherance of a plan for the improvement, development and sale of said Property and are established for the purpose of enhancing and perfecting the value and desirability of said Property and every part thereof. No property other than the Property and the improvements shown thereon is deemed subject to this Declaration unless and until specifically made subject thereto, as provided herein.

Section 3. CUBIC CONTENT SPACE.

(a) DESCRIPTION OF THE SPACE OF THE BUILDING. There shall be 8 multi-unit buildings in the Horizontal Property Regime. The cubic content space of each Building and the Dwellings therein are more fully set forth and described in Exhibit B.

(b) DESCRIPTION OF SPACE OF DWELLING. The Horizontal Property Regime shall be composed of 32 individual Units. Each Dwelling in the Horizontal Property Regime shall be numbered as shown in Exhibit B.

(c) DESCRIPTION OF GENERAL COMMON ELEMENTS. The General Common Elements shall include all of said Property, all as is more fully set forth and described herein and in Exhibit B, except for a Dwelling as defined. The Common Elements shall remain undivided; and no Owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Common Elements which shall be owned in common by the Owners hereof. Said ownership shall be evidenced by the deed of ownership for each of said Dwellings.

(d) DESCRIPTION OF RESTRICTED COMMON ELEMENTS. There shall be additional areas constituting a portion of the General Common Elements which are hereby set aside and located for the exclusive use of the Dwellings as follows:

(1) Each Dwelling shall have exclusive use of the mailbox designated with the corresponding Dwelling number.

(2) Each Dwelling shall have exclusive use of one covered parking space designated by a number which corresponds to the number of the Dwelling to which the space is assigned. The spaces are more fully shown on Exhibit B. There will further be other uncovered, unassigned parking spaces for use by Owners and residents of a Dwelling and guests.

(3) Each Dwelling shall have exclusive use of one patio and one storage area assigned to that Unit.

(e) FRACTIONAL INTEREST. Until or unless changed, each Dwelling shall bear a 1/32 undivided fractional interest in the Common Elements. The fractional interest of each Unit shall be represented by a fraction with "1" as the numerator and the number of Units as the denominator. The minimum fractional interest of any Owner of the Property shall be 1/32.

ARTICLE II

DEFINITIONS

Section 1. "Articles" means the Articles of Incorporation of The Spanish Hills Condominiums Association which are or shall be filed in the office of the Corporation Commission of the State of Arizona, or its successor, as said Articles may be amended from time to time.

Section 2. "Association" means and refers to The Spanish Hills Condominiums Association, an Arizona nonprofit corporation. The Association shall have no rights under this Declaration until it has been incorporated.

Section 3. "Board" means the Board of Directors of The Spanish Hills Condominiums Association.

Section 4. "Building" means each structure designated as a building on Exhibit B in accordance with § 33-551(2), Arizona Revised Statutes.

Section 5. "By-Laws" means the By-Laws of The Spanish Hills Condominiums Association, as such By-Laws may be amended from time to time.

Section 6. "Convey" means the execution and delivery in recordable form of a deed or an agreement of sale of an interest in a Unit.

Section 7. "Declarant" means J & S Development Ltd. and its specifically designated successors in interest and assigns.

Section 8. "Declaration" means this document, as the same may be amended and supplemented from time to time.

Section 9. "Dwelling" means a separate freehold estate consisting of an airspace defined as follows:

(a) The lower horizontal boundary is the upper surface of the unfinished floor thereof.

(b) The upper horizontal boundary is the lower surface of the unfinished ceiling or ceilings thereof.

(c) The lateral boundaries are the unfinished interior surfaces of the perimeter walls, windows and doors thereof and vertical planes coincidental with the unfinished interior surfaces of the perimeter walls thereof, extended upwards to intersect the upper horizontal boundary.

(d) Each such Dwelling includes the surfaces so described, the airspace contained within said boundaries, and the range, garbage disposal units, and other household appliances lying within said boundaries.

The following are not part of a Dwelling: Structural parts of the Building; bearing walls; columns; vertical supports; roofs; floors; foundations; slabs; all waste, water and gas pipes; chimneys; ducts; flues; conduits, wires and other utility and installation lines wherever located, except the outlets and taps thereof when located within the Dwelling. In interpreting deeds, plats, declarations and plans, the existing physical boundaries of a Dwelling or a Dwelling reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the description expressed in the deed, plat, plan or declaration, regardless of settling or lateral movement of the Building and regardless of minor variances between the boundaries as shown on the plan or in the deed and declaration and those of the Building.

Section 10. "General Common Elements" or "Common Elements" means all of the Property not included in the Dwellings.

Section 11. "Improvement" means all physical structures including, but not limited to, the Buildings, private drives, parking areas, fences and walls, recreational facilities and all landscaping, including, but not limited to, hedges, plantings, trees and shrubs of every type and kind.

Section 12. "Lease" means and refers to any agreement for the leasing or rental of the Unit whether written or oral and includes any agreement written or oral for the exchange or use of a Unit by one other than the Owner whether payment of rent is a provision or not.

Section 13. "Member" means any person, corporation, partnership, joint venture or other legal entity which is a member of the Association and is synonymous with "Owner".

Section 14. "Mortgage," "Mortgagor" and "Mortgagee" mean and refer to all instruments establishing a security interest in a Unit and the parties thereto, including a Deed of Trust, and Trustors, Trustees and Beneficiaries under Deeds of Trust. A "First Mortgage" is one which is entitled to priority over all other Mortgages for such Unit, without regard to other liens and encumbrances.

Section 15. "Owner" means a person, corporation, partnership or other legal entity capable of holding or owning an interest in real property who owns all or an interest in a Dwelling as described herein and shall enjoy all the privileges thereof.

Section 16. "Owner's Interest" means the fractional interest ascribed to each Dwelling by this Declaration.

Section 17. "Property" means the land, committed to the Horizontal Property Regime hereunder, the Buildings, all other Improvements located thereon, and all easements, rights and appurtenances belonging thereto.

Section 18. "Recreational Vehicle" means a camper, motor home or trailer for sleeping purposes, with or without cooking and bathroom facilities, boat and trailer for transporting any of the foregoing, and does not include disabled vehicles. The Board may change or supplement this definition without amending this Declaration by means of a resolution duly adopted.

Section 19. "Restricted Common Elements" shall mean those portions of the General Common Elements that are reserved

for the exclusive use of the Owner of one Unit in accordance with Article I, Section 3(d) of this Declaration.

Section 20. "Unit" means a Dwelling with the appurtenant easements plus an Owner's Interest.

ARTICLE III

PROPERTY RIGHTS

Section 1. OWNER'S RIGHT OF ENJOYMENT. Each Owner shall have the right to use the Common Elements in common with all other Owners within the Property as may be required for the purposes of ingress and egress to and from, and use and occupancy and enjoyment of the respective Unit owned by such Owner, and for such other related purposes as from time to time may be prescribed by the Board. Such right to use the Common Elements shall extend to each Owner and the agents, servants, tenants, family members and invitees of each Owner. Such rights to use and possess the Common Elements shall be subject to all matters of record, shall be governed by this Declaration, the Articles and By-Laws and shall be subject to the following:

(a) The right of the Board to establish reasonable rules, regulations and fees for use of Common Elements.

(b) The right of each Owner to have exclusive use of spaces provided in Article I, Section 3.

(c) The right of the Board to limit the number of guests of Owners and also the right to suspend the right of an Owner to use the Common Elements or any portion thereof designated by the Board during any time in which any assessment against his unit remains unpaid and delinquent or for a period not to exceed sixty (60) days for any single infraction of the rules and regulations of the Association, provided that any suspension of such right to use such Common Elements, except for failure to pay assessments, shall be made only by the Board or a duly appointed committee thereof, after notice and hearing given and held in accordance with the By-Laws. Notwithstanding the foregoing, the Board shall not have the right hereunder to suspend any Owner's right to use any portion of the Common Elements necessary for such Owner to gain access to his Dwelling.

(d) The right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility, for such purposes and subject to such conditions as may be agreed to by the Members. Except for utility easements, no such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Owners agreeing to such dedication or transfer has been recorded.

(e) The right of Declarant and its agents and representatives, in addition to the Declarant's rights set forth elsewhere in this Declaration, to the nonexclusive use of the Common Elements for display and exhibit purposes and the maintenance of sales facilities. Declarant, its agents and representatives shall have such right for a period of seven (7) years from the recording of this Declaration.

Section 2. LIMITATION ON TRANSFER. An Owner's right and easement of enjoyment in and to the Common Elements shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Unit, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to such right and easement or to the Common Elements.

Section 3. LEASING. Every Lease, by its terms, shall require the lessee to abide by all requirements of the Declaration, Articles and By-Laws, as they may be amended from time to time. This provision shall be deemed to be a part of

every Lease, whether oral or written. No Lease shall be granted for an initial term of less than thirty (30) days. The Owner of a Leased Unit shall provide a copy of the Lease to the Board.

ARTICLE IV

THE ASSOCIATION

Section 1. PURPOSE. It is desirable for the efficient management of the Property and the preservation of the value and attractiveness of the Property to create a corporation to which should be delegated and assigned the powers of managing the Common Elements of the Property; maintaining and administering the Common Elements; administering and enforcing these covenants, conditions and restrictions; and collecting and disbursing funds pursuant to the assessments and charges hereinafter created and referred to and to perform such other acts as shall generally benefit the Property.

Section 2. FORMATION

(a) In furtherance of the purposes set forth in Section 1 hereof, the Declarant shall cause the Association to be incorporated.

(b) The Board shall be empowered to determine and decide all questions regarding enforcement of these restrictions and assessments or charges necessary for maintenance of Common Elements, for the use and benefit of all Owners, except as provided in the By-Laws, and shall be empowered to make rules for the use of Common Elements. Any rule, a copy of which is delivered or mailed to an Owner at his last known address or which is posted on a central bulletin board, shall be enforceable to the extent and in the same manner as this Declaration thirty (30) days following such delivery, mailing or posting.

(c) The Board shall have the right to contract for services or to transfer to any other corporation, person or partnership as a management agent, all of its rights and obligations hereunder, but upon such transfer and the assumption of such obligations by the transferee, the enforcement of covenants shall remain the sole responsibility of the Board.

(d) The Board shall have the right and power, as it deems necessary and appropriate, to borrow funds for Association purposes set forth in this Declaration, on such terms and conditions as it deems acceptable including the giving of collateral therefor provided that such collateral shall not consist of a mortgage on a Unit or the Common Elements (except if title thereto is held by the Association) and provided that an Owner may discharge any rights which a creditor may acquire in a Unit upon payment only of a share of the obligation due based upon the share of common expenses attributable to such Unit.

(e) The members of the Board may not receive remuneration for services rendered as a Board member. However, any Board member may be reimbursed for his actual expenses incurred in the performance of his duties.

(f) Except as otherwise provided herein, any action which may be taken by the Association may be taken by the Board.

Section 3. CONDOMINIUM INSTRUMENTS. The Association shall make available to Owners and to holders, insurers or guarantors of any Mortgage, current copies of this Declaration, the By-Laws, Rules and Regulations and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 4. FINANCIAL STATEMENT. The holder, insurer or guarantor of any first Mortgage shall be entitled,

upon written request, to a financial statement for the immediately preceding fiscal year of the Association prepared without expense to such requesting party. Such financial statement shall be furnished within a reasonable time following such request.

Section 5. ASSOCIATION MANAGEMENT. Subject to Article VI, the Board may employ a professional property manager, management company or managing agent on a salaried or fee basis with such experience and qualifications and on such terms and conditions as may be acceptable to the Board. Any such agreement must be terminable for cause upon thirty (30) days notice and the term thereof may not exceed one (1) year.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 1. PERSONAL OBLIGATION OF ASSESSMENTS. The Declarant, for each Dwelling owned within the Property, hereby covenants, and each Owner, by acceptance of a deed, except as provided for in this Article, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments (paid as provided herein) for commonly metered utilities, insurance, maintenance, management, utilities for common areas, and other general expenses including reserves for contingencies, maintenance, repair and replacement, hereafter referred to as "annual assessments;" (2) special assessments for capital improvements; and (3) supplemental assessments. Such assessments are to be established and collected as provided in this Declaration, Articles and By-Laws. The annual, special and supplemental assessments, late payment penalties, if any, together with interest, costs, and reasonable attorney's fees, shall be a lien upon the Unit as created by the Articles or By-Laws. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time the assessment was levied. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them, or unless prior to the transfer of title as evidenced by the records of the County Recorder or other appropriate governmental agency, a lien for such assessment shall have been filed or recorded.

Section 2. PURPOSE OF ASSESSMENTS.

(a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of all Owners, for the improvement and maintenance of the Common Elements, and for all purposes set forth in the Articles, including but not limited to, management fees; insurance premiums; expenses for maintenance; repairs and replacements of Common Elements; reserves for contingencies; charges for all commonly metered utilities for the Property and other utilities for the Common Elements; and enforcement of this Declaration, the Articles, By-Laws and rules.

(b) The Association shall establish and maintain a reserve fund for periodic maintenance, repairs and replacements by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board. Such fund shall be deposited in an account insured by the FDIC. The reserve fund is for the purpose of effecting maintenance, replacement or repair because of damage, depreciation or obsolescence of Common Elements.

(c) Declarant shall, within sixty (60) days of the first sale of a Unit, deposit in the reserve an amount equal to two (2) months' assessment for each Unit then still owned by Declarant. All amounts placed in the reserve shall not be deemed advance payments of annual assessments.

Section 3. UNIFORM RATE OF ASSESSMENT. Annual, and special and supplemental assessments must be fixed at a uniform rate for all Units and shall be collected on a monthly basis. The Board shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto.

Section 4. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS. The annual assessment shall commence as to all Units on the first day of the month following the close of escrow of the first Unit by Declarant to another Owner. If the amount budgeted to meet common expenses for the then current year proves to be excessive in light of the actual common expenses, the Board in its discretion may either reduce the amount of the annual assessment or may abate collection of assessments as it deems appropriate. Until such time as voting control of the Association passes from Declarant to the Owners, in no event shall a reduction in the amount or the abatement in the collection of regular assessments pursuant to this Section result in a quantity or quality of services diminished from those upon which the budget for the year in question is based.

Section 5. MAXIMUM ASSESSMENT.

(a) Until January 1 of the year immediately following the conveyance by Declarant of the first Unit to an Owner, the monthly portion of the annual assessment shall be no more than \$75.

(b) Commencing on January 1 of the year immediately following the conveyance of the first Unit to an Owner and as of each January 1 thereafter, the maximum annual assessment may be increased above the maximum annual assessment for the preceding year without a vote of the Members by the greater of (i) five percent (5%) of the maximum annual assessment for the immediately preceding year or (ii) the percentage increase, if any, between the Cost of Living Index last published immediately preceding January 1 of the preceding year and the Cost of Living Index last published immediately preceding January 1 of the year in which the change is effected. The index presently known as the "Metropolitan Phoenix Consumer Price Index (1977=100)" published by the Arizona State University Bureau of Business and Economic Research, is herein referred to as the "Cost of Living Index". In the event said index is discontinued, the Board shall use a comparable index recommended as a substitute by the Bureau of Business and Economic Research or the United States Government.

(c) All increases in the maximum annual assessment above the increases authorized in the preceding paragraph must have the assent of two-thirds (2/3) of the Members who are voting in person or by proxy at a meeting duly called for this purpose and, while still owning a Unit, the Declarant.

(d) The Board may fix the annual assessments at an amount not in excess of the maximum.

Section 6. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Board may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 7. SUPPLEMENTAL ASSESSMENTS. In the event the Board shall determine that its funds budgeted or available in any fiscal year are, or will, become inadequate to meet all expenses of the Association for any reason, including nonpayment

of assessments, it shall immediately determine the approximate amount of such inadequacies for such fiscal year and issue a supplemental budget and levy a supplemental assessment against the Owners of each Unit for the amount required to pay all such expenses; provided, however, that any such supplemental assessment shall have the assent of two-thirds (2/3) of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 8. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 5, 6 and 7. Written notice of any meeting called for the purpose of taking any action authorized under Section 5, 6 or 7 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 9. EFFECT OF NON-PAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Any assessment, or any installment of an assessment, which is not paid when due shall be deemed delinquent and shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum or the prevailing FHA/VA Interest rate for new home loans, whichever is higher.

Any assessment, or any installment of an assessment, which is delinquent shall become a continuing lien on the Unit against which such assessment was made. The lien shall be perfected by the recordation of a "Notice of Claim of Lien" which shall set forth (1) the name of the delinquent Owner, (2) the legal description, street address and number of the Unit against which the claim of lien is made, (3) the amount claimed as of the date of the recording of the notice including interest, collection costs, lien recording fees and reasonable attorney's fees, (4) the name of the Owner of Unit as shown in the records of the Association, and (5) the name and address of the Association. The Association's lien shall have priority over all liens or claims created subsequent to the recordation of the Notice of Claim of Lien except for tax liens for real property taxes on the Unit, assessments on any Unit in favor of any municipal or other governmental body and the liens which are specifically described in Section 9 of this Article.

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

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

Section 10. SUBORDINATION OF ASSESSMENT LIEN. The lien for assessments and other costs provided for herein in connection with a given Unit shall be subordinate to the lien of any first Mortgage or trust deed. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to Mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve the purchaser or transferee of such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. CERTIFICATE OF PAYMENT. The Association shall, upon demand, furnish to any Owner or to a Mortgagee, a certificate in writing signed by an officer or authorized agent of the Association setting forth whether the assessments on a specified Unit have been paid, and the amount of delinquency, if any. A reasonable charge may be collected by the Board for the issuance of such certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 12. EXEMPTION OF OWNER. No Owner may exempt himself from liability for his assessed contribution towards the common expenses by waiver and non-use of any of the Common Elements or by the abandonment of his Dwelling.

ARTICLE VI

MEMBERSHIP AND VOTING RIGHTS

Section 1. MEMBERSHIP NON-SEVERABLE. Every Owner of a Dwelling which is subject to assessments shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Dwelling which is subject to assessment. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed, or alienated in any way except by transfer of ownership to such Dwelling, whether by purchase, intestate succession, testamentary disposition, foreclosure of a Mortgage of record, or such other legal process as is now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Dwelling shall operate to transfer said membership to the new Owner thereof, and a charge of Twenty-five Dollars (\$25.00) shall be assessed and paid to the Association by the transferee in each such transfer. The Board may by appropriate action change the amount of said charge without amending this Declaration.

Section 2. VOTING AND CONTROL.

(a) Members shall be all Owners and shall be entitled to one (1) vote for each Dwelling owned except that Declarant shall be entitled to an additional two (2) votes for each Unit it owns. Declarant's additional votes shall no longer be available to it upon the happening of the earlier of the events described in (b) below. When more than one (1) person hold an interest in any Dwelling all such persons shall be Members. The vote for such Dwelling shall be exercised as the Owners determine among themselves, but in no event shall more than one (1) vote be cast with respect to any Dwelling (or three (3) votes in Declarant's case) and fractional votes shall not be allowed. Except for Declarant, if more than one vote is cast for a particular Dwelling, none of the votes for such Dwelling shall be counted and said votes shall be deemed void.

(b) Notwithstanding the voting rights above, Declarant, or any party to whom Declarant specifically assigns such rights, shall control and manage the Property and shall have the exclusive right to appoint or reappoint the members of the

Board until the happening of either of the following events whichever occurs earlier:

(1) within one hundred twenty (120) days after seventy-five percent (75%) of all Units in phase one and all subsequent phases have been conveyed to purchasers by Declarant (except persons who succeed to the special privileges and responsibilities of the position of a Declarant), or

(2) the expiration of five (5) years after the first Unit is conveyed.

(c) Until such time as control of the Association is passed to the Owners, all right, discretion, power and authority granted to such Association, including the right to collect assessments and to make contracts or agreements on behalf of the Association for maintenance of Common Elements and operation of the Association shall, at the option of the Declarant, remain with the Declarant directly or through said Association.

Section 3. SUSPENSION OF VOTING RIGHTS. In the event any Owner of a Unit is in arrears in the payment of any assessment of other amounts due under the terms of this Declaration, the Articles, or the By-laws, said Owner's right to vote as a Member of the Association shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorney's fees, are brought current.

ARTICLE VII

RESTRICTIONS ON USE

Section 1. RESIDENTIAL USE. A Dwelling shall be used, improved and devoted exclusively to residential use. No gainful occupation, profession, trade or other nonresidential use shall be conducted on any such property. Nothing herein shall be deemed to prevent any of the following:

(a) Lease of a Dwelling or portion thereof from time to time by the Owner subject to all the provisions of this Declaration.

(b) Any promotional, sales, leasing, construction or management activities on the Property by the Declarant, whether in a Unit or elsewhere.

(c) Use of one or more Units as models or offices by a broker, manager or other agent of the Association or Declarant.

Section 2. ANIMALS. No animals, birds, fowl, poultry or livestock, other than a reasonable number of domestic dogs, cats, fish, and birds in cages shall be maintained in any Dwelling and then only if they are kept therein solely as domestic pets and not for commercial purposes. No animal or bird shall be allowed to make an unreasonable amount of noise, nor to become a nuisance. No animal shall be chained or tied outdoors. No structure for the care, housing or confinement of any animal or bird shall be maintained so as to be visible from a neighboring Dwelling or street. Upon the written request of any Owner, the Board shall conclusively determine, in its sole and absolute discretion, whether, for the purpose of this paragraph, a particular animal or bird is a generally recognized household pet, or a nuisance, or whether the number of animals or birds in any Dwelling or the Common Elements is reasonable. Any decision rendered by the Board shall be enforceable in the same manner as other restrictions contained herein. The Board shall have the right to prohibit maintenance of any animal or bird which constitutes, in the opinion of the Board, a nuisance to any other Owner. As used in this Declaration, the term "reasonable number" shall be deemed to limit the number of dogs, cats, and birds to

two (2) of any combination of the above animals. Dogs and other animals must be kept on a leash when not confined in the Owner's Dwelling. No Owner shall permit its dog or animal to create unsanitary conditions anywhere on the Common Elements. When such conditions are created, the Owner will be assessed Twenty-five Dollars (\$25.00) per incident for cleanup expenses by the Association, and the Association or any Owner may seek other satisfaction as permitted by law and this Declaration. The amount of assessment may be changed by the Board without amending this Declaration.

Section 3. ANTENNAS. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any Property, except with the prior written consent of the Board on such terms and conditions as the Board may require.

Section 4. UTILITY SERVICE. No lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals shall be erected, placed or maintained anywhere in or upon any Property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on Buildings or other structures approved by the Board. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incidental to the construction of Buildings or structures approved by the Board, nor to abrogate any rights granted by Section 18 of this Article.

Section 5. IMPROVEMENTS AND ALTERATIONS.

(a) No exterior changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the Board or any committee established by the Board for that purpose. By way of illustration but not of limitation the following are considered exterior changes: painting, landscaping, except within the enclosed patio or balcony, repairs, excavation, patio covers, screens, doors, evaporative coolers, fireplaces, skylights, storage buildings, solar collectors, shade screens, awnings, window coating or tinting, decorative alterations or other work which in any way alters the exterior appearance of any property. The Board, or committee established by the Board for that purpose, may designate design, style, model and manufacturer of any exterior improvement or alteration which is acceptable to the Board. Such designations shall be for the purpose of achieving uniformity of appearance and preservation of property values.

(b) No interior structural changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the Board or any committee established by the Board for that purpose. By way of illustration but not of limitation the following are considered interior structural changes: moving, removing, adding or altering walls, doorways, and the like.

Section 6. TEMPORARY OCCUPANCY. No temporary buildings, tents, vehicles or structure of any kind shall be used at any time for a residence on the Property. By way of illustration, but not limitation, no Recreation Vehicle may be used for overnight accommodations on the Property. However nothing herein shall prevent the use of a mobile construction office, sales office and caretaker's residence during construction and sales.

Section 7. VEHICLES.

(a) No automobile, motorcycle, motorbike or other motor vehicle shall be constructed, reconstructed or repaired on the Property and no inoperable vehicle may be stored or parked on

the Property; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any improvement approved by the Board. No trailer, camper, boat, motor home or similar equipment shall be permitted upon the Property.

(b) All vehicles shall be parked only in spaces designated on Exhibit B. Any vehicle which is parked in violation of this Declaration or of fire and safety regulations of the City of Phoenix shall be towed from the premises at the direction of the Board or its agent. The recording of this Declaration shall constitute legal notice of intent to tow, as though the Property were posted in accordance with state and local law.

Section 8. REPAIR AND MAINTENANCE.

(a) BY OWNER. Each Owner of a Dwelling shall maintain, repair, replace and restore at his own expense all portions of the Dwelling, including the heating and cooling equipment, exclusively serving his Dwelling; all doors and window glass; and all electrical and plumbing fixtures and appliances exclusively serving his Dwelling, including, but not limited to, dishwashers, laundry equipment, ranges, ovens, water heaters, and other built-in appliances. Each Owner shall clean, maintain, repair, replace and restore all interior finishes including, without limitation, floor coverings and wall coverings. No Owner shall remove, alter, injure or interfere in any way with any shrubs, trees, grass or plantings placed upon the Property by Declarant or the Association without first having obtained the written consent of the Board or its representative. In addition, each Owner shall be responsible for the maintenance and repair of the Restricted Common Elements (except for the structural parts of the Restricted Common Elements) to which he has the right of exclusive use pursuant to Section 3(d) of Article I of this Declaration (except for the covered and uncovered parking spaces). Each Owner shall take all necessary action to keep the Restricted Common Elements free and clean from unsightly accumulations of weeds, trash and litter. Each Owner shall have an easement over, across and through such portions of the General Common Elements as are necessary in order for the Owner to perform his obligations under this Section with respect to the maintenance, repair, replacement and restoration of those portions of the General Common Elements and Restricted Common Elements which he is obligated to maintain.

(b) BY THE ASSOCIATION. The Association shall have full power to control, and it shall be its duty to maintain, repair and make necessary improvements to all Common Elements. The Association shall further be empowered with the right and duty to periodically inspect all Common Elements in order that minimum standards of repair, design, color and landscaping shall be maintained for beauty, harmony and conservation of values within the Property.

(c) GENERAL MAINTENANCE. If the Board determines that the Common Elements are in need of improvement, repair or restoration or that the landscaping is in need of installation, repair or restoration, the Board shall undertake to remedy such condition. The Owners hereby grant and the Board shall have a limited right of entry in and upon all Common Elements and a Dwelling. Reasonable requests for entry shall be made and such entry shall be at a time reasonably convenient to the subject Owner. Nothing in this Article shall in any manner limit the right of the Owner to exclusive control over the interior of his Dwelling; provided, however, that an Owner shall and hereby does grant the right of entry therein to the Board or any other Owner, or their authorized representatives, or any other person, in case of any emergency originating in or threatening his Dwelling, whether the Owner is present or not.

(d) REPAIR NECESSITATED BY OWNER. If the Board determines that the Common Elements are in need of improvement, repair or restoration, that private patio landscaping is in need of maintenance, trimming or other care, or that the Common Elements landscaping is in need of installation, repair or restoration which has been caused by an Owner, or any person designated by the Owner or the Owner's pets, then the Board shall give written notice to the Owner of such conditions. Unless the Board has approved in writing corrective plans proposed by the Owner to remedy the condition complained of within such reasonable period of time as may be determined by the Board after said written notice is first given, and such corrective work so approved is not completed thereafter within the time set by the Board, the Board shall undertake to remedy such condition or violation. The cost thereof, to the extent not covered by insurance, shall be deemed to be an assessment to such Owner and his Dwelling and subject to levy, enforcement and collection provided for in the Articles or By-Laws. The Board shall have the same right of entry in and upon all Common Elements and a Dwelling as defined in Subsection 8(c) of this Article. The Board shall have the sole right to determine whether any such costs expended by the Board are related to general maintenance or are repairs necessitated by an Owner.

Section 9. NUISANCES. No nuisance shall be permitted to exist or operate upon any Property so as to be offensive or detrimental to any other Property in the vicinity thereof or to its occupants. Without limiting the generality of the foregoing, the following shall be presumed to be a nuisance:

- (a) rubbish, debris, building material or personal property of any kind which is placed or permitted to accumulate upon or adjacent to any Property or any odors which arise therefrom, so as to render any such Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity thereof or to its occupants;
- (b) any exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes;
- (c) any article which is draped, hung or attached to an exterior surface or patio so as to be visible from outside the Dwelling;
- (d) any mineral collection, cactus ribs, old bottles, license plate or other memorabilia displayed so as to be visible outside the Dwelling. This provision shall be interpreted to preserve the dignity and aesthetic appearance of the Property and not to control the interior decoration of any Dwelling;
- (e) any use of a Dwelling or use of the Common Elements which will increase the rate of insurance upon the Property;
- (f) any private patio planting which encroaches on any other Dwelling or the Common Elements.

The Board in its sole discretion shall have the right to determine the existence of any nuisance, shall give notice to the Owner, and if the nuisance is not removed within the reasonable time stated in the notice, shall have the nuisance removed and the cost thereof shall be a lien upon the Unit. Nothing herein shall prevent the Declarant from storing building materials nor from accumulating debris during the construction of Improvements.

Section 10. TRASH CONTAINERS AND COLLECTION. An appropriate number of trash collector bins will be provided. Owners of Units shall prebundle or compact their trash and garbage and place it in the trash collectors. The Board shall insure that the bins and the area in and around the bins are clean and reasonably free from odor or other nuisance.

Section 11. CLOTHES DRYING. There shall be no outdoor clothes drying on the Property which is visible outside the Dwelling, including but not limited to towels and bathing suits.

Section 12. DISEASES AND INSECTS. No Owner shall permit any thing or condition to exist upon any Unit which shall induce, breed or harbor infectious plant diseases or noxious insects.

Section 13. LIGHTS AND REFLECTIVE MATERIALS.

(a) Spot lights or other lights which may reflect upon or cause glare to neighboring property will not be allowed. Foil or other light-reflective material may not be placed or maintained in the windows or glass areas of any Dwelling.

(b) Notwithstanding the foregoing, the Board may in its sole discretion approve additional building materials which it deems aesthetically acceptable and which, considering the state of the industry were not reasonably contemplated by the Declarant.

Section 14. RESTRICTION ON FURTHER SUBDIVISION. No portion less than all of the Dwelling nor any easement or other interest therein shall be conveyed or transferred by any Owner, except undivided interests therein.

Section 15. SIGNS. No signs whatsoever (including, but not limited to commercial, political, sale or rental and similar signs) shall be erected or maintained on any Property whether in a window or otherwise, except:

(a) such signs as may be required by legal proceedings;

(b) one house number identification as originally placed by the Declarant;

(c) during the time of construction of any building or other improvement, one job identification sign not larger than eighteen (18) by twenty-four (24) inches in height and width and having a face area not larger than three (3) square feet or as required by statute; and

(d) such signs, the nature, number, and location of which have been approved by the Board in advance.

Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or its duly authorized agent, of structures, improvements or signs necessary or convenient to the development, sale, operation or other disposition of Property.

Section 16. MINERAL EXPLORATION. No portion of the Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, sand, gravel, earth or any earth substance of any kind.

Section 17. MACHINERY AND EQUIPMENT. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to the Property except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of buildings, improvements or structures which are within the permitted uses of such Property, and except that which Declarant or the Association may require for the operation and maintenance of the General Common Elements.

Section 18. EASEMENTS.

(a) UTILITY EASEMENTS. There is hereby created an easement upon, across, over and under the Property for reasonable ingress, egress, installation, replacing, repairing and maintaining of all utilities, including but not limited to water, sewer, gas, telephone, electricity and cable television. By virtue of this easement, it shall be expressly permissible for the providing utility company to bury underground conduits, wires and a buried cable system, together with all the necessary appurtenances; to place, affix, maintain and replace the necessary equipment on the Property; and to place, affix, maintain and replace electrical, gas and/or telephone lines, wires, cables, conduits, circuits and fixtures on, above, across and under the Common Elements, including the Buildings. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, gas lines, water lines, cables, or other utilities may be installed or relocated on the Property except as initially programmed and approved by the Declarant or thereafter approved by the Declarant or the Board. This easement shall in no way affect any other recorded easement on the Property.

(b) EASEMENTS RESULTING FROM ENCROACHMENT. Each Dwelling and the Common Elements shall be subject to an easement for encroachments, including but not limited to encroachments of walls, ceilings, ledges, floors, and roofs created by construction, settling and overhangs as originally designed or constructed, or as created by discrepancies between the plat and the actual construction. If any portion of the Common Elements shall actually encroach upon any Dwelling, or if any Dwelling shall actually encroach upon any portion of the Common Elements, or if any Dwelling shall actually encroach upon another Dwelling, as the Common Elements and the Dwellings are shown by the plat, a valid easement for any of said encroachments and for the maintenance thereof, so long as they stand, shall and does exist. In the event that any Dwelling or structure is repaired, altered or reconstructed, the Owners of the Units agree that similar encroachments shall be permitted and that a valid easement for said encroachments and for the maintenance thereof shall exist. Owners and any other parties acquiring an interest in the Property shall acquiesce and agree to the existence of such easements by accepting a deed or by acquiring an interest in the Property.

(c) EASEMENT FOR DECLARANT. Declarant, its agents, employees and subcontractors shall have a temporary easement upon the Property as is necessary for development of adjacent property, whether such property is brought within the Property or not.

(d) ASSOCIATION. The Association shall have the right to grant permits, licenses and easements over the Common Elements for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property, on such terms and conditions as the Board may deem advisable.

Section 19. COMMON WALLS. The rights and duties of Owners with respect to common walls shall be as follows:

(a) The Owners of contiguous Dwellings who share a Common Wall shall both equally have the right to use such wall provided such use by one Owner does not interfere with the use and enjoyment by the other Owner.

(b) If any Common Wall is damaged or destroyed through the act of an Owner, tenant, their agents, guests or members of their family (whether or not such act is negligent or otherwise culpable), it shall be the obligation of the Board, at the cost of such Owner, to rebuild and repair the Common Wall without cost to the other adjoining Owner or Owners, to the extent such cost is not covered by insurance.

(c) If any such Common Wall is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act of an adjoining Owner, tenant, their agents, guests, or member of their family, it shall be the obligation of the Board, at the cost of the Association to rebuild and repair such Common Wall.

(d) Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any portion of any Building without the prior written consent of the Board.

(e) In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a Common Wall, or with respect to the bearing of the cost therefor, the Owners shall submit the dispute to the Board for final decision.

ARTICLE VIII

INSURANCE

Section 1. ASSOCIATION HAZARD INSURANCE. The Board shall obtain and continue in effect insurance coverage on the Property, except the contents of the Dwellings, and other improvements on or within the Common Elements as well as personal and real property belonging to the Association, in an amount equal to the maximum insurable replacement value, with "inflation guard", "special condominium" and "condominium replacement cost" endorsements, without deduction or allowance for depreciation, which amount shall be determined annually. Such insurance shall afford protection against loss or damage by fire and such hazards covered by a standard extended coverage and all risk endorsements and such other risks or hazards as from time to time shall be customarily covered with respect to buildings similar in construction, location and use. In addition, any fixtures, equipment or property within the Units which are to be subject to a mortgage eligible for purchase by Federal National Mortgage Association ("FNMA") must be covered in the "blanket" or "master" policy required above.

Section 2. INSURER. The insurance carrier(s) for all insurance herein shall be listed in the most recent Best's Key Rating Guide as Class VI or better and must be licensed in Arizona.

Section 3. LOSS PAYABLE. Said insurance shall be for the benefit of the Association and the Owners and their Mortgagees as their interests may appear; provided, however, all proceeds payable by reason of said insurance shall be paid to the Association as trustee for the Owners and their Mortgagees as their interests may appear for the express purpose of reconstruction and repair or as otherwise provided in Section 8 of this Article hereof. The Board shall have exclusive authority to negotiate with the insurance carrier and to adjust losses, make settlements and give releases to the insurance carrier. The Board is irrevocably appointed agent for each Owner subject to the provisions contained herein, to adjust all claims arising under insurance policies selected by the Board and to execute and deliver releases of claims, and the Board has full and complete power to act for the Association in this regard. The foregoing provisions of this Section are without prejudice to the right of any Owner to obtain individual Unit insurance; but no Owner shall be entitled to exercise his right to maintain individual Dwelling insurance in such a way as to decrease the amount which the Association may realize as trustee under any insurance policy required hereunder. Each policy obtained by the Association shall contain a "severability of interest" endorsement and a standard mortgagee clause endorsed to provide that the proceeds are payable to the Association for the use and benefit of the Mortgagees as their interests may appear and requiring not less than ten (10) days written notice to the Association and to any

Mortgagees listed with such insurer prior to any cancellation or modification.

Section 4. ASSOCIATION LIABILITY INSURANCE. In addition to the hazard insurance coverage provided above, the Board shall obtain comprehensive general public liability insurance in such amounts equal to or exceeding One Million Dollars (\$1,000,000.00) for a single occurrence covering all of the Common Elements or property owned by the Association. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements and legal liability arising out of actions related to employment contracts of the Association. Such policy must provide that it may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy. The Board may also obtain such other insurance as it shall determine from time to time to be appropriate to protect the Association or the Owners.

Section 5. COST; WAIVER. All insurance premiums for any insurance coverage obtained by the Board shall be a common expense of the Association. The Association and each Owner hereby expressly waive any claim it or they may have against the other for any loss insured under any policy obtained by the Board, however caused, including such losses as may be due to negligence of such other party, its agents or employees. All such policies of insurance shall contain a provision that they are not invalidated by the foregoing waiver, but such waiver shall cease to be effective if the existence thereof precludes the Association from obtaining any such policy. No policy shall provide (i) that contributions or assessments may be made against the Association, the Owners or FNMA or its designees or may become a lien of any Mortgage or (ii) that payments are contingent upon the action of the carrier's board of directors, policyholders or members or (iii) that proceeds are restricted by any other non-insurance condition clause. All policies must provide that they are not prejudiced by any act or neglect of individual Owners which is not in the control of the Association. In all other respects, all policies must comply with and be acceptable to FNMA under its established policies from time to time.

Section 6. EXCLUSIONS FROM COVERAGE. Notwithstanding anything to the contrary herein, the insurance coverage obtained by the Board shall exclude (i) any coverage on any personal property located within or appurtenant to the exclusive use of a Dwelling, including but not limited to, appliances, patio door and window glass, drapes, carpeting and wall coverings, such as wallpaper, mirrored walls and paneling and (ii) any liability coverage on an Owner, its guests, invitees, employees or any other occupants of such Dwelling, arising out of any and all occurrences and happenings within a Dwelling and/or relating in any way whatsoever to said personal property. It is the sole responsibility of each Unit Owner to obtain such insurance coverages as are excluded from the insurance coverage obtained by the Board. Notwithstanding the foregoing, the Association's hazard insurance policy shall state that it is primary in the event any Owner has other insurance covering the same loss.

Section 7. FIDELITY BONDS. The Association shall maintain blanket fidelity bonds for all officers, directors, trustees, employees and designated agents of the Association and all other persons handling or responsible for funds of or administered by the Association. Where the Association has delegated some or all of the responsibility for the handling of funds to a management firm, the Association shall name the management firm as its designated agent and obtain an appropriate

holder to its blanket fidelity bond so as to provide fidelity bonds for the management firm's officers, employees and agents handling or responsible for funds of, or administered on behalf of the Association. The total amount of fidelity bond coverage shall be based upon the best business judgment of the Board, and shall not be less than an amount equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the Property. In no event shall the aggregate amount of such fidelity bonds be less than a sum equal to three months assessments on all Units plus adequate reserve funds. Fidelity bonds obtained by the Association must also meet the following requirements:

- (a) The fidelity bonds shall name the Association as an obligee;
- (b) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions;
- (c) The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association and each First Mortgagee.

Section 8. DAMAGE OR DESTRUCTION. If an Improvement is damaged or destroyed by fire or other casualty or disaster, such Improvement shall be promptly repaired, restored or reconstructed to the extent required to restore it to substantially the same condition in which it existed prior to the occurrence of the damage or destruction, with each Dwelling and the Common Elements having the same vertical and horizontal boundaries. Such repairs, restoration or reconstruction shall be paid for out of any insurance proceeds received on account of the damage or destruction; provided, however, that if the insurance proceeds are not sufficient for such purpose, the deficiency shall be assessed as a common expense.

ARTICLE IX

NOTICE OF VIOLATION

Section 1. RECORDING OF NOTICE. The Association shall have the right to record a written notice of a violation by an Owner of any restriction or provision of this Declaration, the Articles, or the By-Laws or Rules and Regulations. The notice shall contain substantially the following information:

- (1) The name of the Owner;
- (2) The legal description, street address, and number of the Unit against which the notice is being recorded;
- (3) A brief description of the nature of the violation;
- (4) A statement that the notice is being recorded by the Association pursuant to this Declaration; and
- (5) A statement of the specific steps which must be taken by the Owner to comply with this Declaration or the applicable rule.

Section 2. EFFECT OF RECORDING. Recordation of a Notice of Violation shall serve as notice to the Owner and to any subsequent purchaser of the Unit that there is a violation of the provisions of this Declaration, the Articles, the By-Laws, or Rules and Regulations. The Association may charge the Owner of the Unit against which the Notice of Violation is recorded a reasonable fee as and for its cost incurred in investigating the

violation, preparing and recording the notice, obtaining legal advice in connection therewith and other fees or expenses incurred. If, after the recordation of such notice, it is determined by the Association that the violation referred to in the notice has been cured, the Association shall record a notice of compliance which shall state the legal description, street address and number of the Unit against which the notice of violation was recorded, the recording data identifying the docket and page where the notice of violation was recorded, and shall state that the violation referred to in the notice of violation has been cured, or if such be the case, that it did not exist.

ARTICLE X

TERMINATION OF THE HORIZONTAL
PROPERTY REGIME

Section 1. METHOD OF TERMINATION. Notwithstanding any contrary provision of this Declaration, the Articles, or the By-Laws, the Horizontal Property Regime created by the recording of this Declaration may only be terminated with the approval of all of the Owners of the Units. Any such termination of the Horizontal Property Regime shall be executed and acknowledged by all of the Owners and recorded with the County Recorder of Maricopa County, Arizona. If at the time of such termination there are any encumbrances or liens against any of the Units, the declaration of withdrawal will be effective only when the creditors holding such encumbrances or liens also execute and acknowledge such declaration of withdrawal, or their encumbrances or liens are satisfied other than by foreclosure against the Unit or expire by operation of law. No termination of the Horizontal Property Regime shall be a bar to any subsequent commitment of the Property to a Horizontal Property Regime. So long as there is a Class B membership in the Association, any termination of the Horizontal Property Regime must be approved by the Veterans Administration or the Federal Housing Administration. Any termination must also comply with any applicable requirements of Article XI of this Declaration.

ARTICLE XI

MORTGAGEE PROTECTION

Section 1. NOTIFICATION TO FIRST MORTGAGEES. Upon written request of a holder, insurer or guarantor of a First Mortgage, identifying the name and address of such party and the Unit affected, the Association shall give timely written notice of:

- (1) Any condemnation or casualty loss that affects either a material portion of the Property or the Unit securing its Mortgage;
- (2) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the Mortgage;
- (3) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association and
- (4) Any proposed action that requires the consent of a specified percentage of Mortgagees as specified below.

Section 2. ACTIONS REQUIRING APPROVAL OF FIRST MORTGAGEES. To the extent permitted by applicable law, First Mortgagees shall have the following rights:

- (a) Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and

the original plans and specifications, unless other action is approved by holders of first mortgages on Units the Owners of which have at least fifty-one percent (51%) of the votes in the Association allocated to Owners of all Units subject to First Mortgages.

(b) Any election to terminate the legal status of the Property after substantial destruction or a substantial taking in condemnation of the Property shall not be effective unless approved by holders of First Mortgages on Units the Owners of which have at least fifty-one percent (51%) of the votes in the Association allocated to Owner of all Units subject to First Mortgages.

(c) Unless the formula for reallocation of interest in the General Common Elements after a partial condemnation or partial destruction of the Property is fixed in advance by the Declaration or By-Laws or by applicable law, no reallocation of interests in the General Common Elements resulting from a partial condemnation or partial destruction of the Property may be effected without the prior approval of holders of First Mortgages on all remaining Units, whether existing in whole or in part, the Owners of which have at least fifty-one percent (51%) of the votes in the Association allocated to Owners of all Units subject to First Mortgages.

(d) When professional management of the Association has been previously required by any First Mortgagee, any decision to establish self management by the Association shall require the prior consent of Owners having at least sixty-seven (67%) percent of the votes in the Association and the approval of holders of First Mortgages on Units the Owners of which have at least fifty-one (51%) percent of the votes in the Association allocated to Owners of all Units subject to First Mortgages.

Section 3. APPROVAL REQUIRED FOR AMENDMENT TO DECLARATION, ARTICLES OR BY-LAWS. The following provisions shall apply to all amendments to the Declaration, Articles and By-Laws, except for those amendments made as a result of destruction, damage or condemnation pursuant to Section 2 of this Article:

(a) The consent of Owners having at least sixty-seven (67%) percent of the votes in the Association and the approval of holders of First Mortgages on Units the Owners of which have at least sixty-seven (67%) percent of the votes in the Association allocated to Owners of all Units subject to First Mortgages shall be required to add or amend any material provisions of the Declaration, the Articles or the By-laws which establish, provide for, govern or regulate termination of the legal status of the Property as a Horizontal Property Regime.

(b) The consent of Owners having at least sixty-seven (67%) percent of the votes in the Association and the approval of holders of First Mortgages on Units the Owners of which have at least fifty-one (51%) percent of the votes in the Association allocated to Owners of all Units subject to First Mortgages shall be required to add or amend any material provisions of the Declaration, the Articles or the By-Laws which establish, provide for, govern or regulate any of the following:

1. Voting;
2. Assessments, assessment liens or subordination of such liens;
3. Reserves for maintenance, repair and replacement of General Common Elements;
4. Insurance or fidelity bonds;
5. Rights to the use of the General Common Elements;

6. Responsibility for maintenance and repairs;
7. Expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property;
8. Boundaries of any Dwelling;
9. The interests in the General Common Elements or Restricted Common Elements;
10. Convertability of Dwellings into General Common Elements or of General Common Elements into Dwellings;
11. Leasing of Dwellings;
12. Imposition of any restriction on the right of any Owner to sell, transfer or otherwise convey his Unit;
13. Any provisions which are for the express benefit of mortgage holders, insurers, or guarantors of First Mortgages on Units.

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

Section 4. PROHIBITION AGAINST RIGHT OF FIRST REFUSAL. The right of an Owner to sell, transfer or otherwise convey his Unit shall not be subject to any right of first refusal or similar restriction.

Section 5. FIRST MORTGAGEE NOT LIABLE FOR PRIOR ASSESSMENTS. Any First Mortgagee or any other party acquiring title or coming into possession of a Unit through foreclosure of the First Mortgage, purchase at a foreclosure sale or trustee sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title free and clear of any claims for unpaid assessments and charges against the Unit which became payable prior to such sale or transfer. Any such delinquent assessments which are extinguished pursuant to this Section may be reallocated and assessed to all Units as a common expense. Any assessments and charges against the Unit which accrue prior to such sale or transfer shall remain the obligation of the defaulting Owner of the Unit.

Section 6. SUBORDINATION OF CERTAIN LIENS TO FIRST MORTGAGE. Any lien which the Association may have on a Unit for the payment of assessments or other charges becoming payable on or after the date of the recording of the First Mortgage on the Unit shall be subordinate to the First Mortgage.

Section 7. RIGHT OF INSPECTION OF RECORDS. Any Owner, holder, insurer or guarantor of any Mortgage will, upon written request, be entitled to (a) inspect the current copies of this Declaration, the Articles, the By-Laws, rules and regulations, and the books, records and financial statements of the Association during normal business hours; (b) receive within ninety (90) days following the end of any fiscal year of the Association, a financial statement of the Association, free of charge to the requesting party; and (c) receive written notice of all meetings of the members of the Association and be permitted to designate a representative to attend all such meetings.

Section 8. PRIOR WRITTEN APPROVAL OF FIRST MORTGAGEES. Except as provided by statute in case of condemnation or substantial loss to the Units and/or the General Common Elements, unless at least two-thirds (2/3) of all First Mortgagees (based upon one vote for each First Mortgage owned) or Owners (other than the Declarant or other sponsor, developer or builder of the Property) of the Units have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon the Property or terminate this Declaration;

(b) Change the pro rata interest or obligations or any individual Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit in the General Common Elements;

(c) Partition or subdivide any Unit;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the General Common Elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the General Common Elements shall not be deemed a transfer within the meaning of this paragraph;

(e) Use hazard insurance proceeds for losses to any Units or the General Common Elements for other than the repair, replacement or reconstruction of such Units or the General Common Elements.

Section 9. LIENS PRIOR TO FIRST MORTGAGE. All taxes, assessments, and charges which may become liens prior to the First Mortgage under local law shall relate only to the individual Unit and not to the Property as a whole.

Section 10. CONDEMNATION OR INSURANCE PROCEEDS. No Owner of a Unit, or any other party, shall have priority over any rights of any First Mortgagee of the Unit pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds of condemnation awards for losses to or a taking of Units and/or General Common Elements.

ARTICLE XII

GENERAL PROVISIONS

Section 1. ENFORCEMENT. The Association or any Owner shall have the right to enforce, by a proceeding at law or in equity or in accordance with By-Laws, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. SEVERABILITY. Should any covenant or restriction herein be held invalid or void, such invalidity shall not affect the other provisions of this instrument or the valid covenants or restrictions contained herein.

Section 3. DURATION, AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Except for the special rights of Mortgagees set forth in Article XI, this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Unit Owners, and thereafter by an instrument

signed by not less than seventy-five percent (75%) of the Unit Owners. Any amendment must be recorded. So long as there is a Class B Membership in the Association, the Veterans Administration or the Federal Housing Administration must approve any amendment to this Declaration. Any amendment must also comply with any applicable provision of Article XI of this Declaration. Notwithstanding anything to the contrary in this Section, so long as there is a Class B Membership in the Association, the Declarant shall have the right to amend this Declaration without obtaining the approval or consent of any other Owner or mortgagee in order to conform the Declaration to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration; provided, however, that any such amendment by the Declarant must be approved by the Veterans Administration or the Federal Housing Administration. Any such amendment shall not be subject to the provisions of Article XI of this Declaration.

Section 4. VIOLATIONS AND NUISANCE. Every act or omission whereby any provision of this Declaration is violated may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Owner. However, only Declarant, the Association or the Board, or their duly authorized agents may enforce by self-help any of the provisions of this Declaration.

Section 5. VIOLATION OF LAW. Any violation of any state, municipal, or local law, ordinance, or regulation, pertaining to the ownership, occupation or use of any Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 6. BINDING EFFECT.

(a) By acceptance of a deed or by acquiring an ownership interest in any of the Property included within this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, agrees to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendment thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Property and thereby evidences his intent that all the restrictions, conditions, covenants, rules and regulations contained or authorized herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

(b) Any of the special rights or privileges granted or reserved herein to Declarant shall be assignable by Declarant to any person or persons in a writing specifically designating such effect.

Section 7. OWNER'S RESPONSIBILITY. Each Owner shall be responsible for compliance by said Owner's agent, tenant, guest, invitee, lessee, licensee, their respective servants and employes with the provisions of this Declaration, Articles, By-Laws and Association rules, as they may be amended from time to time. The Owner's failure to require compliance by such persons shall be grounds for action by the Association as if noncompliance was by the Owner.

Section 8. CONDEMNATION. In the event of a taking by eminent domain of part or all of the Common Elements, or for the sale made under threat thereof, or for the termination of the Horizontal Property Regime, the award made for or proceeds from such taking or termination shall be payable to the Association

for the use and benefit of the Owners and their Mortgagees as their interests may appear. The Association shall exclusively represent the Owners in any such proceedings, negotiations, settlements and agreements. The Board on behalf of the Association shall arrange for the repair and restoration of such Common Elements to such condition that the Common Elements are usable. The Board shall disburse proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If any excess funds remain after repair and restoration, such funds shall be deposited in the Association's operating reserves account. Any deficiency of funds shall be assessed as a special assessment under Article V hereof.

Section 9. REDUCTION IN NUMBER OF UNITS. If any Dwelling is taken by eminent domain proceedings or is destroyed and not rebuilt, so that a Unit ceases to exist, the undivided fractional interest of each Owner in the entire Horizontal Property Regime shall be adjusted proportionately pursuant to Article I, Section 3(e) hereof.

Section 10. REMEDIES CUMULATIVE. Each remedy provided herein is cumulative and not exclusive.

Section 11. DELIVERY OF NOTICES AND DOCUMENTS. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been deposited in the United States mail, postage prepaid, addressed as follows: If to the Association, c/o J & S Development, Ltd., 11430 North 27th Street, Phoenix, Arizona 85028; if to an Owner, to the address of his Dwelling within the Property owned, in whole or in part, by him or to any other address last furnished by an Owner to the Association and if to Declarant, to J & S Development Ltd., 11430 North 27th Street, Phoenix, Arizona 85028; provided, however, that any such address may be changed at any time by the party concerned by recording a written notice of change of address and delivering a copy thereof to the Association. Each Owner of a Unit shall file the correct mailing address of such Owner with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

Section 12. SURVIVAL OF LIABILITY. The termination of membership in the Association shall not relieve or release any such former Owner or member from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership or membership, or impair any rights or remedies which the Association may have against such former Owner or member arising out of, or in any way connected with such ownership or membership and the covenants and obligations incident thereto.

Section 13. JOINT AND SEVERAL LIABILITY. In the case of joint ownership of a Unit, the liabilities and obligations of each of the joint Owners set forth in, or imposed by this Declaration, the Articles, the By-Laws, or rules and regulations, shall be joint and several.

Section 14. DECLARANT'S EXEMPTION. Nothing contained in the Declaration shall be construed to prevent the erection or maintenance by Declarant or its duly authorized agents, of improvements or signs necessary or convenient to the development or sale of the Property or the Units. Declarant and its agents and assigns specifically reserve the right to use and enjoy the Common Elements and all other Improvements and buildings and grounds in connection with its advertising, promotion and sales efforts; provided, however, that such use of the Common Elements by the Declarant must not interfere with any Owner's use and enjoyment of the Common Elements. So long as the Declarant owns any Unit, this Declaration, the Articles, or the By-Laws may not be amended in any way which would eliminate, modify or impair the rights of the Declarant as set forth in this Section.

Section 15. ATTORNEY'S FEES. In the event the Declarant, the Association or any Owner employs an attorney or attorneys to enforce a lien or to collect any amounts due from an Owner or to enforce compliance with or recover damages for any violation or non-compliance with this Declaration, the Articles, the By-Laws, or rules and regulations, the prevailing party in any such action shall be entitled to recover from the other party their reasonable attorney's fees incurred in the action.

Section 16. INTERPRETATION.

(a) DESCRIPTIVE HEADINGS. The descriptive headings of the several sections of this instrument are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

(b) CAPITALIZATION. Capitalization of a common noun indicates the noun is used as defined in the Article title "Definitions," unless the context requires otherwise.

(c) GOVERNING LAW. This instrument and the rights and obligations of the parties hereunder shall be construed in accordance with and shall be governed by the laws of the State of Arizona.

(d) CONFLICTS. In the event of conflicts among this Declaration, the Articles, By-Laws and Rules of the Association, the Declaration, Articles, By-Laws and Rules of the Association shall prevail, in that order.

Executed at _____, this
_____ day of _____, 1984.

J & S DEVELOPMENT LTD., an
Arizona corporation

By _____
Its President

STATE OF ARIZONA)
 : ss.
County of Maricopa)

On this _____ day of _____, 1984, before me, the undersigned Notary Public, personally appeared Sylvia Schum of J & S Development Ltd., an Arizona corporation, who is known to me, and she acknowledged that she executed the within instrument on behalf of said corporation for the purposes therein stated.

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

Notary Public

My Commission Expires:

Section 15. ATTORNEY'S FEES. In the event the Declarant, the Association or any Owner employs an attorney or attorneys to enforce a lien or to collect any amounts due from an Owner or to enforce compliance with or recover damages for any violation or non-compliance with this Declaration, the Articles, the By-Laws, or rules and regulations, the prevailing party in any such action shall be entitled to recover from the other party their reasonable attorney's fees incurred in the action.

Section 16. INTERPRETATION.

(a) DESCRIPTIVE HEADINGS. The descriptive headings of the several sections of this instrument are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

(b) CAPITALIZATION. Capitalization of a common noun indicates the noun is used as defined in the Article title "Definitions," unless the context requires otherwise.

(c) GOVERNING LAW. This instrument and the rights and obligations of the parties hereunder shall be construed in accordance with and shall be governed by the laws of the State of Arizona.

(d) CONFLICTS. In the event of conflicts among this Declaration, the Articles, By-Laws and Rules of the Association, the Declaration, Articles, By-Laws and Rules of the Association shall prevail, in that order.

Executed at Phoenix, Arizona, this 11 day of October, 1984.

J & S DEVELOPMENT LTD., an Arizona corporation

By Sylvia Schumm
Its president

STATE OF ARIZONA)
 : ss.
County of Maricopa)

On this 11 day of October, 1984, before me, the undersigned Notary Public, personally appeared Sylvia Schumm of J & S Development Ltd., an Arizona corporation, who is known to me, and she acknowledged that she executed the within instrument on behalf of said corporation for the purposes therein stated.

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

Diane Cope
Notary Public

My Commission Expires:
2-22-85

84 444140

EXHIBIT A

The East 1/2 of Lot 5, Kay Acres recorded at Book 33 of Maps, Page 28, Official Records of Maricopa County, Arizona

EXCEPT the West 11.00 feet thereof.

Also described as Lots One(1) through Eight (8) of SPANISH HILLS, according to Book 260 of Maps, page 22, records of Maricopa County, Arizona.

SPANISH HILLS

HORIZONTAL PROPERTY REGIME
72 1/2 ACRES SECURED BY 35 OF MAPS
IN MARICOPA COUNTY, ARIZONA
SUBJECT THE WEST 1/4 OF SECT 10

LEGEND

1. THE PROPERTY IS SHOWN IN RED ON THE ORIGINAL PLAN AND IS IDENTIFIED BY THE NUMBER 10 ON THE ORIGINAL PLAN. THE PROPERTY IS SHOWN IN RED ON THE ORIGINAL PLAN AND IS IDENTIFIED BY THE NUMBER 10 ON THE ORIGINAL PLAN.

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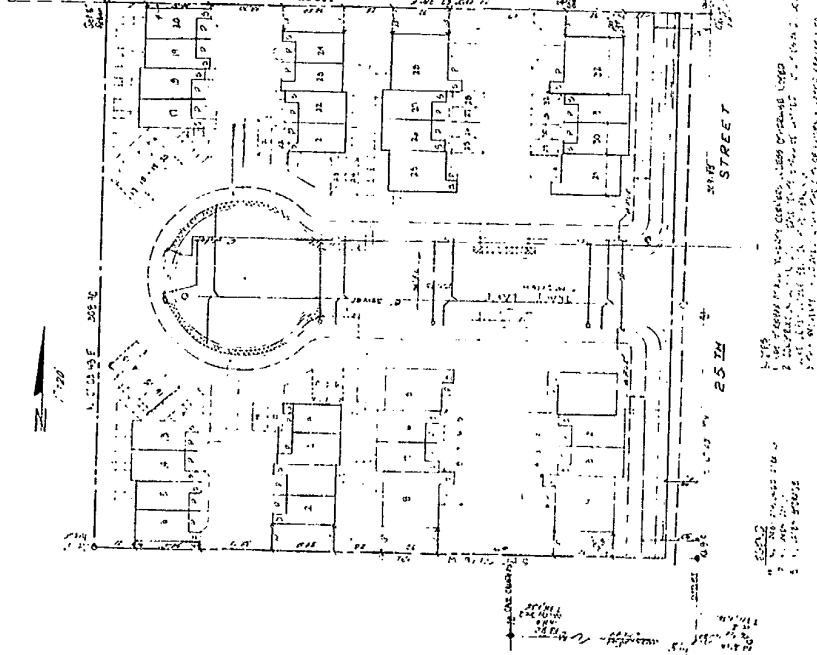
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EXHIBIT B

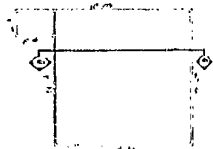
APPLICANT	JAMES J. WILSON
ADDRESS	1000 N. CENTRAL AVENUE, PHOENIX, ARIZONA
DATE	APRIL 15, 1954
SCALE	AS SHOWN
BY	JAMES J. WILSON
CHECKED BY	JAMES J. WILSON
DATE	APRIL 15, 1954

APPROVED BY THE BOARD OF THE CITY OF PHOENIX, ARIZONA, THIS _____ DAY OF _____ 1954.

APPROVED BY _____ CITY ENGINEER

APPROVED BY _____ CITY ATTORNEY

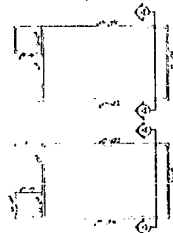
HORIZONTAL PROPERTY REGIME
SPANISH HILLS



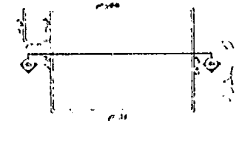
Floor A



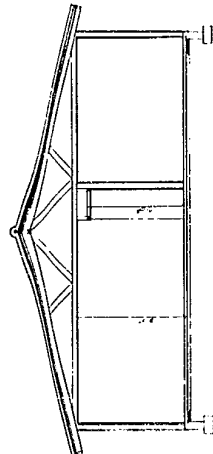
Floor B



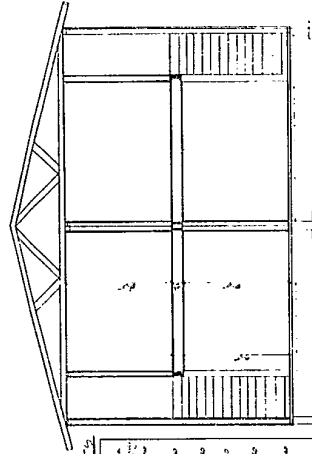
Floor C



Floor D



North Elevation



South Elevation

Item	Quantity	Unit	Material
1. Cement	100	m ³	OPC 42.5
2. Sand	200	m ³	Zone 2
3. Aggregate	300	m ³	Zone 2
4. Steel	10	ton	Fe 415
5. Bricks	10000	nos	Red
6. Tiles	500	m ²	Glazed
7. Paint	10	liters	White
8. Labor	100	man-days	Local

SPANISH HILLS CONDOMINIUMS
 PROJECT NO. 84 444140
 DATE: 10/10/2018
 DRAWN BY: [Name]

EXHIBIT B

AMERICAN TITLE
LICENSED

J & S DEVELOPMENT LTD.
11430 North 27th Street
Phoenix, Arizona 85028
(602) 992-4797

84 484712

BONDED

RTF PLAT

RATIFICATION
PLAT AND DECLARATION OF RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the owner of record of that certain Deed of Trust dated April 14, 1983, and recorded in Maricopa County Records No. 83-174328 on May 9, 1983, covering property which has been subsequently subdivided and platted, hereby consents and confirms to the plat of SPANISH HILL CONDOMINIUMS, according to the plat of record in the office of Maricopa County Recorder in Book 273 of Maps, page 34, and each and every dedication more specifically set forth thereon as if it had joined in the execution thereof.

Vladimir Novak

The undersigned does hereby approve and confirm the Declaration of Restrictions recorded OCTOBER 11, 1984, recording no. 84-444140, as if it had joined in execution thereof.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be signed by the undersigned officer thereunto duly authorized this 11th day of October, 1984.

Vladimir Novak
By: _____

STATE OF ARIZONA)
) ss
County of Maricopa)

The foregoing instrument was acknowledged before me this 11th day of October, 1984, by VLADIMIR NOVAK.

My commission will expire:
9-9-87

Courine O. May
Notary Public

RECORDED IN OFFICIAL RECORDS
OF MARICOPA COUNTY, ARIZONA
NOV 7 - '84 - 2 00
BILL HENRY, COUNTY RECORDER
FEE \$ 00 PPS / R.B.

AMERICAN TITLE

LICENSED

J & S DEVELOPMENT LTD. 84 484713 BONDED
11430 North 27th Street
Phoenix, Arizona 85028
(602) 992-4797

70320

RTF 17AT

RATIFICATION

PLAT AND DECLARATION OF RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the owner of the record of those certain Deeds of Trust dated October 18, 1983 and recorded on November 18, 1983, Recording Nos. 83-464851 and 83-464852, covering property which has been subsequently subdivided and platted, hereby consents and confirms to the plat of SPANISH HILLS CONDOMINIUMS, according to the plat of record in the office of the Maricopa County Recorder in Book 273 of Maps, page 34, and each and every dedication more specifically set forth thereon as if it had joined in the execution thereof.

The undersigned does hereby approve and confirm the Declaration of Restrictions recorded Oct 11, 1984, recording no. 84-444140, as if it had joined in execution thereof.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be signed by the undersigned officer thereunto duly authorized this 12 day of Oct, 1984.

By: [Signature]

STATE OF ARIZONA }
County of Maricopa } ss

The foregoing instrument was acknowledged before me this 12 day of Oct, 1984, by [Signature]
[Title].

My commission will expire: [Signature]
Notary Public

My Commission expires Sept 20, 1985

RECORDED IN OFFICIAL RECORDS
OF MARICOPA COUNTY, ARIZONA
NOV 7 - '84 - 2 00
BILL HENRY, COUNTY RECORDER
FEE 6.00 PGS 1 R.B.

RECORDED IN OFFICIAL RECORDS
 OF MARICOPA COUNTY, ARIZONA
 NOV 16 '84 - 3 15
 BILL HENRY, COUNTY RECORDER
 FEE 1.50 PGS 2 DL

AMENDMENT TO DECLARATION OF HORIZONTAL PROPERTY REGIME
 TOGETHER WITH COVENANTS, CONDITIONS AND RESTRICTIONS
 FOR
 THE SPANISH HILLS CONDOMINIUMS

PROD RSTG

Amendment to Declaration of Horizontal Property Regime Together With Covenants, Conditions and Restrictions for Spanish Hills Condominiums is made this ___ day of ___, 1984, by J & S Eevelopment Ltd., an Arizona corporation (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the legal owner of real property in Phoenix, Maricopa County, Arizona which property is platted as a Horizontal Property Regime according to the plat recorded at Book 273 of Maps, page 34, Official Records of Maricopa County, Arizona; and

WHEREAS, said property is subject to that certain Declaration of Horizontal Property Regime Together with Covenants, Conditions and Restrictions dated and recorded October 11, 1984 at No. 84 444140, Official Records of Maricopa County, Arizona (the "Declaration"); and

WHEREAS, Declarant desires to amend the Declaration to clarify the description of General Common Elements.

NOW, THEREFORE, pursuant to Article XII, Section 3 of the Declaration, Declarant hereby declares as follows:

That certain Declaration of Horizontal Property Regime Together with Covenants, Conditions and Restrictions dated and recorded October 11, 1984 at No. 84 444140, Official Records of Maricopa County, Arizona is hereby amended as follows:

The first sentence of Article I, Section 3 is amended to read as follows:

"The General Common Elements shall include all of said Property, all as is more fully set forth and described herein and in Exhibit B, except for the streets dedicated to the City of Phoenix and the public utility easements, and except for a Dwelling as defined."

IN WITNESS WHEREOF, Declarant has executed this Supplementary Declaration as of the date first hereinabove written.

Declarant:

J & S Development Ltd., an Arizona corporation,

By Sylvia Schumm
 Sylvia Schumm
 Its President

STATE OF ARIZONA)
) ss.
 County of Maricopa)

On this the 17 day of November, 1984, before me, the undersigned Notary Public, personally appeared Sylvia Schumm, J & S Development Ltd., an Arizona corporation, who is known to me, and she acknowledged that she executed the within

instrument on behalf of said corporation for the purposes therein stated.

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

J. Louis L. Simstad
Notary Public

My Commission Expires:

9.22.55