

Wm. Draves & Assoc
5119 N. 19th Ave Suite W
Phoenix, Az 85015

[Handwritten initials]

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THIRD AMENDMENT TO DECLAR/
HORIZONTAL PROPERTY REGIM
LAKEBROOK VILLAS II

THIS THIRD AMENDMENT is made by the undersigned as of this 30th day of April, 1986, to the Declaration of Horizontal Property Regime recorded in Docket 13653 at Pages 370-384, inclusive ("Declaration"), which Declaration was amended by First Amendment recorded in Docket 13971 at Pages 1595-1598, inclusive ("First Amendment"), and further amended by Second Amendment to Declaration recorded in Docket 14173 at Pages 667-670, inclusive ("Second Amendment").

WITNESSETH:

WHEREAS, the Declaration may be amended by not less than two-thirds (2/3rds) of the Unit Owners with the approval of the Declarant; and

WHEREAS, this Third Amendment to the Declaration has been approved by two-thirds (2/3rds) of the Unit Owners, at a duly authorized special meeting of Unit Owners and also has been approved by the Declarant.

NOW, THEREFORE, the Declaration is amended, altered, modified, and changed, by this Third Amendment as hereinafter stated, and wherever there is a conflict between the Declaration, the First Amendment, the Second Amendment, and this Third Amendment, this Third Amendment shall prevail:

1. Paragraph 12 of the Declaration shall be and is hereby amended by adding subparagraph (g) at the end thereof which shall read as follows:

"(g) Fidelity Bond. The management committee shall obtain, unless waived by the Federal National Mortgage Association, a Fidelity Bond pursuant to the standards for condominiums as set forth in the Federal National Mortgage Association's Service Guide."

2. Paragraph 21 of the Declaration shall be and is hereby amended by deleting that portion of the first sentence beginning with the word "Upon" and ending with the word "time".

3. Paragraph 22 of the Declaration shall be and is hereby amended by deleting all of that portion of said paragraph set forth in the original Declaration, but not deleting the addition thereto as set forth in the Second Amendment.

IN WITNESS WHEREOF, the undersigned, Edward R. Steinman, being the duly authorized President of LAKEBROOK VILLAS II UNIT OWNERS ASSOCIATION, and the undersigned, Cal Sims, being the duly authorized officer of CAN-ALTA DEVELOPMENT, INC., the developer and successor Declarant to First American Title Insurance Company of Arizona, an Arizona corporation, as Trustee under Trust No. 6659, have executed this Third Amendment as of the day and year first above written.

LAKEBROOK VILLAS II UNIT OWNERS ASSOCIATION

CAN-ALTA DEVELOPMENT, INC., an Arizona corporation

By *[Signature]*
Its President

By *[Signature]*
Its Secretary

RECORDED IN OFFICIAL RECORDS
MAY 28 1986 - 9 00
KEITH POLETIS, County Recorder
FEE 6.00 PGS 3 K.S.

86 261420

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this
30th day of April, 1986, by Edward R. Steinman,
President of LAKEBROOK VILLAS II UNIT OWNERS ASSOCIATION, for and
on behalf of the association.

My Commission Expires:
5-4-88

Shelley A. Smith
Notary Public

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this
30th day of Apr., 1986, by Cal Sims,
of CAN-ALTA DEVELOPMENT, INC., an Arizona
corporation, for and on behalf of the corporation.

My Commission Expires:
5-4-88

Shelley A. Smith
Notary Public

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86 261420

CAN-ALTA DEVELOPMENT, INC.

7204 NORTH 16TH STREET — SUITE 2500
PHOENIX, ARIZONA 85020
(602) 997-2603

TO: THE UNIT OWNERS OF LAKEBROOK VILLAS II
and
LAKEBROOK VILLAS II UNIT OWNERS ASSOCIATION

DATE: April 30, 1986

The undersigned, CAN-ALTA DEVELOPMENT, INC., an Arizona corporation, being the developer of Lakebrook Villas II project and also the successor to the Declarant, FIRST AMERICAN TITLE INSURANCE COMPANY OF ARIZONA, an Arizona corporation, as Trustee under Trust No. 6659, and the owner of Units 101, 106, 115, 202, 224 and 229, hereby ratifies, consents to and approves the Third Amendment to Declaration of Horizontal Property Regime for Lakebrook Villas II, copy of which is attached hereto and made a part hereof.

CAN-ALTA DEVELOPMENT, INC.,
an Arizona corporation

By 

Unofficial Document

Its Secretary



2

Wm. Draves & Assoc
5119 N. 19th Ave
Suite W
Phoenix, Az 85015

FIRST AMENDMENT TO DECLARATION OF HORIZONTAL

PROPERTY REGIME FOR LAKEBROOK VILLAS II

86 261418

MOD RSTR (DF)

This First Amendment to the Declaration of Horizontal Property Regime (Declaration) which Declaration was recorded in Docket 13653, Pages 370-384, records of Maricopa County, Arizona, is made by the undersigned Trustee subject to the declarations described herein;

W I T N E S S E T H:

WHEREAS, the Declaration may be amended by the declarant pursuant to Paragraph 21 of the Declaration;

WHEREAS, as of the date of the execution of this instruments no units have been sold, therefore declarant may amend the Declaration;

NOW, THEREFORE, the Declaration is amended, altered, modified and changed as follows, and wherever there is a conflict between the Declaration and this amendment, this amendment shall prevail:

Paragraph 14 of the Declaration, shall be and is hereby amended by adding the following:

D. The prior written approval of each institutional holder of a first "deed of trust" (hereinafter referred to as "first mortgage") lien on units in the Project will be required for at least the following:

(1) The abandonment or termination of of the Project except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(2) Any material amendment to the Declaration or to the By-Laws by the Owners Association, including, but not limited to, any amendment which would change the percentage interest of the unit owners in the Project;

(3) The effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the Project.

E. Any holder of a first deed of trust or first mortgage lien on units in the Project will, upon request, be entitled to:

*Re-Recording because docket #
did not appear on all pages
for U. A. approval*

⑥

(1) Inspect the books and records of the Project during normal business hours; 86 261418

(2) Receive an annual audited financial statement of the Project within ninety (90) days following the end of any fiscal year;

(3) Written notice of all meetings of the Owners Association and be permitted to designate a representative to attend all such meetings.

F. If any unit or portion thereof, or the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first lien on a unit will be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of any document establishing the Project will entitle the owner of a unit or other party to priority over such institutional holder with respect to the distribution to such unit of the proceeds of any award or settlement.

G. Each holder of a first lien on a unit who comes into possession of the unit by virtue of foreclosure of the mortgage or forfeiture on a deed of trust, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, will take the unit free of any claims for unpaid assessments and charges against the unit which accrue prior to the time such holder comes into possession of the unit, except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all Project units including the mortgaged unit.

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Paragraph 7 of the Declaration shall be, and is hereby, amended by adding the following at the end of the first paragraph of Paragraph 7:

Any management agreement for the Project will be terminable by the LAKEBROOK VILLAS II Unit Owners Association for cause upon 30 days written notice thereof, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods.

Paragraph 16 of the Declaration shall be, and is hereby, amended by adding the following subparagraph:

F. Control of the LAKEBROOK VILLAS II Unit Owners Association will become vested in the purchasers of the units within not more than 120 days after completion of transfer to purchasers of title to units representing one hundred percent (100%) of the votes of all unit owners, exclusive of the votes of owners of units within any future expansion of the Project.

A Paragraph 28 shall be added to the Declaration and is hereinbelow set forth:

28. Any purchaser of a unit will be required to acknowledge that he has received and read the Declaration of Horizontal Property Regime, By-Laws and Articles of Association of LAKEBROOK VILLAS II and any amendments

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thereto, if any, and no substantial changes shall be made to the Declaration of Horizontal Regime, By-Laws and Articles of Association prior to the closing of the sale of the units without the prior written consent of the purchaser; and any amount computed in accordance with section 502.03b2 (c) of the FNMA Conventional Home Mortgage Selling Contract Supplement and whether paid by either the purchaser or the seller will be distributed to the Owners Association as a contribution to the Association's initial working capital and reserves.

IN WITNESS WHEREOF, the undersigned, FIRST AMERICAN TITLE INSURANCE COMPANY OF ARIZONA, an Arizona corporation, as Trustee under Trust Number 6659, has caused its corporate name and seal to be hereon fixed by the officer hereunto duly authorized this 18th day of October, 1979.

FIRST AMERICAN TITLE INSURANCE
COMPANY OF ARIZONA, an Arizona
corporation, as Trustee under
Trust No. 6659

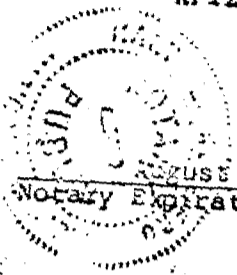
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By: C. B. Cunningham
C.B. Cunningham, Trust Officer

86 261418

SUBSCRIBED AND SWORN to before me this 18th day of
October, 1979, by C. B. Cunningham, Trust
Officer, First American Title Insurance Company of
Arizona.

Mary S. Higgins
NOTARY PUBLIC



Notary Expiration Date August 19, 1983

~~OCT 18 1979 218~~

STATE OF ARIZONA
County of Maricopa, ss

I hereby certify that the within-
in instrument was read and re-
corded at request of

ARIZONA TITLE

in Docket 15971
on page 15875-1598

Witness my hand and
seal the day and year first above
Bill Sharkey

By *[Signature]* Unofficial Document

3.00

RECORDED IN OFFICIAL RECORDS
MARICOPA COUNTY, ARIZONA
MAY 28 1985 -9 00
KEITH POLETIS, County Recorder
FEE 6.00 PGS 4 KS.
1

When recorded, return
First American Title
Ins. Co. of Az.
111 West Monroe
Phoenix, Az.

14288 687 Document

THIRD AMENDMENT TO DECLARATION

HORIZONTAL PROPERTY REGIME FC

LAKEBROOK VILLAS II

RECORDER

This Third Amendment to the Declaration of Horizontal Property Regime (Declaration) which Declaration was recorded in Docket 13653, pages 370-384, records of Maricopa County, Arizona, is made by the undersigned Trustee, subject to the Declarations described herein;

W I T N E S S E T H :

WHEREAS, the Declaration may be amended by the Declarant pursuant to Paragraph 21 of Declaration;

NOW, THEREFORE, the Declaration is amended, altered, modified, and changed by a Third Amendment as follows, and wherever there is a conflict between the Declaration, the First Amendment, the Second Amendment and the Third Amendment, this Third Amendment shall prevail:

Paragraph 12 of the Declaration shall be and is hereby amended by adding subparagraph (g) at the end thereof which shall read as follows:

(g) Fidelity Bond. The management committee shall obtain, unless waived by the Federal National Mortgage Association, a Fidelity Bond meeting the standards for condominiums as set forth in the Federal National Mortgage Association's Services Guide.

IN WITNESS WHEREOF, the undersigned, First American Title Insurance Company of Arizona, an Arizona corporation, as Trustee under Trust 6659, has caused its corporate name and seal to be hereon fixed by the officer hereunto duly authorized this 13th day of March, 1980.

STATE OF ARIZONA)
County of Maricopa) ss

I hereby certify that the within instrument was filed and recorded at request of
FIRST AMERICAN TITLE

MAR 17 1980-800

in Docket 14288

on page 687-688

Witness my hand and official seal this 13th day of March, 1980.

Bill Clary

County Recorder

By: *[Signature]* 300

FIRST AMERICAN TITLE INSURANCE
COMPANY OF ARIZONA, AN Arizona
Corporation, as Trustee

By: *[Signature]*
C. B. Cunningham, Trust Officer

STATE OF ARIZONA)
 : ss
County of Maricopa)

On this the 13th day of March, 1980, before me, the undersigned officer, personally appeared C. B. Cunningham, who acknowledged himself to be the Trust Officer of First American Title Insurance Company of Arizona, an Arizona corporation, as Trustee, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, as Trustee, by himself as such officer.

In witness whereof I have hereunto set my hand and official seal.

My Commission Expires:

8-19-83

Notary Public Seal

Mary S. Ruggard

Notary Public

SECOND AMENDMENT TO DECLARATION OF
HORIZONTAL PROPERTY REGIME FOR
LAKEBROOK VILLAS II

MOD RSTR

This Second Amendment to the Declaration of Horizontal Property Regime (Declaration) which Declaration was recorded in Docket 13653, pages 370-384, records of Maricopa County, Arizona, is made by the undersigned Trustee, subject to the Declarations described herein;

W I T N E S S E T H :

WHEREAS, the Declaration may be amended by the Declarant pursuant to Paragraph 21 of the Declaration;

NOW, THEREFORE, the Declaration is amended, altered, modified, and changed by a Second Amendment as follows, and wherever there is a conflict between the Declaration, the First Amendment and this Second Amendment, this Second Amendment shall prevail:

Paragraph 1 of the Declaration shall be and is hereby amended by adding the following:

(n) The term "institutional holder" shall mean a mortgagee which is a bank or savings and loan association or established mortgage company, or other entity, chartered under federal or state laws, any corporation or insurance company or any federal or state agency.

(o) The term "mortgagee" shall include both mortgagees and trust deed beneficiaries.

(p) The term "lease" shall mean any agreement for the leasing or rental of the property and/or a unit or units.

JAN 22 1980 -11 12

STATE OF ARIZONA }
County of Maricopa } ss

I hereby certify that the within instrument was filed and recorded at request of

ARIZONA TITLE

in Docket 14173
on page 667-670

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

Bill Henry

By R. B. North County Recorder
Deputy Recorder

300

Paragraph 9 of the Declaration shall be and is hereby amended by adding the following at the end thereof:

Said assessments shall commence no later than sixty (60) days following the close of escrow on the sale of the first unit in the project and the developer shall be assessed seventy percent (70%) of the average unit assessment for each unit completed and not sold.

Paragraph 10 of the Declaration shall be and is hereby amended by deleting the last sentence of said paragraph and substituting the following:

Notwithstanding anything herein to the contrary, in the event of substantial damage or destruction of any unit or any part of the common elements or in the event of condemnation, the institutional holder of any first lien on a unit will be entitled to timely written notice of any such damage, destruction, or condemnation and no provision of any document establishing the project will entitle the owner of the unit or party to priority over such institutional holder with respect to the distribution to such unit of any insurance proceeds.

Notwithstanding anything herein to the contrary, notice of condemnation shall be given any first lien holders and said first lien holders shall be given immediate notice of damage or destruction to a unit of \$1,000.00 or more, or the common area of \$10,000.00 or more.

Paragraph 13 of the Declaration shall be and is hereby amended by deleting the phrase beginning with the word "which" and ending with the word "encumbrances" which appears on page 9 of the Declaration, paragraph 13, subparagraph (b).

Paragraph 13 of the Declaration shall be and is hereby amended by deleting the last subparagraph appearing on page 9.

Paragraph 14 of the Declaration shall be and is hereby amended by adding subparagraph H at the end thereof which will read as follows:

(H) Notwithstanding anything herein to the contrary, each holder of the first lien on a unit shall be given written notice of any default by a mortgagor not cured within thirty (30) days.

Paragraph 14 of the Declaration shall be and is hereby amended by adding subparagraph I at the end thereof which will read as follows:

(I) The project may be removed from this Horizontal Property Regime, at any time, provided the sole owner of the project or all of the Unit Owners execute, acknowledge and record a Declaration evidencing such withdrawal. If at such time there are any encumbrances, mortgages, Deeds of Trust or Liens against any of the units or any part or all of the project, such Declaration shall be effective only when the creditors and/or mortgagees holding such encumbrances or liens also execute and acknowledge such Declaration, all their encumbrances or liens are satisfied Unofficial Document other than by foreclosure against any unit or units or the project, or expire by operation of law. No withdrawal of the project from the Horizontal Property Regime shall be a bar to any subsequent commitment to a Horizontal Property Regime.

The last subparagraph of paragraph 16 of the Declaration shall be amended by substituting "seventy-five percent (75%)" for the percentage presently set forth therein which is one hundred percent (100%).

Paragraph 19 of the Declaration shall be and is hereby amended to read as follows:

19. Obligation to Comply Herewith. Each Unit Owner, tenant, or occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Articles of Association and the By-Laws, and the rules made and/or entered into by the Management Committee or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof, shall be grounds for an action by the Management Committee and/or any aggrieved Unit Owners to recover any loss or damage resulting therefrom or for injunctive relief.

Dkt 14173 670

Paragraph 22 of the Declaration shall be and is hereby amended by adding the following:

With the exception of a lender in possession of a condominium unit following a default in a first lien, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his unit for transient or hotel purposes. No Unit Owner may lease less than the entire unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the By-Laws and that any failure by the Lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing. Other than the foregoing, there is no restriction on the right of any Unit Owner to lease his unit.

IN WITNESS WHEREOF, the undersigned, First American Title Insurance Company of Arizona, an Arizona corporation, as Trustee, under Trust Number 6659 has caused its corporate name and seal ^{Unofficial Document} to be hereon fixed by the officer hereunto duly authorized this 20th day of December, 1979.

FIRST AMERICAN TITLE INSURANCE
COMPANY OF ARIZONA, an Arizona
corporation, as Trustee under
Trust No. 6659

By: 

MOD RSTR

FIRST AMENDMENT TO DECLARATION OF HORIZONTAL
PROPERTY REGIME FOR LAKEBROOK VILLAS II

This First Amendment to the Declaration of Horizontal Property Regime (Declaration) which Declaration was recorded in Docket 13653, Pages 370-384, records of Maricopa County, Arizona, is made by the undersigned Trustee subject to the declarations described herein;

W I T N E S S E T H:

WHEREAS, the Declaration may be amended by the declarant pursuant to Paragraph 21 of the Declaration;

WHEREAS, as of the date of the execution of this instruments no units have been sold, therefore declarant may amend the Declaration;

NOW, THEREFORE, the Declaration is amended, altered, modified and changed as follows, and wherever there is a conflict between the Declaration and this amendment, this amendment shall prevail:

Paragraph 14 of the Declaration, shall be and is hereby amended by adding the following:

D. The prior written approval of each institutional holder of a first "deed of trust" (hereinafter referred to as "first mortgage") lien on units in the Project will be required for at least the following:

(1) The abandonment or termination of of the Project except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(2) Any material amendment to the Declaration or to the By-Laws by the Owners Association, including, but not limited to, any amendment which would change the percentage interest of the unit owners in the Project;

(3) The effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the Project.

E. Any holder of a first deed of trust or first mortgage lien on units in the Project will, upon request, be entitled to:

- (1) Inspect the books and records of the Project during normal business hours;
- (2) Receive an annual audited financial statement of the Project within ninety (90) days following the end of any fiscal year;
- (3) Written notice of all meetings of the Owners Association and be permitted to designate a representative to attend all such meetings.

F. If any unit or portion thereof, or the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first lien on a unit will be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of any document establishing the Project will entitle the owner of a unit or other party to priority over such institutional holder with respect to the distribution to such unit of the proceeds of any award or settlement.

G. Each holder of a first lien on a unit who comes into possession of the unit by virtue of foreclosure of the mortgage or forfeiture on a deed of trust, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, will take the unit free of any claims for unpaid assessments and charges against the unit which accrue prior to the time such holder comes into possession of the unit, except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata real^{Unofficial Document} of such assessments or charges to all Project units including the mortgaged unit.

Paragraph 7 of the Declaration shall be, and is hereby, amended by adding the following at the end of the first paragraph of Paragraph 7:

Any management agreement for the Project will be terminable by the LAKEBROOK VILLAS II Unit Owners Association for cause upon 30 days written notice thereof, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods.

Paragraph 16 of the Declaration shall be, and is hereby, amended by adding the following subparagraph:

F. Control of the LAKEBROOK VILLAS II Unit Owners Association will become vested in the purchasers of the units within not more than 120 days after completion of transfer to purchasers of title to units representing one hundred percent (100%) of the votes of all unit owners, exclusive of the votes of owners of units within any future expansion of the Project.

A Paragraph 28 shall be added to the Declaration and is hereinbelow set forth:

28. Any purchaser of a unit will be required to acknowledge that he has received and read the Declaration of Horizontal Property Regime, By-Laws and Articles of Association of LAKEBROOK VILLAS II and any amendments

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thereto, if any, and no substantial changes shall be made to the Declaration of Horizontal Regime, By-Laws and Articles of Association prior to the closing of the sale of the units without the prior written consent of the purchaser; and any amount computed in accordance with section 502.03b2 (c) of the FNMA Conventional Home Mortgage Selling Contract Supplement and whether paid by either the purchaser or the seller will be distributed to the Owners Association as a contribution to the Association's initial working capital and reserves.

IN WITNESS WHEREOF, the undersigned, FIRST AMERICAN TITLE INSURANCE COMPANY OF ARIZONA, an Arizona corporation, as Trustee under Trust Number 6659, has caused its corporate name and seal to be hereon fixed by the officer hereunto duly authorized this 18th day of October, 1979.

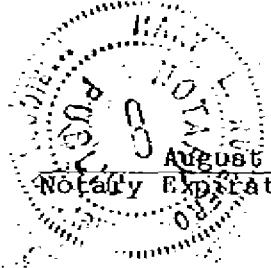
FIRST AMERICAN TITLE INSURANCE
COMPANY OF ARIZONA, an Arizona
corporation, as Trustee under
Trust No. 6659

Unofficial Document

By: C.B. Cunningham
C.B. Cunningham, Trust Officer

SUBSCRIBED AND SWORN to before me this 18th day of
October, 1979, by C. B. Cunningham, Trust
Officer, First American Title Insurance Company of
Arizona.

Mary L. Ruggiers
NOTARY PUBLIC



August 19, 1983
Notary Expiration Date

OCT 18 1979 -2 15

STATE OF ARIZONA }
County of Maricopa } ss

I hereby certify that the within
instrument was filed and re-
corded at request of

ARIZONA TITLE

In Decket 13971
on page 1525-1548

Witness my hand and official
seal the day and year first above written.

Bill Agency

By [Signature]
[Signature]

Unofficial Document

3.00

W. W. MONROE
Phoenix, Az. 85003
ATTN: GAYLE McCEE

✓
ARIZONA TITLE

DECLARATION OF HORIZONTAL PROPERTY REGIME

FOR

0011365300370 7/3/53

LAKEBROOK VILLAS II

PROP RSTR (PR)

184000

This Declaration is made this 22 day of May, 1979
by ARIZONA TITLE INSURANCE AND TRUST COMPANY, an Arizona corporation, as
Trustee under Trust No. 6659, hereinafter called "Declarant", which, as
Present Owner executes this Declaration of Horizontal Property Regime,
Reservations, Covenants, Conditions and Restrictions, to run with the
real property herein described for the purposes as hereinafter set forth:

See the Exhibit "A" which is attached
hereto and by reference made a part hereof.

WHEREAS, prior to this Declaration, the said properties have been
made subject to that certain Declaration of Covenants, Conditions and
Restrictions for Lake Biltmore Village and the Amendments thereto,
recorded in Docket 10309, Pages 118-152, Docket 10402, Pages 1241-1244,
Docket 11307, Pages 693-695 and Docket 12141, Pages 1205-1207 respectively,
records of the Maricopa County Recorder, which Covenants, Conditions and
Restrictions are incorporated herein; and

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

WHEREAS, Declarant further desires by filing this Declaration and
the aforesaid plat, filed in Book 208, Page 35 of Maps to submit the
above-described real property and the said buildings and other improvements
thereon to the provisions of the Arizona Horizontal Property Regime Act in
ARS Section 33-551 et seq., a condominium project known as LAKEBROOK VILLAS
II, and

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

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

1. Definitions. The terms used herein shall have the meaning stated in the Arizona Horizontal Property Regime Act as follows unless the context otherwise requires:

a. The term "The Act" shall mean and refer to the Arizona Property Regime Act as the same may be amended from time to time;

b. The term "The Condominium Project" or sometimes "The Project" shall mean and refer to the entire parcel of real property and improvements referred to in this Declaration or any additions permitted hereunder;

c. The term "Map" or "Plat" shall mean and refer to the plat of LAKEBROOK VILLAS II, filed for record as hereinabove set forth and described;

d. The term "Unit Owner" shall mean and refer to the legal owner or equitable owner of a condominium unit at LAKEBROOK VILLAS II and a proportionate share of the Common Areas and Facilities as those terms are defined herein, including the original purchasers and others who may subsequently become Unit Owners;

e. The term "Common Areas and Facilities" shall mean and refer to:

(1) The above-described land;

(2) Those Common Areas and Facilities specifically set forth and designated as such in the Map;

(3) That part of the condominium project not specifically included in the respective units as hereinafter defined;

(4) All of the properties owned by the Lake Biltmore Village Owners Association, a non-profit corporation organized under and by virtue of the laws of the State of Arizona governing non-profit corporations and its successors and assigns. Said common area shall mean all such property held by said association for the common use and enjoyment of members

of the association, including but not limited to such things as a lake, drive-ways, parking areas, bike paths, water courses, fountains, walk areas, lighting fixtures, concessions, rights-of-way, easements, recreational areas and facilities, pumps, trees, landscaping, streets, pipes, wire, conduits and other utility lines;

(5) All foundations, columns, girders, beams, supports, exterior walls, bearing walls, roof, exterior walkways, undesignated and/or guest covered and uncovered parking spaces, service streets, stalls, recreational areas and facilities, yards, gardens, fences, storage spaces, stairwells and landings, all installations of power, light, water and other apparatus, installations and other parts of the property necessary or convenient to the existence, maintenance and safety of the Common Area, or normally in common use;

(6) All Common Areas and facilities as defined in the Act, whether or not expressly listed herein;

(f) The term "Property" shall mean and refer to the land, the building, all improvements and structures thereon, all articles of personal property intended for use in connection therewith.

(g) Each unit is composed of and shall include the space enclosed and bounded by the boundaries shown for each unit on the Plat, which boundaries are the interior surface of the finished perimeter walls and the interior surfaces of finished floor and the finished ceiling, the elevations of each apartment being as shown on the Plat;

(h) The terms "Unit" shall mean and refer to a part of the property intended for any type of independent use and defined in the Act and as designated on the map, and shall be synonymous with "condominium unit" or "apartment unit" and shall be composed of, and include, an apartment together with a patio and/or balconies bearing the same number and letter as the apartment as designated on the map together with an undivided 1/89th interest in and to the common elements shown and described on the plat and set forth herein;

(i) The term "Common Expenses" shall mean and refer to all items things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the By-Laws, such rules and regulations pertaining to the Condominium project as the Management Committee may from time to time adopt, and such other determinations and agreements lawfully made and/or entered into by the Management Committee, however care for stairwells and landings shall be deemed a "common expense";

(j) The term "Management Committee" shall mean and refer to those persons duly elected thereto by the Unit Owners of LAKEBROOK VILLAS II;

(k) The term "Manager" shall mean and refer to the person, persons or corporation selected by the Management Committee to manage the affairs of the Condominium Project;

(l) To the extent applicable to the tenure hereof and not inconsistent herewith, definitions contained in the Act are incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof;

(m) The Limited Common Areas and Facilities of the Project are and shall be the initially designated parking spaces which are set aside and reserved for the use of the respective units as set forth in the Map, the additional parking spaces upon assignment to Unit Owners for an additional cost, balconies, patios enclosed by walls adjacent to a unit and the stairwells and landings between two (2) units, all as designated on the Map or herein, to the exclusion of the other units.

2. Submission to Condominium Ownership. Declarant hereby submits the above-described tract of land, buildings, and other improvements constructed thereon or hereafter to be constructed, together with all appurtenances thereto, to the provisions of the Act as a Condominium Project to be known as LAKEBROOK VILLAS II. This Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith.

3. Covenants to Run with the Land. This declaration and the covenants, restrictions, limitations, conditions, and uses therein provided, shall constitute covenants to run with the land and as hereby submitted to the condominium project, shall be binding upon the Declarant, its successors and assigns, and upon all subsequent owners of all or any part of the Condominium Project, and upon their grantees, successors, heirs, executors, administrations, devisees, and assigns.

4. Plan of Condominium Ownership. To establish a plan of condominium ownership for the Condominium Project, the Project is hereby divided into 89 residential units as described on the Plat, which, with their appurtenant interests in the Common Areas and Facilities, as hereinafter established, shall constitute separate freehold estates for all purposes provided by the Act and the Condominium states of the project shall not be abandoned except for abandonment provided by statute in case of substantial loss to the Units and Common Area.

5. Easement for Encroachments and Utilities. If by reason of original construction or reconstruction, any portion of the Common Area encroaches upon any of the residential units, or any portion of a residential unit encroaches upon any portion of the Common Areas, or any portion of a residential unit encroaches upon any portion of another residential unit, a valid easement shall exist for such encroachment, and for the maintenance of the same, so long as such encroachment exists. Easements are reserved through the property as may be required for utility service including ingress and egress, installation, replacing repairing, and maintaining all existing utilities including, but not limited to, water, sewer, gas, telephones and electricity.

6. Ownership of Common Areas and Facilities. The percentage of ownership in the Common Areas and Facilities of the Condominium shall be for all purposes, including voting. The common expenses shall be allocated among the Unit Owners in accordance therewith. The percentage of ownership in the Common Areas and Facilities shall be one-eighty ninth (1/89th) for each Unit Owner except for the properties owned by Lake Biltmore Village Owners Association which shall be owned by the Unit Owners based on their interest in Lake Biltmore Village Owners Association.

7. Management. The business, property and affairs of the Project shall be managed by a Management Committee consisting of not less than three or more than seven members, who have ownership in units in the project, to be elected as provided in the By-Laws. Such Management Committee shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, this Declaration and/or any amendments subsequently filed thereto; provided however, that the Management Committee may engage the services of a Manager and fix and pay a reasonable fee or compensation therefor. Notwithstanding anything herein contained to the contrary, the Declarant, or its nominee, shall act as the Management Committee until the completion and sale of the eighty-nine units in the Project. Provided, however, the Declarant reserves the right to turn over to the owners the Management Committee function at an earlier date at its discretion.

The Management Committee shall be responsible for the control, operation and management of the Condominium in accordance with the provisions of the Act, this Declaration and such administrative, management and operational rules, and regulations as it may adopt from time to time as herein provided and all agreements and determinations lawfully made and entered into by the Committee.

The Management Committee shall be responsible for the control, operation and management of the Condominium in accordance with the provisions of the Act, this Declaration and such administrative, management and operational rules, and regulations as it may adopt from time to time as herein provided and all agreements and determinations lawfully made and entered into by the Committee.

The Management Committee shall have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the best interests of the Unit Owners, including the authority to assign a specific storage space to each Unit Owner.

The Management Committee, pursuant to Section 4 of the Declaration of Covenants, Conditions and Restrictions of Lake Biltmore Village, shall be empowered to designate one of the members of the Committee as a representative to vote the membership of the Unit Owners in all actions and all decisions required by such Unit Owners in connection with said Unit Owners' memberships in Lake Biltmore Village Association. The Management Committee shall meet and determine to the extent possible how said designated member shall vote the memberships of the Unit Owners of LAKEBROOK VILLAS II on all issues and items.

The Management Committee shall be known by such name or designation as it, or the Unit Owners, at any meeting may assign.

8. Change in Ownership. Whenever there is a change of ownership of a residential unit and its appurtenant right, for whatever reason, the Management Committee or the Manager may require as condition to recognizing the new Unit Owner or Owners as such, that the new Unit Owner or Owners meet the following:

- A. Furnish evidence substantiating the new ownership;
- B. Sign an agreement accepting and agreeing to be bound by this Declaration, the By-Laws, and the rules and regulations and all amendments thereto.

Notwithstanding the failure of the Management Committee to require the evidence and agreement, under subsections A and B hereinabove, such new owner or owners shall be bound

by the terms and provisions of this Declaration, any amendment thereto or the By-Laws and rules and regulations and amendments thereto.

9. Assessments. Each Unit Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Management Committee (1) Common expenses for the operation, maintenance of Common Areas and Facilities, and (2) special assessments for capital improvements, such assessments to be established and collected as the Management Committee determines in accordance with the Act, the Declaration or the By-Laws. The common expenses and special assessments, together with late payment penalties, if any, together with such interest thereon and costs of collection thereof, as hereinafter provided, including reasonable attorney's fees and costs, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Unit Owner of such property at the time when the assessment fell due, but such personal obligation and liability of the Unit Owner shall not be deemed to limit or discharge the charge on the land and continuing lien upon the property against which such assessment is made.

In assessing Unit Owners or requiring them to pay for the building improvements following the execution of the Declaration, it is agreed that no assessment for a single improvement in the nature of capital expenditure exceeding the sum of \$2,500.00 in cost shall be made without the same having been first approved by a vote of owners of 75 percent, or more, of the undivided interests in the Common Areas and Facilities. The foregoing provision shall not apply in connection with the replacement or reconstruction occasioned by fire or other casualty.

10. Destruction or Damage. In the event the Condominium Project is destroyed or damaged or condemned to the extent of 75 percent or less of the value thereof, the Management Committee shall be responsible for repairing, rebuilding and/or restoring the same to the condition it was in immediately prior to such destruction or damage, and the Management Committee shall, in this connection, be entitled to use the proceeds of any and all insurance policies which it may have had in force on said premises or condemnation awards as of the date of such destruction or damage. In the event the Condominium Project is destroyed or damaged to the extent of more than 75 percent of the value thereof, the Unit Owners shall, at a meeting duly called by the Management Committee for the purpose, determine whether or not said premises should be rebuilt, repaired or disposed of. Unless owners representing 100 percent of the undivided interests in the Common Areas and Facilities agree to the withdrawal of the Condominium Project from the provisions of the Act and to its subsequent disposal, the premises shall be repaired, rebuilt or restored to the same condition they were in immediately prior to said destruction or damage. In the event the cost of such repairing, rebuilding or restoring the Condominium Project shall exceed the amount realized by the Management Committee from the proceeds of any insurance policy or policies as herein provided, or condemnation award the Unit Owners shall contribute to such cost in relation to their percentage of undivided ownership in the Common Areas and Facilities. Notwithstanding anything to the contrary, notice of condemnation shall be given any first lien holders.

11. Taxes. It is understood that under the Arizona Horizontal Property Regime Act each Unit, and its percentage of undivided interest in the Common Areas and Facilities in the Project are subject to separate assessment and taxation by each assessing unit and the special district for all types of taxes authorized

by law, and that as a result thereof, no taxes will be assessed or payable against the Project as such. Each Unit Owner shall, accordingly pay and discharge any and all taxes which may be assessed against him and his percentage of undivided interest in the Common Areas and the Facilities.

12. Insurance. The Management Committee shall secure and maintain the following insurance coverage on the Condominium Project:

(a) Fire and Extended Coverage. Fire insurance, with extended coverage endorsement, for the full insurance replacement value of the Units and Common Areas, which said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagees of each Unit, if any.

(b) Liability Coverage. A policy of comprehensive general liability insurance with an insurance company authorized to do business in the State of Arizona insuring the Management Committee, the Manager, the Unit Owners, their invitees or tenants against liability for personal injury (which shall include libel, slander, false arrest, malicious prosecution and invasion of privacy) and for damage to property, which injury or damage is incident to the membership and/or use of the Common Areas and Facilities of the Condominium Project. Limits of liability for personal injury shall not be less than \$300,000 for any person and \$500,000 for any occurrence and for property damage shall not be less than \$100,000. The limits of liability and the total coverage shall be reviewed at least annually by the Management Committee and changed at its discretion.

(c) Workmen's Compensation to the extent necessary to comply with any applicable laws.

(d) Insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design, and use.

(e) Exclusive authority to adjust losses under policies hereafter in force in the Project shall be vested in the Management Committee or its authorized representative.

(f) Each owner may obtain additional insurance at his own expense; provided, however, that no owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Management Committee, in behalf of all the owners, may realize under any insurance policy which the Management Committee may have in force on the Project at any particular time.

13. Payment of Expenses. Each Unit Owner shall pay the Management Committee his allocated portion of the cash requirement deemed necessary by the Management Committee to manage and operate the Condominium Project, including the recreational facilities thereof, upon the terms, at the time, and in the manner therein provided without any deduction on account of any set off or claim which the owner may have against the Management Committee, and if the owner shall fail to pay any installment within one month of the time when the same becomes due, the owner shall pay interest thereon at the rate of 10 percent per annum from the date when such installment shall become due to the date of the payment thereof.

The cash requirements above referred to for each year, or portions of the year, are hereby defined and shall be deemed to be such aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all the owners of the Condominium Project in order to enable the Management Committee to pay all estimated expenses and outlays of the Management Committee to the close of such year, growing out of or in connection with the maintenance and operation of such land, buildings and improvements, recreational area and facilities, which sum may include, among other things, the cost of management, special assessment, fire, casualty and public liability insurance premiums, common lighting, landscaping and the care of grounds, repairs and renovations to Common Areas and Facilities, recreational facilities, wages, water and charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or surplus fund, as well as all other costs and expenses relating to the Condominium Project. The Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so filed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in the previous year, but were not included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

The portion payable by the owner in and for each year or for a portion of a year shall be a sum within the limits and on the conditions hereinabove provided bearing to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, in the same ratio as the owner owns an undivided interest in the Common Areas and Facilities, and such assessments, together with any additional sums accruing under this Declaration shall be payable monthly in advance, or in such payments and installments as shall be required by the Management Committee.

The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the cash requirements of the Management Committee to be paid as aforesaid by the owners under this Declaration. Every such reasonable determination by the Management Committee, within the bounds of the Act and this Declaration shall, as against the owner, be deemed necessary and properly made for such purpose.

If the owner shall at any time let or sublet the Unit and shall default for a period of one month in the payment of any assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the owner occupying the Unit the rent due or becoming due. Payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or subtenant and the owner to the extent of the amount so paid.

Each monthly assessment and each special assessment shall be separate, distinct, and personal debts and obligations of the owner against whom the same are assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the owner of any condominium plus interest at ten percent per annum and costs, including reasonable attorney's

fees, shall become a lien for non-payment of common expenses and have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(a) Tax and special assessment liens on the unit in favor of any assessment unit, and special district, and,

(b) Encumbrances on the owner's Condominium Unit (and Common Areas and Facilities) recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

A certificate executed and acknowledged by a majority of the Management Committee stating the indebtedness secured by the lien upon any condominium created hereunder, shall be conclusive upon the Management Committee and the owners as to the amount of such indebtedness on the date of the certificate in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any owner or encumbrancee or prospective encumbrancee of a condominium upon request at a reasonable fee. Unless the request for a certificate of indebtedness shall be complied within ten (10) days, all unpaid common expenses which become due prior to the date of making of such request shall be subordinate to the lien held by the person making the request. Any encumbrancee holding a lien on any unit, who shall pay any such indebtedness, shall have a lien on such unit for the amounts paid of the same rank as the lien of his encumbrance.

Upon payment of a delinquent assessment concerning which such certificate has been so recorded, or other satisfaction thereof, the Management Committee shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and release of the lien thereof. Such lien for non-payment of assessment may be enforced by sales by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees.

In the event of foreclosure, the owner shall be required to pay a reasonable rental for the condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Management Committee or Manager shall have the power to bid on the condominium at foreclosure or other sale and hold, lease, mortgage and convey the condominium.

14. Mortgage Protection. Notwithstanding all other provisions hereof:

A. The liens created hereunder upon any condominium shall be subject and subordinate to, and shall not affect the rights of, the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or a trust deed with first priority over other mortgages) upon such interest made in good faith and for value, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to Paragraph 13 hereof of the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser

as an Owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein;

B. No amendment to this paragraph shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof;

C. By subordination Agreement executed by a majority of the Management Committee, the benefits of A and B above may be extended to mortgages not otherwise entitled thereto.

15. Maintenance of Units. Each Unit Owner at his expense shall keep the interior of his Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of his Unit. Except to the extent that the Management Committee is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the building or buildings caused by the act, negligence or carelessness of the owner or that of any lessee or sublessee or any member of the owner's family or of the family of any lessee or sublessee or any agent, employee or guest of the owner or his lessee or sublessee and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the owner shall be responsible for the maintenance or replacement of any plumbing fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposals, ranges, etc., that may be in or connected with the Unit. The owner shall be entitled to the exclusive use and possession of the patio and/or balcony attached to his Unit and the exclusive use of one or more carports as designated on the Plat, and the owner shall be responsible for the maintenance and upkeep of same, provided, however, that without the written permission of the Management Committee first had and obtained, the owner shall not make or permit to be made any structural alteration, improvement or addition in or to the Unit, patios, balconies, or carports, or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the building.

The rights and duties of the Unit Owners with respect to party walls shall be governed by the following:

A. Each wall which is constructed as a party of the original construction of the buildings, and part of which is placed on the dividing line between separate Units, shall constitute a party wall.

B. In the event any such party wall is damaged or destroyed through the act of one adjoining owner, or any of his guests or 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 condition as formerly without cost to the adjoining owner.

C. In the event any such party wall is damaged or destroyed by some cause other than the act of one of the adjoining owners, his agents, guests or family (including ordinary wear and tear and deterioration from lapse of time) then in such event both such adjoining owners shall proceed forthwith to rebuild or repair the same to as good

condition as formerly at their joint and equal expense.

D. 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.

E. In the event of a dispute between owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost therefor, then upon written request of one of such owners addressed to the Management Committee, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Committee. If no such rules have been adopted, then the matter shall be submitted to three (3) arbitrators, one (1) chosen by each of the owners and the third by the two so chosen, or if the two arbitrators cannot agree as to the selection of the third by the two so chosen, or if the two arbitrators cannot agree as to the selection of the third arbitrator within five (5) days, then by any Judge of the Superior Court of Maricopa County, Arizona. A determination of the matter signed by any two of the three arbitrators shall be binding upon the owners, who shall share the cost of arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after receipt of a request in writing for arbitration from the other party, then said other party shall have the right and power to choose both arbitrators.

16. Use Restrictions. The use of the Condominium property shall be in accordance with the following provisions:

A. Each of the Units shall be occupied by a single family, its servants and guests, as a private residence, by any person acting in a trustee capacity for other persons, by a corporation by and through its officers, agents, employees, servants, and guests, by a partnership by and through its partners, agents, employees, servants, and guests, or by the beneficial owners in any interest in any trust holding legal title to the said Unit, or by any lessee of a lessor holding legal title to a Unit.

B. The Common Areas and Facilities shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

C. No use or practice shall be permitted on the Condominium which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate nor any fire hazard allowed to exist. All clothes lines, equipment, wood piles or storage piles shall be kept screened by adequate plating or fencing as to conceal them from view of neighboring units and streets. No Unit Owner shall permit any use of his Unit or of the Common Areas which will increase the rate of insurance upon the Condominium property. No immoral, improper, offensive, or unlawful use shall be made of the Condominium or any part thereof.

D. Until the Declarant has completed and sold all of the Units, neither the Unit Owners nor the Management Committee shall interfere with the maintenance and operation of the improvements and sale of the Units. The Declarant may make such use of the unsold Units and Common Areas as may facilitate such completion and sale, including but not limited to the maintenance of a sales office, the showing of the property, and the display of signs.

E. No unit shall be partitioned or subdivided nor shall the Common Areas be partitioned or subdivided without first obtaining the written approval of all holders of first liens on all Units.

17. Right of Entry. The Management Committee and its duly authorized agents shall have the right to enter any and all of the units in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project for the purpose of performing emergency installations, alterations, or repairs to the mechanical or electrical devices or installations located therein or thereon; provided however, such emergency installations, alterations, or repairs are necessary to prevent damage to other Units in the Project, and provided further, that the owner affected by such entry shall first be notified thereof if available and if time permits.

18. Administrative Rules and Regulations. The Management Committee shall have the power to adopt and establish by resolution, such building management, and operational rules as it may deem necessary for the maintenance, operation, management and control of the Project, the Committee may, from time to time by resolution, alter, amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners such amendment, alteration and provision shall be taken to be a part of such rules. Unit Owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Unit Owners and/or occupants of the Condominium.

19. Obligation to Comply Herewith. Each Unit Owner, tenant, or occupant of a Unit shall comply with the provisions of the Act, this Declaration, and the By-Laws, and the rules and regulations all agreements and determinations lawfully made and/or entered into by the Management Committee or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof, shall be grounds for an action by the Management Committee to recover any loss or damage resulting therefrom or injunctive relief.

20. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all cost, expenses and liabilities whatsoever, including, without limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee.

21. Amendment. Upon the sale of all the Units by the Declarant then at such time the Unit Owners shall have the right to amend this Declaration or any amendments thereto, and/or the Map and Plat or any amendments thereto, upon the approval and consent of the Unit Owners representing not less

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than two-thirds (2/3) of the undivided interests in the Common Areas and Facilities, which approval and consent shall be by duly recorded instruments.

22. Transfer or Lease of Units. The owner, or owners, of any Unit in the Project who desires to sell said Unit, or to enter into any agreement for the occupancy of said Unit by another person or persons, shall give the Management Committee ten (10) days advance written notice thereof, which notice shall state the name and address of the proposed purchaser or occupant, as the case may be, and the terms and conditions upon which said proposed purchaser or occupant agrees to purchase or occupy said Unit. The Management Committee shall have the right, exercisable at any time within ten (10) days after its receipt of such notice, to purchase or enter into an agreement for the occupancy of said Unit upon the same terms and conditions as those specified in that notice. The Management Committee shall give the owner or owners of said Unit written notice thereon within ten (10) days after its receipt of notice of the proposed sale or occupancy arrangement.

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

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

25. Waivers. No provision contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

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

27. Effective Date. The Declaration shall take effect upon recording.

After the date hereof, each party who acquires any interest in all or any part of the property described herein, further agrees that upon such acquisition of any interest in all or part of the real property, said acquiring party shall look only to the other subsequent property owner or owners acquiring an interest in said property for any performance or relief deemed equitable or necessary for the enforcement of the covenants, conditions and restrictions contained herein.

IN WITNESS WHEREOF, ARIZONA TITLE INSURANCE AND TRUST COMPANY, an Arizona corporation, as Trustee has caused its corporate name and seal to be hereunto affixed by its officer hereunto duly authorized this 22 day of May, 1979.

ARIZONA TITLE INSURANCE AND TRUST COMPANY,
an Arizona corporation, as Trustee

BY C. Burke Cunningham
C. BURKE CUNNINGHAM, Trust Officer

plat of record in the office of the Maricopa County Recorder in Book 166 of Maps, Page 4, except that portion of Lot 11, of Lake Biltmore Village in accordance to Book No. 166, Page No. 4, as filed in the office of the County Recorder of Maricopa; more particularly described as follows: That portion of said Lot 11, beginning at the North corner of the most Easterly common line of said Lot 9 and Lot 11; thence North 89 degrees 29 minutes 25 seconds West a distance of 50.00 feet; thence North 44 degrees 29 minutes 25 seconds West a distance of 347.82 feet; thence South 00 degrees 30 minutes 35 seconds West a distance of 14.14 feet; thence South 44 degrees 29 minutes 25 seconds East a distance of 373.07 feet; thence South 89 degrees 29 minutes 25 seconds East a distance of 32.14 feet; thence North 00 degrees 30 minutes 35 seconds East a distance of 32.00 feet to the Point of Beginning. Except that portion of Lot 11 of Lake Biltmore Village as shown in Book 166, Page 4, Maricopa County Recorder's office, more particularly described as follows; beginning at the common corner of Lots 11, 12, and 13 said point being the true Point of Beginning; thence North 00 degrees 30 minutes 35 seconds East a distance of 70.71 feet; thence South 45 degrees 30 minutes 35 seconds West a distance of 50.00 feet; thence South 44 degrees 29 minutes 25 seconds East a distance of 50.00 feet to the true Point of Beginning, said parcel containing 0.0287 acre of land.

PARCEL II: (PAD-13)

That portion of Lot 9, Lake Biltmore Village according to the plat of record in the office of Maricopa County Recorder in Book 166 of Maps, Page 4, described as follows: Beginning at the most northerly common corner of said Lot 9 and Lot 11; thence North 51 degrees 17 minutes 14 seconds East a distance of 48.43 feet; thence South 00 degrees 30 minutes 35 seconds West a distance of 263.49 feet; thence North 44 degrees 29 minutes 25 seconds West a distance of 53.06 feet; thence North 00 degrees 30 minutes 35 seconds East a distance of 195.35 feet to the Point of Beginning.

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this the 22 day of May, 1979 before me, the undersigned officer, personally appeared C.B. CUNNINGHAM who acknowledged himself to be the Trust Officer of ARIZONA TITLE INSURANCE AND TRUST COMPANY, an Arizona corporation, as Trustee, and that he being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, by himself as such officer.

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

My Commission Expires:

9-8-80

Harold E. McCall
Notary Public

STATE OF ARIZONA) ss
County of Maricopa)

I hereby certify that the within instrument was filed and recorded at request of

ARIZONA TITLE

MAY 24 1979 - 3 00

in Doc# 13653

on page 370-384

Witness in my presence and official seal filed and recorded.

Bill Slony

By R. J. Matthews County Recorder
County Recorder