When recorded return to: Storey & Ross 2100 North Central Avenue Suite 110 Phoenix, Arizona 85004

Attention: David W. Kreutzberg

REVOCATION AND RECISION OF DECLARATIONS

THIS REVOCATION AND RECISION OF DECLARATIONS, made on the date hereinafter set forth, by Eric Gregory Moore and Patricia Mary Moore, husband and wife (hereinafter referred to as "Declarant") and Title Insurance Company of Minnesota, a Minnesota corporation, as Trustee under Trust No. 10389 and not personally or in its corporate capacity (hereinafter referred to as "Owner").

WHEREAS Declarant was the Declarant under that certain Declaration of Horizontal Property Regime dated January 1, 1981 and recorded on February 23, 1981 in Docket 6472, pages 601-603 and that certain Declaration of Covenants, Conditions and Restrictions dated January 1, 1981 and recorded on February 23, 1981 in Docket 6472, pages 604-613 as amended by that certain Supplemental Information dated March 3, 1981 and recorded on March 5, 1981 in Docket 6480, page 1032 of the Records of the Pima County, Arizona Recorder (hereinafter referred to as "Declarations"); and

WHEREAS Owner is the current record title owner of the property covered and subject to the Declarations, which property is legally described as follows:

Lots 3 and 4 of Harrison Estates Amended, according to the plat of record in the office of the County Recorder of Pima County, Arizona, in Book 8 of Maps, page 60; EXCEPT the North 35 feet thereof;

ALSO KNOWN AS:

Units 1 through 34 and the Common Areas A and B, HARRISON ESTATES CONDOMINIUMS, according to the plat of record in the Office of the County Recorder, Pima County, Arizona, in Book 33 of Maps, page 90

(hereinafter referred to as the "Property") and;

WHEREAS Declarant and Owner desire to revoke and rescind the Declarations in their entirety and for all purposes.

NOW THEREFORE Declarant and Owner hereby revoke and rescind the Declarations and each of them in their entirety and for all purposes and hereby declare that the Property shall be held, conveyed, transferred, assigned, encumbered and otherwise dealt with entirely and absolutely free from the Declarations and each of them.

IN WITNESS WHEREOF the undersigned have executed this Revocation and Recision of Declarations this 15TH day of Sept., 1981.

DECLARANT:

Eric Gregory Moore
Policie Marie Marie

•

OWNER:

Title Insurance Company of Minnesota, a Minnesota corporation, as Trustee under Trust Number 10389, and not personally or in its corporate capacity

By: Barbars & Miller

STATE OF ARIZONA

ss.

County of PIMA

The foregoing instrument was acknowledged before me this 15th day of SEPTEMBER, 1981, by Eric Gregory Moore.

Notary Public

My Commission Expires:



	•		•
STATE OF ARIZONA)	•		
1 00	•		•
County of PINA			•
The forester in			
The foregoing ins this <u>1574</u> day of <u>Skore</u>	scrument w	as acknowledged	before me
01116 1011 day 01 15697117	1 <u>0 Eve</u> , 1	. For by Patricia	mary moore.
		NOn	15 de
		N () X23	18V C3m
		Notary Public	5 st 1 7 0
My Commission Expires:	•	_ ,	
113 COMMERCION EXPILES:			
3-29-83		•	
1			
			Oak Sugar
STATE OF ARIZONA)	•		the contract of the contract o
) ss.		,	***
County of Pima)			
The foregoing ins	trument w	as acknowledged	before me
this 15th day of September the Trust Officer	,,,,,,	981, by <u>BARBARA 1</u> Title Insurance	L. MILLER
Minnesota, a Minnesota corp	oration.	as Trustée under	Trust
Number 10389, and not person	nally or	in its corporate	capacity.
and known to me to be the p	erson who	executed the wi	thin
instrument in such capacity	•		
•	X1) -	$\overline{}$	
	Trans-	trances Casili	The May
	CZ,/13-02	Notary Publack	
	•	J.N.	3 19 19
My Commission Expires:		. ដីហិ	Tive to the same
10-24-83		1 20	
*			
		- 9	A DIE NO DE LA CONTRACTION DEL CONTRACTION DE LA
		•	
	•		<i></i>
		4715	CITY CLERK.
•			9 611 0-214
	-00	3 100 C	<i></i>
	والمكنث والمجار		S BLOTTED
•	B	INGEXED COPIE	s Scotter
	AMIQ B	v M L	<u>'</u>
	FT CO INT	State of Arizona ss	•
		County of Pima hareby certify that	the instru-
	ALI IN	ment wood liked for stoom	25 18 18 Wood
		01 (ATT) 10 N 1 O	1992 -3.50 PM
		DateUAIX_D	Page 687-689
£CO.		Book	and mutated Seed
6699111 689	:	Witness my hand	and Chicket Sea.
		day and your above writh RICHARD IN KENKEDY.	Constyle corder
•	_3	De Toda	plese them

3

· · · · · · · · · · · · · · · · · · ·
DATED this 15TH day of SETT, 1981.
Harrison Estates Homeowners Association, Inc., an Arizona nonprofit corporation
By: Ein Jeegy Mone Eric Gregory Moore
Its President 0
By: Catricia Many Moore Its Secretary
STATE OF ARIZONA)
County of PINA) ss.
On this the 157H day SEPT , 1981, before me, the undersigned Notary Public, personally appeared Eric Gregory Moore, the President of Harrison Estates Homeowners Association, Inc., an Arizona nonprofit corporation, known to me to be the person whose name is subscribed to the foregoing Restated Articles of Incorporation, and acknowledged that he executed the same for the purposes therein contained. Notary Public
My Commission Expires:
3-29-63
STATE OF ARIZONA) County of PINA)
On this the SHH day of SHH, 1981, before me, the undersigned Notary Public, personally appeared Patricia Mary Moore, the Secretary of Harrison Estates Homeowners Association, Inc., an Arizona nonprofit corporation, known to me to be the person whose name is subscribed to the foregoing Restated Articles of Incorporation, and acknowledged that she executed the same for the purposes therein contained.
W O Zaz
Notary runtac/
DOME I SAMONANI AND INCA LINUAR BANKA MA

3.29-83

WHEN RECORDED MAIL TO:

STOREY & ROSS 2100 North Central Avenue Suite 110 Phoenix, Arizona 85004

Attention: David W. Kreutzberg, Esq.

DECLARATION OF
HORIZONTAL PROPERTY REGIME AND
COVENANTS, CONDITIONS AND RESTRICTIONS

HARRISON ESTATES CONDOMINIUMS

PIMA COUNTY, ARIZONA

STATE OF ARIZONA COUNTY OF PIMA

I hereby certify that the within instrument was filed, for record in Pima County, State of Arizona (

Book & G

690-759

Witness my hand and Official Seal.

ĺ	Indexed	Paged	Blotted	
ı				
				ĺ
ı		}		l

Eventr Parent D

PIMA

Dit Peraldine

Tron:

•

are and standard and the

12-20-71 A

on Sol Dh + of Harrison Fish to Konk 35 Page

Page 5 6699 1 590

				·						Page
ARTICLE	1									
De	efinitio	ons		. p b	• • ·				•	3
ARTICLE	2									
D€	Project	ion of P c and Cr								7
_	Rights				-	* *	•	•		
2.	.l I	Descript	ion of	Proj	ect .	• •	* * *	• •	٥	7
2.	.2 I	Division	of Pr	oject	• ,	• •		• •	•	7
	2	2.2.1	Units	• •					•	7
	:	2.2.2	Common	Area	•		• •		•	8
		2.2.3	Řecrea	tiona	l Cor	mon	Area	. <i>i</i>	•	9
2.	.3 i	No Separ Intere						, ,	•	9
2.	.4	Partitio	n Proh	ibite	đ .			• •	•	9
2	.5 2	Annexati	on of	Addit	ional	L Par	cels	5 .	٠	10
	. :	2.5.1	Annexa to P		Pursu	ant			•	10
	:	2.5.2	Annexa to A	tion pprov		ant	• •		•	10
	3	2.5.3	Conseq	uence	s of	Anne	xati	on	•	11
	:	2.5.4	Requir	ement	s for	Ann	exat	ion	i	11
2.	.6 I	De-annex	ation	of Pa	rcels			•	•	11
ARTICLE	3									
		ion, Adm ting Rig			, Men	bers	hip	•	•	13
3	.1	Associat	ion to	Mana	ge Co	mmon	Are	a	•	13

		<u>Page</u>
3.2	Membership	13
3.3	Transferred Membership	-13
3.4	Classes of Membership	13
	3.4.1 Class A Membership	13
	3.4.2 Class B Membership	14
3.5	Voting Requirements	14
3.6	Voting Rights	14
3.7	Membership Meetings	15
3.8	Board of Directors	15
ARTICLE 4		
Assess	ments and Charges	16
4.1	Creation of the Lien and Personal Obligations for Assessments and Charges	16
4.2	Purpose of Assessments	16
4.3	Annual Assessments	17
4.4	Special Assessments	18
4.5	Allocation of Assessments	19
4.6	Date of Commencement of Annual Assessment; Due Dates	19
4.7	Transfer of Unit by Sale or Foreclosure	19 .
4.8	Enforcement of Assessment and Other Monetary Obligations; Discipline; Remedies Cumulative .	20 .
	4.8.1 Enforcement and Foreclosure of Lien	20

T	Α	R	۲.	F.	OF	CC	N	m	F.	NT.	C

•		•			•					•		Page
		4.8.2	Remedy	of P	osse	ssi	on		•			21
	•	4.8.3	Suspen	sion	of R	igh	ts	•	•		•	21
•	-	4.8.4	Other	Remed	ies		•	•	•	•	•	21
	4.9	Unalloca	ated Ta	ixes		• •	•	•	•		•	21
	4.10	Tax Ass	essment	:s .				•	•	٠	•	22
ARTICI	LE 5		•									
	Duties a	and Power	rs of t	he As	soci	atio	on		•	e	•	23
	5.1	Duties a	and Pow	ers	• •	• •	•	•	•	*	•	23
	5.2	Maintena Associ	ance of iation				•	•		٠		24
	5.3	Associat Acces	tion Ea s to Un		ts a • •	nd	1.0	•	•	•	•	24
	5.4	Custodia	an Unit				•	•	•		•	24
ARTICI	LE 6		•									
	Utilitie	es			* *	• •	•	•	•	٠	•	26
	6.1	Owners'	Rights	and I	Duti	es.	•	•	. •	•	•	26
	6.2	Easement Maint	ts for enance	Utili	ties • •	and	1	•	•	•	•	26
	6.3	Associat	cion's	Duties	5.		•	•	•	•	•	27
ARTICI	LE 7											
	Use Rest	trictions	5			* •	٠	•	•	•	•	28
	7.1	Use of 3	Individ	ual U	nits	•	٠	•	•	•	•	28
	7.2	Nuisance	es	• •	• •		•	•	•	•	•	28
	7:3	Vehicle	Restri	ctions	5.		•	•	•	•	•	28
•	7.4	Signs .	• • • •	• •			•	•	•	•	•	29

	•		Page
	7.5	Animals	29
	7.6	Garbage-and Refuse Disposal	29
	7.7	Radio and Television Antennas	29
	7.8	Right to Lease	29
	7.9	Clothes Lines; Window Coverings	30
	7.10	Power Equipment and Car Maintenance	30
	7.11	Residents	30
	7.12	Liability of Owners for Damage to Common Area	30
	7.13	No Warranty of Enforceability	31
ARTICI	LE 8		
	Archited	ctural Control	32
	8.1	Prohibition of Alteration and Improvement	32
	8.2	Plans and Approval	32
	8.3	Architectural Control Committee	32·
ARTICI	E 9		
	Party Wa	alls	
	9.1	Creation of Party Wall Rights and Duties	34
•	9.2	Damage by Act of Owner	34
	9.3	Negligence	34
	9.4	Alterations or Modifications	34
	9.5	Disputes	34
•,	9.6	Benefit and Binding Effect	35

	•	Page
ARTICLE 10		
General	Provisions	36
10.1	Invalidity of Any Provision	36
10.2	Amendments	36
<i>.</i>	10.2.1 Additional Requirements for Amendment of Certain Provisions	36
10.3	Encroachment Easements	38
10.4	Mortgagee Protection Clause	38
	10.4.1 Rights of First Mortgagees .	38
	10.4.2 Changes Requiring Approval of Mortgagees	39
	10.4.3 Rights of First Mortgagees and Insurers or Guarantors of First Mortgages	40
	10.4.4 Mortgage Priority	41
	10.4.5 Compliance with FHLMC and FNMA Regulations	.41
	10.4.6 Payment of Taxes and Insurance Premiums by Mortgagees	42
	10.4.7 Owner's Right to Sell Condominium Unit	42
	10.4.8 Right to Inspect Documents; Audited Financial Statements	42
10.5	Owner's Right and Obligation to Maintain and Repair	42
.10.6	Entry for Repairs	43
10.7	Insurance; Damage or Destruction	43

	10.7.1	Reconstruction by Unit Owners	43
	10.7.2	Association Liability Insurance	43
	10.7.3	Master Hazard Insurance	44
	10.7.4	Additional Association Insurance	44
	10.7.5	Choice of Carriers; Insurance Premiums	45
	10.7.6	Proceeds from Insurance	45
	10.7.7	Total Destruction	46
	10.7.8	Personal Liability Insurance	46
	10.7.9	Waiver of Subrogation; Notice of Cancellation	46
	10.7.10	Additional Insurance Requirements	46
10.8	Condemna	ation	47
10.9	Declar	ion of Restrictions on cant; Additional Restrictions clarant	48
10.10		cion of Any Responsibility	49
10.11	Owner's	Compliance	49
10.12	Conflict	of Project Documents	50
10.13		cion of Horizontal Property	50
10.14	Persons Declar	Entitled to Enforce tation	50

•		Page
10.15	Remedies for Violation of Declaration	50
10.16	Waiver; Remedies Cumulative	52
10.17	Judicial Proceedings	52
10.18	Governing Law	53

DECLARATION OF

HORIZONTAL PROPERTY REGIME AND COVENANTS, CONDITIONS AND RESTRICTIONS

HARRISON ESTATES CONDOMINIUMS

PIMA COUNTY, ARIZONA

THIS DECLARATION, made on the date hereinafter set forth, by Eric Gregory Moore and Patricia Mary Moore, husband and wife ("Declarant"), as present owners of the beneficial interest in Title Insurance Company of Minnesota Trust Number 10389, being properly authorized so to act by the terms of the Trust, and Title Insurance Company of Minnesota, a Minnesota corporation, as Trustee thereunder ("Trustee"), solely as bare legal title holder and not personally or in its corporate capacity, and acting at the proper direction of said beneficiary, is made with reference to the following facts:

- A. Trustee is the bare legal title holder and Declarant is the beneficial owner of a certain tract of land located in the State of Arizona, County of Pima, more particularly described in Exhibit "A" attached hereto and incorporated by reference. The property described in Exhibit "A," together with any property annexed thereto under this Declaration, shall be referred to herein as the "Property."
- B. Declarant has improved or intends to improve the Property by subdividing the Property and constructing thereon certain residential improvements and recreational facilities, and desires to submit and subject the Project to a Horizontal Property Regime pursuant to Arizona Revised Statutes, Sections 33-551 through 33-561, as the same may be amended.
- C. Declarant intends by this document to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of the Condominium Units in the Project and the Owners thereof.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, the Project and every part thereof, in accordance with the plan for the improvement of the Property and the division thereof into Condominium

Units. All of the limitations, covenants, conditions, restrictions and easements shall constitute covenants which shall run with the land and shall be binding upon Declarant, its successors and assigns and all parties having or acquiring any right, title or interest in or to any part of the Property or the Project.

ARTICLE 1

Definitions

- 1.1 "Articles" shall mean and refer to the Articles of Incorporation of the Association as amended from time to time.
- 1.2 "Assessment" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the Property which is to be paid by each Unit Owner as determined by the Association and as provided herein.
- 1.3 *Association* shall mean and refer to the HARRISON ESTATES HOMEOWNERS ASSOCIATION, INC., an Arizona nonprofit corporation, the Members of which shall be the Owners of Condominium Units in the Project.
- 1.4 "Board" or "Board of Directors" shall mean and refer to the governing body of the Association.
- 1.5 "Bylaws" shall mean and refer to the Bylaws of the Association as amended from time to time.
- "Common Area" shall mean and refer to those portions of the Project for which title is held by all of the Owners as tenants in common, including the Recreational Common Area, but excluding the individual Units as defined herein. The Common Area includes without limitation: Land; interior and exterior driveway areas; bearing walls, columns, girders, subfloors, unfinished floors, walls and ceilings not contained within a Unit; roofs and foundations; central chutes, conduits, pipes, plumbing, wires and other utility installations (except the outlets thereof when located within the Unit) required to provide power, light, telephone, gas, water, sewage, drainage, heat and airconditioning service; sprinklers, sprinkler pipes and sprinkler heads which protrude into the airspace of the Unit; central television antennas, if any; and all facilities and improvements located within the Recreational Common Area.
- 1.7 "Common Expenses" means and includes the actual and estimated expenses of operating the Project and the Association and any reasonable reserve for such purpose as found and determined by the Board and all sums designated Common Expenses by or pursuant to the Project Documents.
- 1.8 "Common Interest" means the proportionate undivided interest in the Common Area which is appurtenant to each Condominium Unit as set forth in the Declaration.
- .1.9 "Condominium Building" shall mean a residential structure containing Units.

- 1.10 *Condominium Plan* shall mean and refer to the recorded diagrammatic floor plan or plans of the Units built or to be built on the Property which identifies each Unit and shows its dimensions as set forth on the Map.
- I.ll "Condominium Unit" shall mean an estate in real property consisting of title to a Unit within the Horizontal Property Regime hereby established and an undivided interest in the Common Area as specified in Exhibit "C" attached hereto and incorporated by reference, together with a non-exclusive right to use the Recreational Common Area (including any prior or subsequent Phase of the Project) and a membership in the Association. Each Condominium Unit shall be a separate freehold estate.
- 1.12 "Declarant" shall mean and refer to Eric Gregory
 Moore and Patricia Mary Moore, husband and wife, their
 successors and assigns, but shall not include members of the
 public purchasing completed Condominium Units.
- 1.13 "Declaration" shall mean and refer to this enabling Declaration.
- l.14 "First Mortgage" shall mean any Mortgage which is a first priority lien on any Condominium Unit.
- l.15 "First Mortgagee" shall mean the holder of a
 First Mortgage.
- 1.16 "Map" shall mean and refer to that subdivision map recorded January 17,1932, in Book 33, Page 90, as amended PLAT of HARRESON Estates Continuous, Units 1-34, y continuous in Book 35, Page 5, of the Official Records of Pima County, Arizona, and any subsequently recorded subdivision map and all amendments thereto which cover the Property or a portion thereof. The map is hereby made a part hereof with the same force and effect as if incorporated herein at length.
- 1.17 "Member" shall mean and refer to a Person entitled to membership in the Association as provided herein.
- 1.18 "Mortgage" shall include a recorded deed of trust
 as well as a recorded mortgage.
- 1.19 "Mortgagee" shall include the beneficiary or a holder of a deed of trust as well as a mortgagee.
- 1.20 "Mortgagor" shall include the trustor of a deed of trust as well as a mortgagor.
- 1.21 "Owner" shall mean and refer to the record holder of title to a Condominium Unit in the Project. This shall

include any Person having a fee simple title to any Condominium Unit, but shall exclude Persons or entities having any interest merely as security for the performance of any obligation. Further, if a Condominium Unit is sold under a recorded contract of sale to a purchaser who resides in the Unit, the resident purchaser, rather than the fee owner, shall be considered the "Owner" as long as he or a successor in interest remains the contract purchaser under the recorded contract.

- 1.22 "Person" means a natural person, a corporation, a partnership, a trustee or other legal entity.
- 1.23 "Phase" shall mean and refer to a particular parcel of Property which is part of the Project or which becomes part of the Project pursuant to the recordation of an appropriate Declaration of Annexation. The Property described in Exhibit "A" to this Declaration shall be deemed to be the first Phase of the Project and any parcel annexed to the Property described in Exhibit "A" under a Declaration of Annexation shall be deemed to be a subsequent Phase of the Project.
- 1.24 "Project" shall mean and refer to the entire Property, together with all buildings, structures and improvements erected or to be erected thereon, including all Phases thereof.
- 1.25 "Project Documents" means and includes this Declaration as it may be amended from time to time, the exhibits, if any, attached hereto, the Condominium Plan, the Map, the Articles and Bylaws of the Association and the rules and regulations for the Members as established from time to time.
- 1.26 "Property" means and includes the real property covered by this Declaration (including property annexed pursuant to this Declaration, if any).
- 1.27 "Recreational Common Area" shall mean and refer to the area or areas so designated on the Condominium Plan or Map, if any, and all improvements erected thereon. The Recreational Common Area shall be part of the Common Area, and as such shall be owned by all Condominium Unit Owners as tenants in common.
- 1.28 "Unit" shall mean and refer to the elements of an individual unit as described in Article 2, which are not owned in common with the Owners of other Condominium Units in the Project.

1.29 "Unit Designation" means the number, letter (or combination thereof) or other official designation shown on the Condominium Plan.

End of Article 1 Entitled Definitions

ARTICLE 2

Description of Project, Division of Project and Creation of Property Rights

2.1 Description of Project

The Project consists of the underlying Property with the residential Units and all other improvements located or to be located thereon, and includes all Phases annexed pursuant to this Declaration. The cubic content space of the Condominium Buildings within the Project with reference to their location on the Property and the cubic content space of each Unit within the Condominium Buildings is described on or can be determined from the Condominium Plan.

2.2 Division of Project

The Project is hereby divided into the following:

2.2.1 Units

Each of the Units as separately shown, numbered and designated on the Condominium Plan is bounded by and contained within the interior finished surface of the perimeter walls, floors and ceilings of each Unit, and also includes all windows, doors and electrical outlets located in the perimeter walls thereof. Each Unit includes both the portions of the Condominium Building so described or contained within such boundaries and the airspace so encompassed. Each Unit also includes as appurtenances thereto the adjacent areas encompassing the following, to the extent any such area is shown on the Map as being appurtenant to the Unit:

2.2.1.1 A patio and/or balcony, garage or carport and storage area, if any, as the case may be, the lower boundary of which shall be the finished floor surface thereof, the upper elevation of which shall be the finished ceiling surface thereof, if any, of if there is no finished ceiling surface thereof, a horizontal plane parallel to the floor surface at an elevation equal to the upper elevation of the Unit to which it is appurtenant and the side boundaries of which shall be the finished perimeter walls thereof, if any, or to the extent there is no finished wall surface thereof, vertical planes extending upward from the outside edges of the floor surface. Each area includes both the portions of the Project so described or contained within such boundaries and the airspace so encompassed.

2.2.1.2 A private yard, if any, the lower boundary of which shall be the level grade dirt

surface as existed at the time the private yard was completed by Declarant, the upper boundary of which shall be a horizontal plane parallel to the upper elevation of the Unit to which it is appurtenant and the side boundaries of which shall be the interior finished surfaces of the walls or fences surrounding the private yard or, to the extent there are no such walls or fences, the boundaries designated on the Map. Each private yard includes both the portions of the Project so described or contained within said boundaries and the airspace so encompassed. Owners shall have the sole right to landscape and maintain the landscaping on their private yards as defined herein, subject to reasonable rules and regulations adopted by the Association.

The square footage and cubic content of each Unit and the appurentant patio and/or balcony, garage or carport, storage area and private yard, if any, can be independently determined from the Condominium Plan. The Unit does not include those areas and those things which are defined as *Common Area* below. Each Unit is subject to such encroachments as are contained in the Condominium Building of which the Unit is a part. In interpreting deeds and plans, the then existing physical boundaries of a Unit, whether in its original state or reconstructed substantially in accordance with the original plans therefor, shall be conclusively presumed to be within its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the Condominium Building and regardless of minor variances between boundaries shown on the plan or deed and those of the Condominium Building. Declarant shall have the right, to be exercised, if at all, prior to the commencement of construction of any garage or carport, to record a binding notice of Declarant's election to change a garage as shown on the plat to a carport of equal dimensions, or vice versa.

2.2.2 Common Area

The remaining portion of the Property, referred to herein as "Common Area," shall include all of the elements set forth in Subarticle 1.6. All Common Area is included in "Common Area A" or "Common Area B" described on the Map, and "Common Area B" is hereby designated as including all Common Area in the Project (as Common Area is defined in this Declaration) except for that portion. of the Common Area included within *Common Area A.* Condominium Unit Owner shall have, as appurtenant to and a part of his Condominium Unit, a Common Interest in the Common Area as specified in Exhibit "C." The Common Interest appurtenant to each Condominium Unit is declared to be permanent in character and cannot be altered without the consent of all the Condominium Unit Owners and the First Mortgagees of such Condominium Unit Owners, as expressed in an amended Declaration, subject to the terms and provisions

of Subarticle 10.4.3 herein, except as provided in Subarticle 2.5.3. Such Common Interest cannot be separated from the Unit to which it is appurtenant. Each Condominium Unit Owner shall have a nonexclusive right to use the Common Area in accordance with the purposes for which it is intended without hindering the exercise of or encroaching upon the rights of any other Condominium Unit Owners, subject to 'easements and rights created in Subarticle 2.2.1. Notwithstanding the transfer of the Common Area to the Condominium Unit Owners as tenants in common, the Declarant shall reserve and hereby reserves in itself and its successors and assigns, as long as there are two classes of membership in the Association, an easement over and onto the Common Area . for common driveway purposes, for drainage and for encroachment purposes, for ingress to and egress from the Common Area for the purpose of completing improvements thereon or for the performance of necessary repair work and for entry onto adjacent Property in connection with the development of additional Phases of the Project.

2.2.3 Recreational Common Area

That portion of the Common Area designed and intended to be used for common recreational purposes by the residents of the Project is "Recreational Common Area." The Recreational Common Area shall be operated and maintained by the Association for the use and benefit of Owners of Condominium Units in the Project, subject to reasonable rules and regulations enacted according to the Bylaws.

2.3 No Separate Conveyance of Interests and Easements

The interests (including the Common Interest) and easements described in this Article 2 or elsewhere in this Declaration as being part of or appurtenant to each respective Condominium Unit are to be conveyed only as part of or with the respective Condominium Unit and cannot be changed except as set forth herein. Declarant, its successors, assigns and grantees covenant and agree that the fee title to each Condominium Unit conveyed shall include the Unit and all of the interests and easements referred to in the preceding sentence, all of which shall be deemed to be conveyed or encumbered with the Condominium Unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Condominium Unit.

2.4 Partition Prohibited

The Common Area shall remain undivided as set forth above. Except as provided by Arizona Revised Statutes, Section 33-560, or by an applicable successor statute, and subject to the terms and provisions of Subarticle 10.4.3 herein, no Owner shall bring any action for

partition of a Condominium Unit, 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 Project. Judicial partition by sale of a single Condominium Unit owned by two or more Persons and division of the sale proceeds is not prohibited hereby (but partition of title to a single Condominium Unit is prohibited).

2.5 Annexation of Additional Parcels

Additional parcels may be annexed to the Property and become subject to this Declaration by either of the following methods:

2.5.1 Annexation Pursuant to Plan

The property described in Exhibit "B," or any portion thereof, may be annexed to and become a part of the Project, subject to this Declaration and subject to the jurisdiction of the Association, without the assent of the Association or its Members, on condition that:

2.5.1.1 Any annexation pursuant to this subarticle shall be made prior to seven (7) years from the date of the recording of this Declaration.

2.5.1.2 A Declaration of Annexation shall be recorded by Declarant covering the applicable portion of the property to be annexed. Said Declaration shall incorporate this Declaration by reference and may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added property and as are not inconsistent with the scheme of this Declaration.

A total of twenty-one (21) Units may be constructed on the property described in Exhibit "B," increasing the number of Condominium Units in the Project to thirty-four (34) should all of the property described in Exhibit "B" be annexed. Declarant has the option of annexing none of said property or only a portion of said property and building less than twenty-one (21) additional Units.

2.5.2 Annexation Pursuant to Approval

Upon the vote or written assent of Declarant (while Declarant is an Owner) and of two-thirds (2/3) of the total votes residing in Members of the Association other than Declarant, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association may record a Declaration of Annexation in the manner described in the preceding subarticle.

2.5.3 Consequences of Annexation

Upon annexation of a new Phase, the annexed parcel shall become subject to this Declaration without the necessity of amending individual articles hereof, and the Common Area described herein and the Common Area of the new Phase as described in the Declaration of Annexation shall be merged. Each Condominium Unit in the Project as increased and augmented by the addition of the new Phase will have a Common Interest in the Common Area of the entire Project, including the Common Area in the new Phase, calculated as provided in Exhibit "C," and no further or additional approval or authorization for this reallocation of Common Interest shall be required. Upon such annexation, the Association will prepare, execute and record a statement of the Common Interests of the Condominium Units as calculated as provided in Exhibit "C," and each Owner hereby appoints the Association his/her true attorney-infact for such purposes and shall be bound by the recorded statement of the Common Interests prepared, executed and recorded by the Association in accordance with the foregoing All Owners shall have rights and access to requirements. the Common Area in the entire Project and shall be Members of the Association as provided herein.

2.5.4 Requirements for Annexation

In the event of an annexation pursuant to this subarticle, all intended and planned improvements located or to be located on the property annexed must be substantially completed prior to the annexation and all such improvements must be consistent with the improvements built in the Project as originally constituted under this Declaration in terms of quality of construction. All taxes and other Assessments relating to the property to be annexed for any period prior to annexation must be paid or otherwise satisfactorily provided for by the Person seeking to annex the property.

2.6 De-annexation of Parcels

Any parcel annexed to the Property pursuant to the plan of Declarant, in accordance with Subarticle 2.5.1 above, may be de-annexed by Declarant and removed from the Project and the jurisdiction of this Declaration and the Association at any time by the recordation of an appropriate Declaration of De-annexation, provided that such de-annexation shall take place (a) before any Condominium Unit in the annexed parcel has been sold by Declarant to a member of

the general public, (b) before any vote has been exercised on behalf of any such Condominium Unit and (c) before any such Condominium Unit has incurred any Assessment obligation to the Association.

End of Article 2 Entitled
Description of Project, Division of Project
and Creation of Property Rights

ARTICLE 3

Association, Administration, Membership and Voting Rights

3.1 Association to Manage Common Area

The management of the Common Area shall be vested in the Association in accordance with the Bylaws. The Owners of all the Condominium Units covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration, the Articles and the Bylaws of the Association, subject to the standards set forth in this Declaration and all applicable laws, regulations and ordinances of any governmental or quasi-governmental body or agency having jurisdiction over the Project.

3.2 Membership

The Owner of a Condominium Unit shall automatically, upon becoming the Owner of same, be a Member of the Association and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership shall be in accordance with the Articles and the Bylaws of the Association.

3.3 Transferred Membership

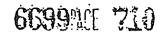
Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the transfer of ownership of the Condominium Unit to which it is appurtenant, and then only to the new Owner as provided in Subarticle 3.2 above. Any attempt to make a prohibited transfer is void. Upon the transfer of an ownership interest in a Condominium Unit, the Association shall record the transfer upon its books, causing an automatic transfer of membership as provided in Subarticle 3.2 above.

3.4 Classes of Membership

The Association shall have two (2) classes of voting membership established according to the following provisions:

3.4.1 Class A Membership

Class A Membership shall be that held by each Owner of a Condominium Unit other than Declarant (while two classes of membership exist), and each Class A Member shall be entitled to one (1) vote for each Condominium Unit owned. If a Condominium Unit is owned by more than one (1) Person, each such Person shall be a Member of the Association but there shall be no more than one (1) vote for each Condominium Unit.



3.4.2 Class B Membership

Class B Membership shall be that held by Declarant (or its successor) which shall be entitled to three (3) votes for each Condominium Unit owned by Declarant, provided that Class B Membership shall be converted to Class A Membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

3.4.2.1 The total outstanding votes held by Class A Members equals the total outstanding votes (tripled as above) held by the Class B Member; or

3.4.2.2 The fifth anniversary of the close of escrow for the sale of the first Condominium Unit.

For purposes of determining the above conversion of Class B Membership to Class A Membership, the votes of the Members shall be calculated as though there were thirty-four (34) Condominium Units in the Project, said thirty-four (34) Condominium Units being the planned total of the Project, with the voting rights of all thirty-four (34) Condominium Units allocated to Declarant except for the voting rights for Condominium Units which vest or have vested in other Condominium Unit Owners, provided however, that the foregoing provision shall forever expire and cease to be effective on the third anniversary of the close of escrow for the sale of the first Condominium Unit. Thereafter, the conversion of Class B Membership to Class A Membership under Subarticle 3.4.2.1 shall be calculated based on the actual number of Condominium Units in the Project.

3.5 Voting Requirements

Any action by the Association which must have the approval of the Association membership before being undertaken shall require the vote of fifty-one percent (51%) of the membership present and voting at a duly called and held meeting of the membership at which a quorum as prescribed herein or in the Bylaws has been constituted or the written assent of fifty-one percent (51%) of the membership unless another percentage is specifically prescribed by a provision within this Declaration, the Bylaws or the Articles of the Association.

3.6 Voting Rights

Voting rights attributable to all Condominium Units owned by Declarant shall vest immediately by virtue of Declarant's ownership thereof. Except for Declarant, no Owner of any Condominium Unit shall have any voting rights attributable to that Condominium Unit until an Assessment has been levied against that Condominium Unit and Owner by the Association pursuant to Article 4 below.

3.7 * Membership Meetings

Regular and special meetings of Members of the Association shall be held with the frequency, at the time and place and in accordance with the provisions of the Bylaws of the Association.

3.8 Board of Directors

The affairs of the Association shall be managed by a Board of Directors which shall be established and which shall conduct regular and special meetings according to the provisions of the Bylaws of the Association.

End of Article 3 Entitled
Association, Administration, Membership and Voting Rights

ARTICLE 4

Assessments and Charges

4.1 <u>Creation of the Lien and Personal Obligations</u> for Assessments and Charges

Each Owner of any Condominium Unit, by acceptance of a deed or recorded contract of sale therefor, whether or not it shall be so expressed in such document, is deemed to covenant and agree to pay to the Association (a) regular annual Assessments, (b) special Assessments for capital improvements and unexpected expenses and (c) other charges made or levied by the Association against the Owner or Condominium Unit pursuant to this Declaration or the Bylaws, such Assessments and charges to be established and collected as provided herein and in the Bylaws of the Association. Any part of any Assessment (or other amount due from the Owner to the Association, including interest) not paid within fifteen (15) days after the due date established in this Article 4, Subarticle 10.15 or elsewhere in this Declaration shall bear interest at the rate of twenty percent (20%) per annum from the due date until paid. The annual and special Assessments and any other charge made against an Owner or a Condominium Unit pursuant to this Declaration or the Bylaws, together with interest, costs and reasonable attorneys' fees incurred by the Association in enforcing compliance with this Declaration (whether or not a lawsuit or other legal action is instituted or commenced) as provided in Subarticle 10.15.2, shall be a charge and a continuing lien upon the Condominium Unit (hereinafter "Assessment lien"). Each such Assessment and charge, together with interest, costs and reasonable attorneys' fees as provided above, shall also be the personal obligation of the Person who was the Owner of such Condominium Unit at the time the Assessment or other charge fell due as provided in this Article 4, Subarticle 10.15 or elsewhere in this Declaration. The Assessment lien on each Condominium Unit shall be prior and superior to all other liens except (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto and (b) the lien or charge of any First Mortgage on that No Owner of a Condominium Unit may Condominium Unit. exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Area or by the abandonment of his Condominium Unit.

4.2 Purpose of Assessments

The Assessments by the Association shall be used exclusively to promote the recreation, health, safety and welfare of all the residents in the Project, for the improvement and maintenance of the Common Area and for the common good of the Project. Annual Assessments shall include an adequate reserve fund for taxes, insurance,

maintenance, repairs and replacement of the Common Area, which fund shall be maintained in a separate account of the Association to be drawn upon only for these purposes.

4.3 Annual Assessments

The Board shall annually determine and fix the amount of the annual (calendar year) Assessment against each Condominium Unit, including those owned by Declarant, and shall notify the Owner of each Condominium Unit in writing as to the amount of such annual Assessment not less than thirty (30) days prior to the date that such Assessment is to commence. Except as to the first annual Assessment, the annual Assessment may be neither increased by more than thirty percent (30%) above nor decreased by more than twenty percent (20%) below the annual Assessment for the previous year without the vote or written assent of the Association membership, pursuant to Subarticle 3.5 hereof. All annual Assessments shall be payable in twelve (12) equal monthly installments. In the year prior to January 1 of the year immediately following the close of escrow on the sale of the first Condominium Unit in the Project, the maximum Assessment per Condominium Unit shall FOUR HUNDRED EIGHTY AND NO/100 DOLLARS (\$ 480.00). The annual Assessment shall be prorated based on the number of months remaining before January 1 of such year, as well as any partial months remaining, and said sum shall be payable in monthly installments of FORTY AND NO/100 DOLLARS (\$ 40.00). Notwithstanding anything to the contrary stated in this article, until Class B Membership is terminated pursuant to Subarticle 3.4.2 above, Declarant shall be obligated to pay only twenty-five percent (25%) of the annual Assessment amount fixed for Condominium Units pursuant to this Subarticle 4.3, and shall pay said percentage of the annual Assessment amount in twelve (12) equal monthly installments in the same manner established for payment of the annual Asessment amount by other Condominium Unit Owners, except that Declarant shall pay and be liable for the full Assessment amount for any Condominium Unit owned by it after said Unit is first rented or leased to or occupied by another Person. In the event said reduced Assessment amount for Condominium Units owned by Declarant is insufficient to cover the reasonable share of those Units' contribution toward insurance costs and depreciation reserves for the Project, as determined by generally accepted cost accounting methods, Declarant shall also pay such amount monthly, in addition to said reduced Assessment amount for the Units, as is necessary to cover those Units' contribution toward the insurance costs and depreciation reserves.

Until Class B Membership is terminated pursuant to Subarticle 3.4.2 above, Declarant shall be responsible for the prompt payment on a current basis of all costs and expenses related to maintenance and repair of the Common

Area as required in Subarticles 5.1 and 5.2 in the event and to the extent that the funds available to the Association are inadequate for payment of such costs and expenses on a current basis. Declarant's failure to perform the requirements contained in this Subarticle 4.3 shall constitute a default under this Declaration entitling any Condominium Unit Owner or First Mortgagee to record a notice of lien against Declarant's property interest in the Project to enforce the provisions of this subarticle. Prior to the termination of Class B Membership, Declarant shall establish a working capital fund for the Association for the initial months of the Project operations equal to at least two (2) months' estimated monthly Assessments for each Condominium Unit.

4.4 Special Assessments

In addition to the regular 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 Area, including fixtures and personal property related thereto, or to defray any unanticipated or underestimated expense normally covered by a regular Assessment (and, where necessary, for taxes assessed against the Common Area), provided however, that the aggregate special Assessments for any fiscal year shall not exceed twenty percent (20%) of the budgeted gross expenses of the Association for that Assessment year, without the vote or written assent of fifty-one percent (51%) of the membership present and voting at a meeting at which a quorum equal to thirty-five percent (35%) of the total voting power of the Association has been constituted. In the absence of such a quorum at any such meeting, a majority of those present in person or by proxy may adjourn the meeting to another time but may not transact any other business. Any adjournment for lack of a quorum under this article shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting The quorum requirement for such a reconvened meeting shall be thirty-five percent (35%) of the total voting power of the Association. Special Assessments may also be levied by the Board against an individual Condominium Unit and its Owner to reimburse the Association for costs incurred in. bringing that Owner and his Condominium Unit into compliance with the provisions of this Declaration and the Bylaws. Furthermore, special Assessments may be levied against an individual Condominium Unit and its Owner for reasonable monetary penalties for the violation of any of the restrictions or conditions, the breach of any of the covenants or agreements contained herein or the breach of any rulestand regulations promulgated by the Board, after notice and hearing according to the Bylaws.

4.5 Allocation of Assessments

The Owner of each Condominium Unit shall bear an equal share of each regular and special Assessment (except for special Assessments levied specifically against an individual Condominium Unit and its Owner under the preceding subarticle and except as provided in Subarticle 4.3 above).

4.6 Date of Commencement of Annual Assessment; Due Dates

The regular annual Assessments provided for herein shall commence as to each Condominium Unit in the Project on the first day of the month following the close of escrow on the sale of the first Condominium Unit in the Project. Regular annual Assessments shall commence as to all Condominium Units on any property annexed to the Project pursuant to this Declaration on the first day of the month following said annexation. Due dates of Assessments shall be established by the Board and notice shall be given to each Condominium Unit Owner at least thirty (30) days prior to any due date, provided that if Assessments are to be due on a monthly basis, no notice shall be required other than an annual notice setting forth the amount of the monthly Assessment and the day of each month on which each Assessment is due.

4.7 Transfer of Unit by Sale or Foreclosure

The sale or transfer of any Condominium Unit shall not affect the Assessment lien or liability for Assessments due and payable except as provided below. No sale or transfer of a Condominium Unit shall relieve such Condominium Unit from liability for any Assessments thereafter becoming due or from the lien therefor. however, the First Mortgagee of a First Mortgage of record or another Person obtains title to a Condominium Unit as a result of foreclosure, trustee's sale or deed in lieu thereof of any such First Mortgage, such First Mortgagee or other Person shall not be liable for the share of the Common Expenses or Assessments by the Association chargeable to such Condominium Unit which became due prior to the acquisition of title to such Condominium Unit by such First Mortgagee or other Person, and the Assessment lien therefor. on such Condominium Unit shall be extinguished. unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all of the Condominium Units. In a voluntary conveyance of a Condominium Unit, the grantee of the same shall not be liable for Assessments or any other charges due to the Association in connection with that Condominium Unit which accrued prior to the conveyance unless liability therefor is specifically assumed by the grantee. However, any such grantee shall be entitled to a statement from the Association setting forth

the amount of the unpaid Assessments due the Association, and such grantee shall not be liable for nor shall the Condominium Unit conveyed be subject to a lien for any unpaid Assessments made by the Association against the grantor in excess of the amount set forth in the statement, provided however, the grantee shall be liable for any such Assessment becoming due after the date of any such statement.

4.8 Enforcement of Assessment and Other Monetary Obligations; Discipline; Remedies Cumulative

4.8.1 Enforcement and Foreclosure of Lien

When any Assessment or other amount due from an Owner to the Association is past due, the lien therefor may be enforced by foreclosure of the lien and/or sale of the Owner's Condominium Unit by the Association, its attorney or other Person authorized by this Declaration or by law to make the sale. The lien may be foreclosed and the Condominium Unit sold in the same manner as a realty mortgage and property mortgaged thereunder, the Condominium Unit may be sold pursuant to the statutory or customary procedures for sales of trust property under deeds of trust (with the Association acting as trustee) or the lien may be enforced or foreclosed in any other manner permitted by law for the enforcement or foreclosure of liens against real property or the sale of property subject to such a lien. Any such enforcement, foreclosure or sale action may be taken without regard to the value of such Condominium Unit, the solvency of the Owner thereof or the relative size of the Owner's default. Upon the sale of a Condominium Unit pursuant to this subarticle, the purchaser thereof shall be entitled to a deed to the Condominium Unit and to immediate possession thereof, and said purchaser may apply to a court of competent jursidiction for a writ of restitution or other relief for the purpose of acquiring such possession. proceeds of any such sale shall be applied as provided by applicable law but, in the absence of any such law, shall be applied first to discharge costs thereof, including but not limited to court costs, other litigation costs, costs and attorneys' fees incurred by the Association, all other expenses of the proceedings, interest, late charges, unpaid Assessments and other amounts due to the Association, and the balance thereof shall be paid to the Owner. It shall be a condition of any such sale, and any judgments or orders shall so provide, that the purchaser shall take the interest in the Condominium Unit sold subject to this Declaration. The Association, acting on behalf of the Condominium Unit Owners, shall have the power to bid for the Condominium Unit at any sale and to acquire and hold, lease, mortgage or convey the same. In the event the Owner against whom the original Assessment was made is the purchaser or redemptionor, the lien shall continue in effect and said lien may be enforced by the Association for the Condominium Unit's

Assessments and other amounts that were due prior to the final conclusion of any such foreclosure, sale or equivalent proceedings. Further, notwithstanding any foreclosure of the lien or sale of the Condominium Unit, any Assessments and other amounts due after application of any sale proceeds as provided above shall continue to exist as personal obligations of the defaulting Owner of the Condominium Unit to the Association, and the Board may use reasonable efforts to collect the same from said Owner even after he is no longer a Member of the Association.

4.8.2 Remedy of Possession

In addition to all other remedies provided for in this Declaration or at law or in equity, in the event any Assessment or other amount due from an Owner to the Association is past due, the Association may take possession of the Owner's Condominium Unit, rent the Condominium Unit and apply the rents received to the amounts due, together with interest as provided herein and costs and attorneys' fees incurred by the Association in connection with such action.

4.8.3 Suspension of Rights

In addition to all other remedies provided for in this Declaration or at law or in equity, the Board may temporarily suspend the Association membership rights of a Condominium Unit Owner who is in default in the payment of any Assessment or any other amount due to the Association as provided in the Bylaws.

4.8.4 Other Remedies

The rights, remedies and powers created and described in Subarticles 4.8.1, 4.8.2, 4.8.3, 10.15 and elsewhere in this Declaration, the Articles or the Bylaws are cumulative and may be used or employed by the Association in any order or combination, except as specifically provided to the contrary herein. Without limiting the foregoing sentence, suit to recover a money judgment for unpaid Assessments, interest, rent, costs, attorneys' fees and/or other amounts due hereunder, to obtain specific performance of obligations imposed hereunder and/or to obtain injunctive relief may be maintained without foreclosing, waiving, releasing or satisfying the liens created for Assessments or other amounts due hereunder.

4.9 Unallocated Taxes

. In the event that any taxes are assessed against the Common Area or the personal property of the Association, rather than against the Condominium Units, said taxes shall be included in the Assessments made under the provisions of this article, and, if necessary, a special Assessment may be levied against all of the Condominium Units in an amount equal to said taxes on a pro rata basis equal to the Common Interest appurtenant to each Condominium Unit.

4.10 Tax Assessments

As provided in Arizona Revised Statutes, Section 33-558, no taxes, assessments or charges which may become liens on any Condominium Unit prior to any First Mortgage under Arizona law shall affect the Common Area as a whole. Such taxes, assessments or charges shall only be levied separately on each Condominium Unit in its respective appurtenant Common Interest.

End of Article 4 Entitled Assessments and Charges

ARTICLE 5

Duties and Powers of the Association

5.1 Duties and Powers

In addition to the duties and powers enumerated in the Bylaws and the Articles, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

- Subarticle 10.5, maintain, repair, replace, restore, operate and manage all of the Common Area, all facilities, improvements, furnishings, equipment and landscaping thereon and all property that may be acquired by the Association in good condition. This obligation shall not extend to the maintenance of any portion or facility of the Common Area required to be maintained by an individual Owner under this Declaration or the Bylaws. The Association shall also paint or otherwise decorate and maintain the interior finished ceiling, wall and floor surfaces of all balconies, patios, private yards, garages and carports in the Project, but Owners shall have the sole responsibility to landscape and maintain the landscaping on their private yards.
- 5.1.2 Enforce the provisions of this Declaration by appropriate means, including without limitation the expenditure of funds of the Association, the employment of legal counsel and the commencement of legal actions.
- 5.1.3 Maintain such policy or policies of insurance as are required by this Declaration or as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members.
- 5.1.4 Grant and reserve easements where necessary for utilities and sewer facilities over the Common Area to serve the Common Area and the Units.
- 5.1.5 Have the authority to employ a manager or other Persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, subject to the Bylaws and restrictions imposed by any governmental or quasi-governmental body or agency having jurisdiction over the Project.
- 5.1.6 Adopt reasonable rules not inconsistent with this Declaration, the Articles or the Bylaws relating to the use of the Common Area and all facilities thereon and the conduct of Owners and their tenants and guests with respect to the Project and other Owners.

5.2 Maintenance of Project by Association

The Association shall provide maintenance of the Project as provided in this Declaration. The Association shall not be responsible for maintaining and repairing glass surfaces or capital improvements built or placed by an Owner on or within his Unit or within the patio, balcony, garage, carport or yard space appurtenant thereto. The responsibility of the Association for maintenance and repair shall not extend to repairs or replacements arising out of or caused by the willful or negligent act or neglect of an Owner or his guests, tenants or invitees. The repair or replacement of any portion of the Common Area resulting from such excluded items shall be the responsibility of each Owner, provided however, that if an Owner shall fail to make the repairs or replacements which are the responsibility of such Owner, the Association, acting through the Board, shall have the right (but not the obligation) to enter the Unit and make such repairs or replacements, and the cost thereof shall be added to the Assessments chargeable to that Condominium Unit and shall be payable to the Association by the Owner of such Condominium Unit.

5.3 Association Easements and Access to Units

For the purpose of performing the maintenance authorized by this article, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association (and its agents and employees) shall have an easement over and onto all portions of the Common Area and shall also have the right, after reasonable notice to the Owner and at reasonable hours, to enter any Unit. The Association shall have the right to grant permits, licenses and easements over the Common Area for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Project.

5.4 Custodian Unit

The Association shall have the power and authority, with the vote or written assent of a majority of the Members, to purchase a Condominium Unit (the "Custodian Unit") to be occupied by the custodian of the Project. In such case, during the period the Custodian Unit is owned by the Association:

- 5.4.1 No right to vote shall be exercised on behalf of the Custodian Unit;
- . 5.4.2 No Assessment shall be assessed or levied against the Custodian Unit; and

5.4.3 Each other Condominium Unit Owner shall be charged, in addition to his usual Assessment, his share of the Assessment that would have been charged to the Custodian Unit but for the provisions of this subarticle.

End of Article 5 Entitled Duties and Powers of the Association

ARTICLE 6

Utilitíes

6.1 Owners' Rights and Duties

The rights and duties of the Owners of Condominium Units within the Project with respect to utilities shall be as follows:

- sanitary, 6.1.1 Whenever sewer, water, electric, gas, television receiving, telephone lines or connections, heating or air-conditioning conduits, ducts or flues are located or installed within the Project, which connections or any portion thereof lie in or upon Units owned by other than the Owner of a Unit served by said connections, the Owners of any Units served by said connections shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Units or to have the utility companies enter upon the Units in or upon which said connections or any portion thereof lie to repair, replace and generally maintain said connections as and when necessary. An Owner or utility company exercising his/its right of entry pursuant to this subarticle shall give reasonable notice to the Owner of a Unit prior to entering therein.
- 6.1.2 Whenever sanitary, sewer, water, electric, gas, television receiving, telephone lines or connections, heating or air-conditioning conduits, ducts or flues are located or installed within the Project, which connections serve more than one Unit, the Owner of each Unit served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his Unit.
- 6.1.3 In the event of a dispute between Owners with respect to the repair or rebuilding of said connections or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board which shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

6.2 <u>Easements for Utilities and Maintenance</u>

Easements over and under the Property for the installation, repair and maintenance of sanitary, sewer, water, electric, gas, telephone lines and facilities, heating and air-conditioning facilities, cable or master television antenna lines, drainage facilities, walkways and landscaping, as shown on the Map of the Property and as hereafter may be required to service the Property, are

hereby reserved by Declarant and its successors and assigns, including the Association, together with the right to grant and transfer the same.

6.3 Association's Duties

The Association shall maintain all utility installations located in the Common Area except for those installations maintained by utility companies, public, private or municipal. The Association shall pay all charges for utilities supplied to the Project except those metered or charged separately to the Units, which shall be paid by the respective Owners of those Units.

End of Article 6 Entitled Utilities

ARTICLE 7

Use Restrictions

In addition to all of the covenants contained herein, the use of the Property and Project and each Unit therein is subject to the following:

7.1 Use of Individual Units

No Unit shall be occupied and used except for single family residential purposes by the Owners, their tenants and social guests, and no trade or business shall be conducted therein, except that Declarant, its successors or assigns may use any Unit or Units in the Project owned by Declarant for a model home site or sites and display and sales office during construction and until the last Unit in the entire Project is sold.

7.2 Nuisances

No noxious, illegal or offensive activities shall be conducted in any Unit or on any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to, or which may in any way interfere with, the quiet enjoyment of each Owner of his respective Condominium Unit or which shall in any way increase the rate of insurance for the Project or cause any insurance policy to be cancelled or cause a refusal to renew the same or which will impair the structural integrity of any Condominium Building. Any increase in the insurance premiums for the Project caused by an Owner shall be paid for by such Owner.

7.3 Vehicle Restrictions

No trailer, camper, mobile home, commercial vehicle, truck (other than standard size pick-up truck), inoperable automobile, boat or similar equipment shall be permitted to remain upon any area within the Project other than temporarily (for purposes of loading and unloading of passengers or personal property), unless placed or maintained within an enclosed garage or carport or in an area specifically designed for such purpose by the Board. Commercial vehicles shall not include sedans or standardsize pick-up trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be operated on the Property. No off-road, licensed or unlicensed, motor vehicles shall be maintained or operated upon the Property except as reasonably necessary for the execution of the rights or duties of the Association under this Declaration.

7.4 Signs

Signs advertising Condominium Units for sale or rent may be displayed on the Property, provided that such signs shall be of reasonable and customary size and shall be displayed only at such location or locations within the Common Area as shall be designated for such purpose by the Board. Except as expressly permitted by this Subarticle 7.4, no signs shall be displayed to the public view on any Units or on any portion of the Property unless first approved by the Board or the Architectural Control Committee.

7.5 Animals

No animals or birds of any kind shall be raised, bred or kept in any Unit or on any portion of the Property, except that usual and ordinary household pets such as dogs, cats or birds may be kept, provided that they are kept under reasonable control at all times. The Board may enact reasonable rules respecting the keeping of such animals within the Project and may designate certain areas in which such animals may be taken. The Association, by and through the Board, reserves the right to have such pets removed if the pets' behavior becomes objectionable to the Members of the Association, which right shall not be unreasonably applied.

7.6 Garbage and Refuse Disposal

All rubbish, trash and garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers. All equipment, garbage cans, woodpiles or storage piles shall be kept screened and concealed from view of the other Units, streets and the Common Area.

7.7 Radio and Television Antennas

No alteration to or modification of a central radio or television antenna system or cable television system, whichever is applicable, if any, shall be permitted, and no Owner may be permitted to construct, use or operate his own external radio or television antenna without the consent of the Board.

7.8 Right to Lease

The respective Units shall not be rented by the Owners thereof for transient or hotel purposes which shall be defined as (a) rental for any period less than thirty (30) days or (b) any rental if the occupants of the Unit are provided customary hotel service such as room service for food and beverages, maid service, laundry and linen service and bellboy service. Subject to the foregoing restrictions,

the Owners of the respective Units shall have the absolute right to lease the Units, provided that the lease is in writing and is specifically made subject to the covenants, conditions, restrictions, limitations and uses contained in this Declaration and the Bylaws and any reasonable rules and regulations published by the Association.

7.9 Clothes Lines; Window Coverings

No exterior clothes lines shall be erected or maintained and there shall be no outside laundering or drying of clothes. Furthermore, no clothing, laundry or other personal items are to be hung out on the balconies, patios or yard areas of the Units. No kind of foil or darkening screen shall be placed upon the windows of the Units nor shall the balconies, patios or yard areas of the Units be used for storage purposes.

7.10 Power Equipment and Car Maintenance

No power equipment, work shops or car maintenance [other than emergency work or minor repairs requiring less than one (1) day's work] shall be permitted on the Project except with prior written approval of the Board. Approval shall not be unreasonably withheld and in deciding whether to grant approval the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception and similar objections.

7.11 Residents

No more than the following number of Persons shall reside in a Unit at a given time:

Type of Unit

Number of Persons

Two Bedroom Five
Three Bedroom (2 Story Unit)
Four Bedroom (Opt. Conversion)
Nine

However, additional guests may be allowed for reasonably short periods of time.

7.12 Liability of Owners for Damage to Common Area

The Owner of each Condominium Unit shall be liable to the Association for all damages to the Common Area or improvements thereon caused by such Owner or any occupant, guest or invitee of or to his Unit to the extent such Owner is responsible therefor under the statutory or case law of the State of Arizona. In addition to the foregoing, damage to party walls is subject to the provisions of Article 9.

7.13 No Warranty of Enforceability

While Declarant has no reason to believe that any of the restrictive covenants contained in this Article 7 or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Condominium Unit in the Project in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and by acquiring the Condominium Unit agrees to hold Declarant harmless therefrom.

End of Article 7 Entitled Use Restrictions

ARTICLE 8

Architectural Control

8.1 Prohibition of Alteration and Improvement

Subject to the exemption of Declarant under Subarticle 10.10 below, no building, fence, wall, obstruction, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, improvement or structure of any kind shall be commenced, erected, painted or maintained upon the Project, nor shall any alteration or improvement of any kind be made thereto until the same has been approved in writing by an Architectural Control Committee (the "Committee") appointed by Declarant or elected by the Board as provided in this article. There shall be no construction, alteration or removal of any structure or improvement in the Project which would impair or affect the integrity or stability of any existing structure. No Owner shall install or replace an air-conditioning unit without the prior written approval of the Committee which shall have the right to approve or disapprove the size, shape, noise level and proposed location of such air-conditioning unit.

8.2 Plans and Approval

Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements or alterations shall be submitted to the Committee for approval as to quality of workmanship, design and harmony of external design with existing structures and as to location in relation to surrounding structures, topography and finished grade elevation. No permission or approval shall be required to rebuild in accordance with plans and specifications previously approved by the Committee. No landscaping of patios or yards visible from the street or from the Common Area shall be undertaken by any Owner until plans and specifications showing the nature, kind, shape and location of the materials shall have been submitted to and approved in writing by the Committee. the event the Committee fails to approve or disapprove such plans, specifications and proposed improvement or alteration within forty-five (45) days after said plans and specifications have been submitted to it, written approval by the Committee will not be required and this article will be deemed to have been fully complied with.

8.3 Architectural Control Committee

The number, appointment and term of members of the Committee shall be as follows:

8.3.1 There shall be three (3) members on the Committee.

- 8.3.2 Declarant may appoint all of the original and replacement members of the Committee and, at any time, may remove and replace any of the members of the Committee until the termination of Class B Membership as provided in Subarticle 3.4.2. The Board shall thereafter have the power to appoint replacements for or remove and replace any or all of the members of the Committee. Subject to the right and power of the Board to remove and replace, at any time, any member of the Committee, Committee members or replacements appointed by the Board shall serve one (1) year terms.
- 8.3.3 Committee members appointed by Declarant need not be Members of the Association. Committee members appointed by the Board shall be Members of the Association. Officers and Directors of the Association can be members of the Committee.

End of Article 8 Entitled Architectural Control

ARTICLE 9

Party Walls

9.1 Creation of Party Wall Rights and Duties

Each wall, including patio walls, which is constructed as part of the original construction of a Condominium Building or as part of any reconstruction thereof, any part of which is placed on the dividing line between separate Units, shall constitute a party wall. With respect to any such wall, each of the adjoining Owners shall assume the burdens and be entitled to the benefits of these restrictive covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.

9.2 Damage by Act of Owner

In the event any such party wall is damaged or destroyed through the act of one adjoining Owner or any of his guests, tenants, licensees, agents or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, then the first of such Owners shall forthwith proceed to rebuild and repair the same to as good a condition as formerly existed without cost to the adjoining Owner.

9.3 Negligence

Notwithstanding any other provision of this article, an Owner who, by his act, causes any party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

9.4 Alterations or Modifications

In addition to meeting the other requirements of these restrictive covenants and of any building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his Unit in any manner which requires the extension or other alteration of any party wall shall first obtain the written consent of the adjoining Owner.

9.5 Disputes

In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association. If no such rules have been adopted, the matter shall be submitted to three arbitrators, one chosen by each

of the Owners and the third arbitrator to be chosen within five (5) days by any judge of the Superior Court of Pima County, Arizona. A determination of the matter signed by any two of the three arbitrators shall be binding upon the Owners who shall share the cost of arbitration equally. In the event one Owner fails to choose an arbitrator within ten (10) days after personal receipt of a request in writing for arbitration from the other Owner, then said requesting Owner shall have the right and power to choose both arbitrators.

9.6 Benefit and Binding Effect

These covenants shall be binding upon the heirs and assigns of every Owner but no Person shall be liable for any act or omission respecting any party wall except such as took place while said Person was an Owner.

End of Article 9 Entitled Party Walls

ARTICLE 10

General Provisions

10.1 <u>Invalidity of Any Provision</u>

Should any provision of this Declaration be declared invalid or in conflict with any law of the jurisdiction where the Project is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

10.2 Amendments

Subject to the standards set forth in any applicable laws, regulations or ordinances of any governmental or quasi-governmental body or agency having jurisdiction over the Project and the rights of the Owners and First Mortgagees provided herein, this Declaration may be amended only by the vote or written assent of sixty-seven percent (67%) or more of the total voting power of the Association, provided however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. The requirements of Subarticle 10.2.1 for the amendment of certain provisions of the Project Documents shall be in addition to the requirements set forth in this Subarticle 10.2.

Declarant may alter the interior design of the Units, the size of and boundaries between Condominium Units and the percentage interest which Condominium Units bear to the entire Horizontal Property Regime at any time so long as (a) such altered Units are owned by Declarant, (b) all First Mortgagees then encumbering such altered Units agree in writing to such alterations and (c) such alterations do not modify or change the size, the boundaries, the Common Interest or the share of the Common Expenses of any Units not owned by Declarant.

10.2.1 Additional Requirements for Amendment of Certain Provisions

The following subarticles do not apply to amendments to the Project Documents or termination of the Horizontal Property Regime made as a result of destruction, damage or condemnation pursuant to Subarticle 10.4.3 or similar provisions in the Project Documents or to a reallocation of Common Interests which may occur pursuant to Subarticle 2.5.1:

10.2.1.1 The consent of Owners of Condominium Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the

approval of Eligible First Mortgagees (as defined in Subarticle 10.4.3.1.4) holding First Mortgages on Condominium Units which have at least sixty-seven percent (67%) of the votes of Condominium Units subject to First Mortgages held by Eligible First Mortgagees shall be required to terminate the legal status of the Project as a statutory Horizontal Property Regime under Arizona law; and

10.2.1.2 The consent of Owners of Condominium Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of Eligible First Mortgagees holding First Mortgages on Condominium Units which have at least fifty-one percent (51%) of the votes of Condominium Units subject to First Mortgages held by Eligible First Mortgagees shall be required to add to or amend any "material" provisions of the Project Documents which establish, provide for, govern or regulate any of the following:

10.2.1.2.1 Voting;

or

10.2.1.2.2 Assessments, assessment liens or subordination of such liens;

10.2.1.2.3 Reserves for maintenance, repair and replacement of the Common Area;

fidelity bonds; 10.2.1.2.4 Insurance

the Common Area; . 10.2.1.2.5 Rights to use of

for maintenance and repair of the various portions of the Project;

10.2.1.2.7 Expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project;

any Unit; 10.2.1.2.8 Boundaries of

of the Condominium Units:

of Units into Common Area or of Common Area into Units;

Condominium Units; 10.2.1.2.11 Leasing of

10.2.1.2.12 Imposition of any right of first refusal or similar restriction on the right of a Condominium Unit Owner to sell, transfer or otherwise convey his/her Condominium Unit; and

10.2.1.2.13 Any provisions which are for the express benefit of Mortgagees, Eligible First Mortgagees or Eligible Insurers or Guarantors (as defined in Subarticle 10.4.3.2) of First Mortgages on Condominium Units.

10.2.1.3 An addition or amendment to the Project Documents shall not be considered "material" if it is for the purpose of correcting technical errors or for clarification only. An Eligible First Mortgagee which receives a written request to approve additions or amendments under Subarticle 10.2.1.1 or 10.2.1.2 and which does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

10.3 Encroachment Easements

Each Unit within the Project is hereby declared to have an easement over all adjoining Units and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of buildings or any other similar cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting, provided however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a Unit or Condominium Building is partially or totally destroyed and then repaired or rebuilt, the Owners of all Units agree that minor encroachments over adjoining Units or the Common Area shall be permitted and that there shall be a valid easement for the maintenance of said encroachments so long as they shall exist.

10.4 Mortgagee Protection Clause

10.4.1 Rights of First Mortgagees

10.4.1.1 No breach of any of the covenants, conditions and restrictions contained in this Declaration, nor the enforcement of any lien provisions herein, shall render invalid the lien of any First Mortgage on any Condominium Unit, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure, trustee's sale or otherwise.

10.4.1.2 All amenities pertaining to the Project and located on the Property (such as parking, recreation and service areas) are a part of the Project and shall be covered by and subject to a Mortgage on a Condominium Unit to the same extent as is the Common Area.

10.4.1.3 An action to abate the breach of any of these covenants, conditions, restrictions and reservations may be brought against the purchaser who has acquired title through foreclosure of a First Mortgage and the subsequent sheriff's sale (or through any equivalent proceedings) and the successor in interest to said purchaser if the breach continues to exist after the time said purchaser acquired an interest in such Condominium Unit.

10.4.1.4 During the pendency (including any period for redemption) of any proceedings to foreclose a First Mortgage (or from the time a trustee under a first deed of trust has given notice of sale pursuant to the power of sale conferred under the deed of trust and pursuant to law), the First Mortgagee, or a receiver appointed in any such action, may but need not exercise any or all of the rights and privileges of the Owner of the Condominium Unit in default, including but not limited to the right to vote as a Member of the Association in the place and stead of the defaulting Owner.

10.4.1.5 Notwithstanding anything contained herein to the contrary, at such time as the First Mortgagee shall become record Owner of a Condominium Unit, the First Mortgagee shall be subject to all of the terms and conditions of this Declaration, including but not limited to the obligation to pay all Assessments and charges accruing thereafter in the same manner as any other Condominium Unit Owner.

10.4.2 <u>Changes Requiring Approval of Mortgagees</u>

Notwithstanding anything to the contrary contained in this Declaration, without the prior written approval of Declarant (while Declarant is an Owner of any Units) and of at least two-thirds (2/3) of the First Mortgagees [based upon one (1) vote for each First Mortgage. held] or of the Owners other than Declarant (except as provided by statute in case of condemnation or substantial loss to the Units and/or Common Area of the Project), the Association or Owners shall not be entitled to and no provision of this Declaration shall be applied, effective, interpreted or construed to (or entitle the Association or Owners to):

10.4.2.1 Change the Common Interests of the Condominium Units, the share of Assessments charged to any Condominium Unit or the method of determining such Assessments (except as specifically provided in Subarticle 2.5);

10.4.2.2 By act or omission, seek to terminate or abandon the status of the Project as a statutory Horizontal Property Regime;

10.4.2.3 Allow partition or subdivision of any Condominium Unit except as provided in Subarticle 2.4;

10.4.2.4 Change the interest of any Condominium Unit in the allocation or distribution of hazard insurance proceeds or condemnation awards (except as provided in Subarticle 2.5);

10.4.2.5 By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer any portion or element of the Common Area (the granting of easements for public utilities or for other public purposes consistent with the intended use of such Property shall not be deemed a transfer within the meaning of this clause);

10.4.2.6 Use hazard insurance proceeds for losses or damages to any portion of the Project for other than the repair, replacement or reconstruction thereof:

10.4.2.7 Change the provisions of this Declaration so as to give an Owner, or any other party, priority over any rights of First Mortgagees pursuant to their Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Units or the Common Area.

The foregoing requirements are in addition to the requirements set forth in Subarticle 10.2.

10.4.3 Rights of First Mortgages and Insurers or Guarantors of First Mortgages

10.4.3.1 Upon written request to the Association identifying the name and address of the First Mortgagee for any Condominium Unit or the insurer or guarantor of such First Mortgage and the Condominium Unit number or address, any such First Mortgagee or insurer or guarantor of such First Mortgage will be entitled to timely written notice of:

10.4.3.1.1 Any condemnation loss or any casualty loss which affects a material portion of the Project or any Condominium Unit on which there is a First Mortgage held, insured or guaranteed by such First Mortgagee or insurer or guarantor, as applicable;

10.4.3.1.2 Any delinquency in the payment of Assessments or charges owed or other default in the performance of obligations under the Project Documents by an Owner of a Condominium Unit subject to a First Mortgage held, insured or guaranteed by such First Mortgagee or insurer or guarantor which remains uncured for a period of sixty (60) days;

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

10.4.3.1.4 Any proposed action which would require the consent of a specified percentage of "Eligible First Mortgagees" (meaning First Mortgagees who have filed a written request as described above in this Subarticle 10.4.3.1) as specified in Subarticle 10.4.3.2 or in Subarticle 10.2.

10.4.3.2 When professional management previously has been required by an Eligible First Mortgagee or any "Eligible Insurer or Guarantor" (meaning an insurer or governmental guarantor of a First Mortgage which has requested notice of certain matters in accordance with Subarticle 10.4.3.1 above), whether such entity became an Eligible First Mortgagee or Eligible Insurer or Guarantor at that time or later, any decision to establish self-management by the Association shall require the prior consent of Owners of Condominium Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of Eligible First Mortgagees of Condominium Units which have at least fifty-one percent (51%) of the votes of Condominium Units subject to First Mortgages held by Eligible First Mortgagees.

10.4.4 Mortgage Priority

Notwithstanding any language contained in this Declaration to the contrary, no Condominium Unit-Owner and no other party shall have priority over any rights of First Mortgages pursuant to their Mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or taking of Condominium Units and/or any portion or element of the Common Area.

10.4.5 Compliance with FHLMC and FNMA Regulations

The Declarant intends that the Project shall comply with all requirements of the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA) pertaining to the purchase by the FHLMC of conventional home loans. Declarant and all Unit Owners therefore agree that, in the event the Project or any of the Project Documents do not comply with the FHLMC and FNMA requirements, the Board shall have the power (on behalf of the Association) to enter into any agreement with the FHLMC or FNMA (or its designee) reasonably required by the FHLMC or FNMA to allow the Project to comply with such requirements and make such changes in the Project Documents to effectuate the same.

10.4.6 Payment of Taxes and Insurance Premiums by Mortgagees

First Mortgagees may, jointly or singly, pay any taxes, Assessments or other charges which are in default and which may or have become a lien or charge against the Common Area and may pay overdue premiums on hazard insurance policies (or secure new hazard insurance coverage on the lapse of a policy) for the Common Area. Any First Mortgagee making such payments shall be entitled to immediate reimbursement therefor from the Association.

10.4.7 Owner's Right to Sell Condominium Unit

The right of any Owner to sell, transfer or otherwise convey his Condominium Unit shall not be subject to any right of first refusal or any similar restriction in favor of the Association.

10.4.8 Right to Inspect Documents; Audited Financial Statements

The Association shall make available to Owners, Mortgagees and insurers or guarantors of First Mortgages current copies of the Declaration, Articles, Bylaws, rules of the Association and the books, records and financial statements of the Association. "Available" means available for inspection (and copying at the expense of therequesting party), upon request, during normal business hours or under other reasonable circumstances. In addition, First Mortgagees holding fifty-one percent (51%) or more of First Mortgages shall be entitled to have prepared, at their expense, an audited financial statement of the Association for the immediately preceding fiscal year if one is not otherwise available, and the Association shall have prepared and distributed such statement to the First Mortgagees requesting it within a reasonable time following receipt by the Association of the required requests.

10.5 Owner's Right and Obligation to Maintain and Repair

Except for those portions of the Project which the Association is required to maintain and repair, each Unit Owner shall, at his sole cost and expense, maintain and repair his Unit, keeping the same in good condition. Additionally, each Owner shall maintain, repair and replace as necessary any separate air-conditioning, cooling, heating and/or water-heating units (and all wires and connections therefor) which service his Unit, and further, the Owner shall repair any glass surfaces of a Unit which are damaged within seven (7) days of such damage. Each Owner shall have the exclusive right to paint, plaster, panel, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his Condominium Unit. In the event an Owner fails to maintain his Unit as provided herein in a manner which the Board deems necessary to preserve the appearance and value of the Property, the Board may notify such Owner of the work required and request that it be done within thirty (30) days from the giving of such notice. In the event an Owner fails to carry out such maintenance within said period, the Board may cause such work to be done and may specially assess the cost thereof to such Owner and collect and enforce said Assessment as provided in Article 4 above.

10.6 Entry for Repairs

The Board or its agents may enter any Unit when necessary in connection with any repairs, maintenance, land-scaping or construction for which the Association is responsible. Such entry shall be made upon reasonable notice, unless it would be impractical to give notice in an emergency, and with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Board at the expense of the Association. No Owner shall do any act or create any obstruction which would unreasonably interfere with the right or ability of the Association to perform any of its obligations or exercise any of its rights under this Declaration.

10.7 <u>Insurance; Damage or Destruction</u>

10.7.1 Reconstruction by Unit Owners

Subject to other provisions of this Declaration, in the event of damage to or destruction of any part of a Unit, the Owner shall reconstruct the same as soon as reasonably practicable and substantially in accordance with the original plans and specifications therefor. Each Owner shall have an easement of reasonable access into any adjacent Unit for purposes of repair or reconstruction of his Unit as provided in this subarticle.

10.7.2 Association Liability Insurance

The Association shall obtain continue in effect comprehensive public liability insurance insuring the Association, the Declarant, the agents and employees of each and the Owners and their respective family members, guests and invitees against any liability incident to the ownership or use of the Common Area and facilities in the Recreational Common Area, including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured and a "severability of interest endorsement precluding the insurer from denying coverage to one Owner because of the negligence of other Owners or the Association. Such insurance shall be in amounts deemed appropriate by the Board but, in any event, shall be in amounts which satisfy FHLMC and FNMA requirements as amended from time to time.

10.7.3 Master Hazard Insurance

Additionally, the Association shall obtain and continue in effect a master or blanket policy of multi-peril insurance on the Project, providing at a minimum fire and extended coverage and all other coverage in the kinds and amounts required by FHLMC and FNMA regulations as amended from time to time, said coverage to be obtained on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost) of all improvements in the Project. policy shall contain extended coverage and replacement cost endorsements, if available, and may also contain vandalism and malicious mischief coverage, stipulated amount clause and a determinable cash adjustment clause or a similar clause to permit cash settlement covering the full value of the improvements in the Project in the event of destruction and a decision not to rebuild pursuant to this Declaration. If the Project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the Project shall be maintained in an amount equal to the aggregate outstanding principal balance of all Mortgage loans on the individual Condominium Units or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less. policies shall be in form and amount as determined by the Board but, in any event, shall always satisfy FHLMC and FNMA requirements as amended from time to time, shall name as insured the Association, the Owners, Declarant (so long as Declarant is an Owner of any Condominium Units) and all Mortgagees as their respective interests may appear, and shall provide that any proceeds be paid to the Association for the use and benefit of the Owners and Mortgagees as their interests may appear. Such policy shall not be

required to insure the personal property within any individual Unit, which insurance shall be the responsibility and risk of the Unit Owners.

10.7.4 Additional Association Insurance

The Association may purchase such other insurance as it may deem necessary, including without limitation plate-glass, workmen's compensation, directors liability and errors and omissions insurance, and shall purchase fidelity coverage against dishonest acts by any directors, managers, trustees, employees or volunteers of the Association who are responsible for handling funds belonging to or administered by the Association. The fidelity insurance shall name the Association as the insured and shall provide coverage in an amount not less than one and one-half (1-1/2) times the Association's estimated annual operating expenses and reserves.

10.7.5 <u>Choice of Carriers; Insurance Premiums</u>

The insurance policies required under this Subarticle 10.7 shall be acquired from carriers meeting the qualifications specified by the FHLMC and FNMA from time to time. Insurance premiums shall be a Common Expense to be included in the Assessments levied by the Association, provided that the Association shall have the right, but not the obligation, to specially assess each Condominium Unit and the Owner thereof for all premiums for policies paid for by the Association attributable to custom-built items, additions or improvements in or to the Condominium Unit or any part thereof. The acquisition of insurance by the Association shall be without prejudice to the right of any Condominium Unit Owner to obtain additional individual insurance.

Neither the Declarant, the Association nor any officer or director thereof shall be liable to any Owner or other party if any risk or hazard is not covered by insurance or the amount is inadequate. Each Owner is responsible for ascertaining the Association's coverage and for procuring such additional coverage as such Owner deems necessary. First Mortgagees may pay overdue premiums and may secure new insurance coverage upon the lapse of any policy with respect to any insurance required to be maintained by the Association or by any Owner under this Declaration, and any First Mortgagee making such an expenditure shall be entitled to immediate reimbursement from the Association or Owner on whose behalf the expenditure was made...

10.7.6 Proceeds from Insurance

If any of the Project improvements are damaged by fire or other casualty, insurance proceeds payable to the Association shall be used to rebuild or repair such damage substantially in accordance with original plans and specifications therefor. Items added by Owners to their Units after the initial construction thereof shall be rebuilt or replaced at the expense of the Owners or their insurers to the extent insurance proceeds payable to the Association are insufficient therefor. Any excess insurance proceeds shall be deposited to the general funds of the Association. In the event the proceeds of the Association's insurance policy are insufficient to rebuild or repair the damaged Project improvements (not including custom-built items for which individual Owners are responsible), then the Association may use funds from its general account or, if necessary, from levying a special Assessment on all Unit Owners to restore or rebuild said improvements. The Association's use of funds from its general account or levy of a special Assessment shall not constitute a waiver of the Association's or any Owner's right to institute any legal proceeding or suit against the Person or Persons responsible, purposely or negligently, for the damage.

10.7.7 Total Destruction

In the event the Property subject to this Declaration is totally or substantially damaged or destroyed, the First Mortgagees shall receive timely notice thereof. The repair, reconstruction or disposition of the Property and insurance proceeds shall be as provided by an agreement approved by not less than fifty-one percent (51%) of the votes of each class of membership and not less than seventy-five percent (75%) of all First Mortgagees [based on one (1) vote for each Mortgage held].

10.7.8 Personal Liability Insurance

In addition to the master policies which the Association shall carry, the Board shall have the power to require each Condominium Unit Owner, at his expense, to carry personal liability insurance covering damage to property or injury to the person of others within the Project resulting from negligence of the Owner or his agents in an amount up to Three Hundred Thousand Dollars (\$300,000.00) for each occurrence.

10.7.9 Waiver of Subrogation; Notice of Cancellation

All property and liability insurance carried by the Association or the Owners shall contain provisions whereby the insurer waives rights of subrogation as to the Association, officers, directors, Members and

their guests, agents and employees. All insurance carried by the Association shall contain a provision requiring the insurer to notify First Mortgagees requesting notice of cancellation at least thirty (30) days in advance of the effective date of any reduction in or cancellation of the policy.

10.7.10 Additional Insurance Requirements

It is the intent of Subarticle 10.7 of this Declaration to generally set forth the insurance requirements for the Project which are, at all times, to comply with FHLMC and FNMA requirements. Because FHLMC and FNMA Project insurance requirements are very lengthy and subject to change from time to time, it is impractical to set forth all of those requirements herein. Therefore, the Association, Board and Owners shall at all times carry, maintain in good standing and pay for all hazard, liability, fidelity and other insurance policies, binders and bonds required by the FHLMC or FNMA, or FHLMC or FNMA regulations or quidelines as such requirements change from time to time, including but not limited to all insurance and bonds required by Section 3.203 of the FHLMC Sellers' Guide Conventional Mortgages, or Section 315, 803.07P or 803.08P of the FNMA Conventional Home Mortgage Selling Contract Supplement, and shall provide satisfactory evidence thereof promptly to any First Mortgagee or insurer or quarantor of any First Mortgage which requests such evidence. All such policies, binders and bonds shall comply with and be consistent in form and substance with all such FHLMC or FNMA requirements as they change from time to time, and shall include all mortgage clauses and endorsements of any kind or nature required by the FHLMC or FNMA, or FHLMC or FNMA regulations or guidelines as such requirements change from time to time.

10.8 Condemnation

Upon receipt of notice of intention or notice of proceedings whereby all or any part of the Project is to be taken by any governmental body by exercise of the power of condemnation or eminent domain, all Owners and First Mortgagees shall be immediately notified by the Association thereof. The Association shall represent the Owners in any condemnation or eminent domain proceedings or in negotia-. tions, settlements and agreements with the condemning authority for acquisition of any part of the Project, and every Owner appoints the Association his/her attorney-infact for this purpose. The entire award made as compensation for such taking, including but not limited to any amount awarded as severance damages, or the entire amount received and paid in anticipation and settlement for such taking, after deducting therefrom, in each case, reasonable and necessary costs and expenses, including but not limited to attorneys' fees, appraisers' fees and court costs (which

net amount shall hereinafter be referred to as the "Award"), shall be paid to the Association as trustee for the use and benefit of the Owners and their First Mortgagees as their interests may appear. If the portion of the Project taken or conveyed does not include all or any part of a Condominium Building, the Association shall, as it is practicable, cause the Award to be utilized for the purpose of repairing and restoring the Project, including, if the Association deems it necessary or desirable, the replacement of any improvements so taken or conveyed. If the portion of the Project taken or conveyed is comprised of or includes all or any part of a Condominium Building, the Association, after its receipt of notice of the final amount of the Award, shall call a special meeting of the Members of the Association, with notice thereof to all First Mortgagees, to determine whether the parts of the Project taken shall be restored, reconstituted or replaced and, if so, in what manner. These matters, together with the use, disposition and distribution of the Award, shall be as provided by an agreement approved by not less than fifty-one percent (51%) of the votes of each class of membership and not less than fifty-one percent (51%) of all First Mortgagees [based on one (1) vote for each First Mortgage held]. The Owners and First Mortgagees, in determining the disposition of the Award, shall give careful consideration to the complete loss of value (measured by fair market value prior to the taking) by Owners whose Units will be vacated by the taking and not replaced pursuant to the agreement as provided above. Condominium Unit Owners whose Units will be taken and not replaced shall, as part of the implementation of any agreement described above, be divested of all interest in the Project, and all remaining Condominium Unit Owners will automatically have their Common Interests in the reduced Project proportionately increased. In the event any Condominium Unit Owner disagrees with the proposed allocation, he/she may have the matter submitted to arbitration under the rules of the American Arbitration Association.

10.9 Limitation of Restrictions on Declarant; Additional Restrictions on Declarant

Declarant is undertaking the work of construction of the Units and incidental improvements upon the Property. The completion of that work and the sale, rental and other disposal of the Condominium Units are essential to the establishment and welfare of the Project as a residential community. In order that said work may be completed and said Project be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

10.9.1 Prevent Declarant, its contractors or subcontractors from doing on the Project or any Unit whatever is reasonably necessary or advisable in connection with the completion of the work;

- 10.9.2 Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Project such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said Project as a residential community and disposing of the same in parcels by sale, lease or otherwise;
- 10.9.3 Prevent Declarant from conducting on any part of the Project its business of completing the work and of establishing a plan of Condominium Unit ownership and of disposing of said Project in Condominium Units by sale, lease or otherwise; or
- 10.9.4 Prevent Declarant from maintaining such sign or signs on any portion of the Project as may be necessary for the sale, lease or disposition thereof.

So long as Declarant or its successors or assigns owns one or more of the Condominium Units established and described in this Declaration and, except as otherwise specifically provided herein, Declarant and its successors or assigns shall be subject to the provisions of this Declaration. Declarant shall not, and shall not have authority or power to, bind the Association prior to termination of Class B Membership, either directly or indirectly, to contracts or leases (including management contracts) unless the Association is provided with a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after such termination upon not more than ninety (90) days' notice to the other party thereto.

10.10 Termination of Any Responsibility of Declarant

In the event Declarant shall convey all of its right, title and interest in and to the Project to any partnership(s), individual(s) or corporation(s), then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership(s), individual(s) or corporation(s) shall be obligated to perform all such duties and obligations of the Declarant.

10.11 Owner's Compliance

Each Owner, tenant or occupant of a Unit shall comply with the provisions of the Project Documents and all decisions and resolutions of the Association or its duly authorized representative(s), and failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due, for damages (including costs and attorneys' fees) and/or for injunctive relief. All

agreements and determinations lawfully made by the Association in accordance with the voting percentages established in this Declaration or in the Bylaws shall be deemed to be binding on all Condominium Unit Owners, their successors and assigns.

10.12 Conflict of Project Documents

If there is any conflict among or between the Project Documents, the provisions of this Declaration shall prevail. Thereafter, priority shall be given to Project Documents in the following order: Condominium Plan, Map, Articles, Bylaws and rules and regulations of the Association.

10.13 Termination of Horizontal Property Regime

This Horizontal Property Regime may be terminated by the agreement of all of the Owners and First Mortgagees pursuant to Arizona Revised Statutes, Section 33-556, any amendment thereto or as provided herein. After termination of the Horizontal Property Regime, the Owners shall own the Project and all assets, and their respective First Mortgagees and lienors shall have First Mortgages and liens upon the respective undivided shares of the Owners. Such undivided shares of the Owners shall be the same as the undivided shares in the Common Area appurtenant to the Owners' Condominium Units prior to the termination (unless otherwise expressly set forth herein).

10.14 Persons Entitled to Enforce Declaration

The Association, any Owner and any governmental or quasi-governmental agency or municipality having jurisdiction over the Project shall have the right to enforce, by any proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by this Declaration, and in such action shall be entitled to recover costs and reasonable attorneys' fees as are ordered by the Court, provided however, that an individual Owner shall have no right to enforce the collection of any Assessment levied against any other Owner under Article 4 above. Failure by any such Person to enforce any such provision shall in no event be deemed a waiver of the right to do so thereafter.

10.15 Remedies for Violation of Declaration

The following provisions are in addition to and not in lieu of any other terms and conditions contained in the Declaration relating to remedies, including but not limited to those contained in Subarticle 4.8.

10.15.1 Violation of any of the covenants, conditions or restrictions, the breach of any of the covenants or agreements contained herein or the breach of any rules and regulations promulgated by the Board, whether by an Owner or occupant of any Unit, shall enable the Association, acting through the Board or an authorized agent, to enter the Unit as to which said violation or breach may exist and summarily enforce such covenants, conditions, restrictions, agreements, rules and regulations and to abate and remove the thing or condition which may exist thereon contrary to the provisions hereof, at the sole expense of the Owner of said Unit, without being deemed guilty of having trespassed in any manner.

10.15.2 In the event of any default by an Owner or occupant under the provisions of this Declaration, the Articles, the Bylaws or the rules and regulations of the Association, the Association, its successors and assigns, acting through the Board or an authorized agent, shall have each and all of the rights and remedies which may be provided for in this Declaration, the Articles, the Bylaws and said rules and regulations or which may be available at law or in equity, including but not limited to an action for the appointment of a receiver for the Condominium Unit without regard to the value of such Condominium Unit or the solvency of such Owner, or for damages, injunction, specific performance or for a judgment for payment of money and collection thereof. Nothing contained in this Declaration shall preclude the Association, its agents, the Board, Declarant, an aggrieved Owner, a First Mortgagee or other Person having an interest in the Project from exercising any available remedy at law or in equity. All costs and attorneys' fees incurred by the Association in enforcing compliance with this Declaration (whether or not a lawsuit or other legal action is instituted or commenced) or in connection with any legal action or proceedings in connection with any default under this Declaration by an Owner or an occupant of any Condominium Unit and all damages, liquidated or otherwise, together with interest as provided in Subarticle 4.1, shall be charged to and paid by such defaulting Owner as provided in Subarticle 4.1. Association, acting through the Board or its authorized agent, shall have the authority to correct any default and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and. paid by such defaulting Owner, and such charges shall part of and be secured by the lien against the defaulting Owner's Condominium Unit as provided in Subarticle 4.1. Any amounts charged to an Owner of a Condominium Unit pursuant to this Subarticle 10.15 or Subarticle 4.1 or 4.8 shall be immediately due and payable upon notice to the Owner unless a specific due date is established therefor pursuant to this Declaration.

10.15.3 Anything to the contrary herein notwithstanding, any breach of any of the covenants, conditions, restrictions, reservations and servitudes provided for in this Declaration shall not defeat or adversely affect the lien of any First Mortgagee upon any Condominium Unit but, except as herein specifically provided, each and all of said covenants, conditions, restrictions, reservations and servitudes shall be binding upon and effective against any lessee or Owner of a Condominium Unit whose title thereto is acquired by foreclosure, trustee's sale, sale, deed in lieu of foreclosure or otherwise.

10.16 Waiver; Remedies Cumulative

No failure or delay on the part of any Person in exercising any right, power or privilege hereunder and no course of dealing between or among the Persons subject hereto shall operate as a waiver of any provision hereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which any Person subject hereto would otherwise have. No notice to or demand upon any Person in any case shall entitle such Person to any other or further notice or demand in similar or other circumstances or constitute a waiver of rights to any other or further action in any circumstances.

10.17 <u>Judicial Proceedings</u>

All Owners agree that any matter arising under this Declaration may be finally adjudged or determined in any court or courts of the State of Arizona or of the United States of America having jurisdiction in the State of Arizona, and such Owners hereby submit generally and unconditionally to the jurisdiction of such courts and of any of them in respect to any such matter, provided however, as to those matters to be submitted to arbitration pursuant to any provision hereof, such arbitration provisions shall be controlling and prevail. For the purpose of instituting or defending any action with respect to the Common Area, or with respect to any matter affecting the Owners with respect to the Common Area, and further in connection with enforcing. this Declaration, the Articles, the Bylaws and any rules and regulations adopted pursuant to this Declaration, the Articles or the Bylaws, or in any other instance where the Board and/or the Members of the Association deem it is necessary for the best interest of the Project as a whole, the Association, acting by and through its Board, shall be deemed the real party in interest and is hereby authorized to commence and prosecute any such proceedings or to defend . any such action. Nothing contained in this Subarticle 10.17 shall be deemed or construed to impose upon the Association,

its Members or the Board any liabilities or obligations nor grant to any third party or parties any rights that any of said above-named parties would not otherwise have if this article were not contained herein.

10.18 Governing Law

This Declaration and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the laws of the State of Arizona.

End of Article 10 Entitled General Provisions

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have executed this Declaration this 15th day of September, 1981.

DECLARANT:

Eric Gregory Moore

Patricia Mary Moore

Patricia Mary Moore

TRUSTEE:

TITLE INSURANCE COMPANY OF MINNESOTA, a Minnesota corporation, as Trustee under Trust Number 10389 and not personally or in its corporate capacity

By Janbara Hiller

STATE OF ARIZONA

SS.

County of PIMA

On <u>SEPT 15</u>, 1981, before me, the undersigned Notary Public in and for said state and county, personally appeared ERIC GREGORY MOORE whose name is subscribed to the within Declaration of Horizontal Property Regime and Covenants, Conditions and Restrictions and known to me to be the person who executed the within instrument.

Witness my hand and official seal.

Notary Public

My commission expires:

7-29.83

STATE OF	ARIZONA)	
County o	£ PIMA)	SS.

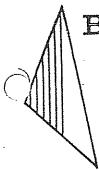
On SEFT 15, 196/, before me, the undersigned Notary Public in and for said state and county, personally

•	appeared PATRICIA MARY MOORE whose name is subscribed to the within Declaration of Horizontal Property Regime and Covenants, Conditions and Restrictions and known to me to be the person who executed the within instrument.
	Witness my hand and official seal.
	Notary Public Of Old O
	My commission expires:
	3-29-83
	STATE OF ARIZONA) State of Arizona) State of Arizona) State of Arizona)
	On September 15th , 1981, before me, the undersigned Notary Public in and for said state and county, personally appeared BARBARA L. MILLER , known to me to be the Trust Officer of TITLE INSURANCE COMPANY OF MINNESOTA, a Minnesota corporation, as Trustee, whose name is subscribed to the within Declaration of Horizontal Property Regime and Covenants, Conditions and Restrictions and known to me to be the person who executed the within instrument on behalf of said corporation, and he acknowledged a resolution of its Board of Directors.
	Witness my hand and official seal.
	Notary Public Edition
	My commission expires:
	18. 5 4 4 4 4 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5

55.

LEGAL DESCRIPTION

EXHIBIT "A"



Buchanan · Collins · Johnson & Associates, Inc.

ENGINEERS.PLANNERS.SURVEYORS

2555 East First Street • Tucson, Arizona 85716 Phone (602) 326-4307

JACK A BUCHANAN, R.L.B.
JERRY A. COLLINS
MICHAEL T. JOHNSON, P.E.
CHERIE L. CAMPBELL
JOSEPH E. DALTON
ROBERT M. WARNER

EXHIBIT A

LEGAL DESCRIPTION

PHASE I
HARRISON ESTATES CONDOMINIUMS
(LOTS 1-13-AND COMMON AREAS)

PREPARED FOR: GREG MOORE

JOB NO. 2107.01

SEPTEMBER 8, 1981

That portion of the North One-half of the Northeast Quarter of Section 10, Township 14 South, Range 15 East, Gila and Salt River Base and Meridian, Pima County, Arizona, lying within Lots 3 and 4 of Harrison Estates Amended as recorded in Maps and Plats Book 8 at Page 60, more particularly described as follows:

Beginning at the Northeast corner of said North One-half of the Northeast Quarter of Section 10:

Thence South 89°54'00" West along the North line of said North One-half a distance of 1290.62 feet;

Thence South 00°06'00" East a distance of 40.00 feet to a point, said point being the Northwest corner of said Lot 4 of Harrison Estates Amended;

Thence South 00⁰13'00" East along the westerly line of said Lot 4 a distance of 35.00 feet to a point 75.00 feet South of the North line of said Section 10, said point being the TRUE POINT OF BEGINNING;

Thence North 89⁰54'00" East and parallel to said section line along the southerly boundary of that parcel conveyed to the City of Tucson for Speedway Boulevard in Docket 6447, Page 1281 and Docket 6447, Pages 1282 - 3, a distance of 317.94 feet;

Thence South 00°06'00" East a distance of 138.00 feet;

Thence South 54026'47" West a distance of 30.30 feet;

Thence South 00006'00" East a distance of 65.00 feet;

Thence South 78027'23" East a distance of 90.00 feet;

Continued on Page 2.

Thence South 07°35'18" West a distance of 5.00 feet to a point lying on the southerly boundary line of said Lot 3 of Harrison Estates Amended;

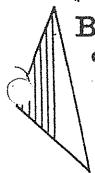
Thence North 82^o24'42" West along said southerly boundary line a distance of 82.20 feet to a point, said point being the Southeast corner of Lot 4 of said Harrison Estates Amended;

Thence South 85°25'40" West along the southerly boundary line of said Lot 4 a distance of 299.67 feet to the Southwest corner of said Lot 4;

Thence North 00013'00" West a distance of 256.06 feet to the TRUE POINT OF BEGINNING.

The area of said parcel being 1.75 acres.

CLC:1g



Buchanan · Collins · Johnson & Associates, Inc.

ENGINEERS.PLANNERS.SURVEYORS

2555 East First Street • Tucson, Arizona 85716 Phone (602) 326-4307

JACK A BUCHANAN, R.L.S.
JERRY A. COLLINS
MICHAEL T. JOHNSON, P.E.
CHERIE L. CAMPBELL
JOSEPH E. DALTON
ROBERT M. WARNER

EXHIBIT B

LEGAL DESCRIPTION

HARRISON ESTATES CONDOMINIUMS LOTS 14-34 AND COMMON AREA

PREPARED FOR: GREG MOORE

JOB NO. 2107.01

SEPTEMBER 23, 1981

That portion of the North One-half of the Northeast Quarter of Section 10, Township 14 South, Range 15 East, Gila and Salt River Base and Meridian, Pima County, Arizona, lying within Lot 3 of Harrison Estates Amended as recorded in Maps and Plats Book 8 at Page 60, pore particularly described as follows:

Jinning at the Northeast corner of said North One-half of the Northeast Quarter of Section 10;

Thence South $89^{\circ}54'00"$ West along the North line of said North One-half a distance of 565.96 feet;

Thence South 00⁰06'00" East a distance of 40.00 feet to a point, said point being the Northeast corner of said Lot 3 of Harrison Estates Amended;

Thence South 10⁰10'00" West along the easterly line of said Lot 3 a distance of 35.57 feet to a point 75.00 feet South of the North line of said Section 10, said point being the TRUE POINT OF BEGINNING;

Thence South 89°54'00" West and parallel to said section line along the southerly line of that parcel conveyed to the City of Tucson for Speedway Boulevard in Docket 6447, Page 281 and Docket 6447, Pages 1282-3 a distance of 400.31 feet;

Thence South 00006'00" East a distance of 138.00 feet;

Thence South 54026'47" West a distance of 30.30 feet;

Thence South 00006'00" East a distance of 65.00 feet;

Thence South 78°27'23" East a distance of 90.00 feet;

continued on Page 2.

HARRISON ESTATES CONDOMINIUMS LEGAL DESCRIPTION Page 2

.hence South 07⁰35'18" West a distance of 5.00 feet to a point lying on the southerly boundary line of said Lot 3 of Harrison Estates Amended;

Thence South 82⁰24'42" East along said southerly boundary line a distance of 93.42 feet to a point being the lot corner common to Lots 3, 13, and 14 of said Harrison Estates Amended;

Thence North 86⁰02'14" East along the southerly line of said Lot 3 a distance of 260.53 feet to a point, said point being the Southeast corner of said Lot 3;

Thence North $12^{\circ}30'00"$ West along the easterly line of said Lot 3 a distance of 148.70 feet to a point;

Thence North $10^{\rm O}10'00"$ East continuing along the easterly line of said Lot 3 a distance of 94.96 feet to the TRUE POINT OF BEGINNING.

The area of said parcel being 2.28 acres.

CLC:1g

The Common Interest of each Condominium Unit will be an undivided interest in the Common Area equal to the percentage set forth opposite the Unit's number below:

- 1. 8.8
- 2. 9.4
- 3. 8.8
- 4. 8.8
- 5. 8.4
- 6. 8.4
- 7. 8.4
- 8. 7.7
- 9. 8.5
- 10. 5.7
- 11. 5.7
- 12. 5.7
- 13. 5.7

In the event of an annexation pursuant to Subarticle 2.5, the Common Interest of each Condominium Unit in the Project as increased and augmented by the annexation will be recalculated and will be equal to the percentage yielded by the following formula:

square feet of the interior of the Unit as calculated from the Map, including the patio and/or balcony, garage or carport, storage area and private yard of the Unit

square feet of the interiors of all Units then in the Project as calculated from the Map(s), including the patios, balconies, garages, carports, storage areas and private yards of the Units.