

092.001.004.B

853471293

When Recorded Return To:

Ann Hussey
Continental Homes
11000 North Scottsdale Road
Suite 234
Scottsdale, Arizona 85254

RECORDED IN OFFICIAL RECORDS
OF MARICOPA COUNTY ARIZONA
OCT 3 1985-10 30
KEITH POLET'S, County Recorder
FEE 54.00 / C PGS 51 L.D.

PR

DECLARATION
OF
HORIZONTAL PROPERTY REGIME
AND OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
DISCOVERY AT CONTINENTAL ORCHARD

DECLARATION OF HORIZONTAL PROPERTY REGIME
AND OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
DISCOVERY AT CONTINENTAL ORCHARD

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| RECITALS | 1 |
| COVENANTS | 1 |
| ARTICLE I. DEFINITIONS | 2 |
| Section 1.1 Act | 2 |
| Section 1.2 Annexable Property | 2 |
| Section 1.3 Architectural Committee | 2 |
| Section 1.4 Architectural Committee Rules | 2 |
| Section 1.5 Articles | 2 |
| Section 1.6 Association | 2 |
| Section 1.7 Association Rules | 2 |
| Section 1.8 Board | 2 |
| Section 1.9 Building | 2 |
| Section 1.10 Bylaws | 2 |
| Section 1.11 Common Expenses | 2 |
| Section 1.12 Condemnation Award | 2 |
| Section 1.13 Condominium Property | 3 |
| Section 1.14 Condominium Documents | 3 |
| Section 1.15 Declarant | 3 |
| Section 1.16 Declaration | 3 |
| Section 1.17 Eligible Insurer or Guarantor | 3 |
| Section 1.18 Eligible Mortgage Holder | 3 |
| Section 1.19 FHA | 3 |
| Section 1.20 First Mortgage | 3 |
| Section 1.21 First Mortgagee | 3 |
| Section 1.22 General Common Elements | 3 |
| Section 1.23 Improvements | 3 |
| Section 1.24 Limited Common Elements | 3 |
| Section 1.25 Member | 3 |
| Section 1.26 Occupant | 4 |
| Section 1.27 Owner | 4 |
| Section 1.28 Parcel | 4 |
| Section 1.29 Person | 4 |
| Section 1.30 Phase | 4 |
| Section 1.31 Plat | 4 |
| Section 1.32 Purchaser | 4 |
| Section 1.33 Restricted Common Elements | 4 |
| Section 1.34 Restrictions | 4 |
| Section 1.35 Single Family | 4 |
| Section 1.36 Unit | 5 |

| | <u>Page</u> |
|--|-------------|
| Section 1.37 Unit Estate | 5 |
| Section 1.38 VA | 5 |
| ARTICLE II. CREATION AND DESCRIPTION OF HORIZONTAL PROPERTY REGIME | 5 |
| Section 2.1 Submission | 5 |
| Section 2.2 Name | 5 |
| Section 2.3 Description of the Project | 6 |
| Section 2.4 Description of the Cubic Content Space of Each Building | 6 |
| Section 2.5 Description of the Cubic Content Space of Each Unit | 6 |
| Section 2.6 Description of General Common Elements | 6 |
| Section 2.7 Description of Limited Common Elements | 6 |
| Section 2.8 Exclusive Use | 6 |
| Section 2.9 Fractional Interest | 7 |
| Section 2.10 Restricted Common Elements | 7 |
| Section 2.11 Prohibition of Severance or Partition of a Unit Estate | 7 |
| Section 2.12 Unassigned Parking Spaces | 8 |
| ARTICLE III. THE ASSOCIATION | 8 |
| Section 3.1 Creation | 8 |
| Section 3.2 Rights, Powers and Duties of the Association | 8 |
| Section 3.3 Directors and Officers | 8 |
| Section 3.4 Association Rules | 8 |
| Section 3.5 Architectural Committee | 9 |
| ARTICLE IV. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS | 9 |
| Section 4.1 Members | 9 |
| Section 4.2 Classes of Membership | 9 |
| Section 4.3 Joint Ownership | 9 |
| Section 4.4 Corporation or Partnership Ownership | 10 |
| Section 4.5 Suspension of Voting Rights | 10 |
| Section 4.6 Transfer of Membership | 10 |
| Section 4.7 Notice and Quorum for Any Action Authorized Under Sections 5.3, 5.4 or 5.6 of this Declaration | 10 |
| Section 4.8 Notice and Quorum for Any Other Action Authorized Under this Declaration | 10 |

| | <u>Page</u> |
|---|-------------|
| Section 7.19 Rules and Regulations | 20 |
| Section 7.20 Exceptions Applicable to Declarant | 20 |
| ARTICLE VIII. MAINTENANCE AND REPAIR OF GENERAL COMMON ELEMENTS AND UNITS | 21 |
| Section 8.1 Duties of the Association | 21 |
| Section 8.2 Duties of Owners | 21 |
| Section 8.3 Repair or Restoration Necessitated by Owner | 21 |
| Section 8.4 Association's Right of Access to General Common Elements | 22 |
| Section 8.5 Association's Right of Access to a Unit | 22 |
| ARTICLE IX. INSURANCE | 22 |
| Section 9.1 Scope of Coverage | 22 |
| Section 9.2 Certificates of Insurance | 23 |
| Section 9.3 Insurance Obtained by Owners | 23 |
| Section 9.4 Payment of Insurance Proceeds | 23 |
| Section 9.5 Repair and Replacement of Damaged or Destroyed Property | 23 |
| ARTICLE X. CONDEMNATION | 24 |
| Section 10.1 Consequences of Condemnation; Notices | 24 |
| Section 10.2 Proceeds | 24 |
| Section 10.3 Complete Taking | 24 |
| Section 10.4 Partial Taking | 24 |
| Section 10.5 Priority | 25 |
| ARTICLE XI. ANNEXATION | 26 |
| Section 11.1 Right of Annexation | 26 |
| Section 11.2 Reallocation of Fractional Interests in General Common Elements | 26 |
| Section 11.3 No Assurances | 26 |
| Section 11.4 Prior Taxes | 27 |
| ARTICLE XII. RIGHTS OF FIRST MORTGAGEES | 27 |
| Section 12.1 Notification to First Mortgagees | 27 |
| Section 12.2 Actions Requiring Approval of Eligible Mortgage Holders | 27 |
| Section 12.3 Approval Required for Amendments to Declaration, Articles or Bylaws | 28 |
| Section 12.4 Prohibition Against Right of First Refusal | 29 |
| Section 12.5 First Mortgagee not Liable for Prior Assessments | 29 |

| | <u>Page</u> |
|---|-------------|
| Section 12.6 Subordination of Certain Liens to First Mortgage | 30 |
| Section 12.7 Right of Inspection of Records | 30 |
| Section 12.8 Prior Written Approval of First Mortgagees | 30 |
| Section 12.9 Liens Prior to First Mortgage | 30 |
| Section 12.10 Conflicting Provisions | 30 |
| Section 12.11 FHA/VA | 31 |
| ARTICLE XIII. TERMINATION OF THE HORIZONTAL PROPERTY REGIME | 31 |
| Section 13.1 Method of Termination | 31 |
| ARTICLE XIV. ENFORCEMENT | 31 |
| Section 14.1 Persons Entitled To Enforce; Waiver | 31 |
| Section 14.2 Remedies Cumulative | 32 |
| Section 14.3 Delivery of Notices and Documents | 32 |
| Section 14.4 Attorneys' Fees | 32 |
| ARTICLE XV. TREATMENT OF CERTAIN RIGHTS | 32 |
| Section 15.1 Survival of Liability | 32 |
| Section 15.2 Joint and Several Liability | 32 |
| Section 15.3 Declarant's Exemption | 32 |
| Section 15.4 Declarant's Right to Use Similar Name | 33 |
| ARTICLE XVI. INTERPRETATION AND GENERAL PROVISIONS | 33 |
| Section 16.1 Topic Headings | 33 |
| Section 16.2 Construction | 33 |
| Section 16.3 Gender | 33 |
| Section 16.4 Number of Days | 33 |
| Section 16.5 Severability | 33 |
| Section 16.6 Amendment | 34 |
| Section 16.7 Binding Effect | 34 |
| Section 16.8 Guests and Tenants | 34 |
| Section 16.9 Management Agreements | 34 |

THIS DECLARATION is made as of the 2nd. day of October, 1985, by CONTINENTAL HOMES, INC., an Arizona corporation (hereinafter referred to as the "Declarant").

RECITALS.

A. Declarant is the fee owner of that certain real property situated in the County of Maricopa, State of Arizona, described as Phase 1 in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as the "Parcel").

B. Declarant desires to submit and subject the Parcel, together with all buildings and improvements now or hereafter constructed on the Parcel, and all easements and rights appurtenant thereto (hereinafter collectively referred to as the "Condominium Property") to a Horizontal Property Regime originally consisting of one hundred twenty-seven (127) Units pursuant to Sections 33-551 through 33-561, Arizona Revised Statutes, as the same may be amended from time to time.

C. Declarant also is the fee owner of certain additional real property situated in the County of Maricopa, State of Arizona, more particularly described in Section 1.2 hereof (hereinafter referred to as the "Annexable Property").

D. Declarant desires to reserve the right to add all or part of the Annexable Property, at one time or in stages, into the Condominium Property and the Horizontal Property Regime in accordance with a coordinated development plan. The maximum number of Units within the entire Condominium Property, in the event that and at such time as all Annexable Property has been annexed, shall not exceed * (247).

* two hundred forty-seven

E. Declarant desires to establish for its own benefit and for the mutual benefit of all future Owners or Occupants of the Condominium Property certain covenants, conditions, restrictions, easements, rights, privileges, assessments and liens as set forth herein which shall run with and be a burden upon the Condominium Property.

F. Declarant intends that the Owners, Occupants, First Mortgagees and all other persons hereafter acquiring any interest in the Condominium Property shall at all times enjoy the benefits of, and shall hold their interest subject to, this Declaration, which is recorded in furtherance of establishing a general plan of condominium ownership for the Condominium Property, and for establishing rules for the use, occupancy, management and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Condominium Property and the quality of life therein;

COVENANTS.

NOW, THEREFORE, Declarant, as owner of the Condominium Property and for the purposes above set forth, declares as follows:

ARTICLE I

DEFINITIONS

Section 1.1. "Act" shall mean Sections 33-551 through 33-561, Arizona Revised Statutes, pertaining to Horizontal Property Regimes in the State of Arizona, as amended from time to time.

Section 1.2. "Annexable Property" shall mean the real property located in Maricopa County, Arizona which is described as Phases 2 through 22, inclusive, on Sheet(s) 889 of Exhibit "B" and described as Tracts A through D, inclusive, on Sheet(s) 889 of Exhibit "B", attached to this Declaration and incorporated herein by reference, together with all buildings and other Improvements located thereon and all easements, rights and appurtenances belonging thereto.

Section 1.3. "Architectural Committee" shall mean the committee established pursuant to Section 3.5 of this Declaration.

Section 1.4. "Architectural Committee Rules" shall mean the rules adopted by the Architectural Committee, as amended from time to time.

Section 1.5. "Articles" shall mean the Articles of Incorporation of the Association, as amended from time to time.

Section 1.6. "Association" shall mean and refer to the Discovery at Continental Orchard Homeowners' Association, Inc., an Arizona nonprofit corporation, its successors and assigns. Association shall be the "Council of Co-owners" within the meaning of the Act.

Section 1.7. "Association Rules" shall mean the rules and regulations adopted by the Board pursuant to Section 33-561 of the Act, as amended from time to time.

Section 1.8. "Board" shall mean the Board of Directors of the Association.

Section 1.9. "Building" shall mean and refer to the structures containing Units located on the Condominium Property.

Section 1.10. "Bylaws" shall mean the Bylaws adopted by the Association pursuant to Section 33-561 of the Act, as amended from time to time.

Section 1.11. "Common Expenses" shall mean expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserve.

Section 1.12. "Condemnation Award" shall mean all compensation, damages or other proceeds resulting from a taking of all or part of the Condominium Property.

Section 1.13. "Condominium Property" shall mean the real property located in Maricopa County, Arizona, which is described in Exhibit "A" attached to this Declaration, and any portion of the Annexable Property which is annexed by the Declarant pursuant to Article XI of this Declaration, together with all buildings and other improvements located thereon and all easements, rights, and appurtenances belonging thereto.

Section 1.14. "Condominium Documents" shall mean this Declaration and the Articles, Bylaws, Association Rules and Architectural Committee Rules.

Section 1.15. "Declarant" shall mean the corporation identified in the opening paragraph of this Declaration, and such corporation's successors and assigns.

Section 1.16. "Declaration" shall mean this entire document, as amended from time to time.

Section 1.17. "Eligible Insurer or Guarantor" shall mean an insurer or governmental guarantor of a First Mortgage who has requested notice of certain matters from the Association in accordance with Section 12.1 of this Declaration.

Section 1.18. "Eligible Mortgage Holder" shall mean a First Mortgagee who has requested notice of certain matters from the Association in accordance with Section 12.1 of this Declaration.

Section 1.19. "FHA" shall mean the Federal Housing Administration.

Section 1.20. "First Mortgage" shall mean and refer to any mortgage or deed of trust against a Unit having first priority over any other mortgage or deed of trust.

Section 1.21. "First Mortgagee" shall mean and refer to the holder of any First Mortgage.

Section 1.22. "General Common Elements" shall mean the entire Condominium Property except for the Units.

Section 1.23. "Improvements" shall mean all physical structures, including, but not limited to, buildings, private drives, parking areas, light poles, fences, walls and landscaping, including, but not limited to, hedges, plantings, trees, shrubs and landscape sprinkler systems located within the General Common Elements.

Section 1.24. "Limited Common Elements" shall mean any portion of the General Common Elements designed for the use of the Owners of more than one but less than all of the Units.

Section 1.25. "Member" shall mean any person, corporation, partnership, joint venture or other legal entity who is or becomes a member of the Association.

Section 1.26. "Occupant" shall mean a Person or Persons in possession of a Unit when the Owner is not in possession of such Unit. Occupants shall include, but not be limited to, tenants and guests.

Section 1.27. "Owner" shall mean the record owner, whether one or more persons or entities, of beneficial or equitable title (or legal title if it has been merged with the beneficial or equitable title) to the fee simple interest of a Unit. Owner shall not include (a) the purchaser of a Unit under an executory contract for the sale of real property, or (b) persons or entities having an interest in a Unit merely as security for the performance of an obligation.

Section 1.28. "Parcel" shall mean that real property situated in the County of Maricopa, State of Arizona, described as Phase 1 in Exhibit "A" attached hereto and incorporated herein by reference.

Section 1.29. "Person" shall mean a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

Section 1.30. "Phase," except for Phase 1, shall mean a portion of the Annexable Property as described on the Plat.

Section 1.31. "Plat" shall mean (a) the Horizontal Property Regime Map for the Condominium Property, which has been recorded with the County Recorder of Maricopa County, Arizona, in Book 286 of Maps, page 13, and any amendments thereto, insofar as said Map covers the Parcel described as Phase 1 in Exhibit "A" attached hereto and all or any portion of the Annexable Property which is or may be annexed by the Declarant, and (b) any other horizontal property regime, map, plat or condominium map, and any amendments thereto, recorded against all or any portion of the Parcel described on Exhibit "A" attached hereto and/or against all or any portion of the Annexable Property which is or may be annexed by the Declarant.

Section 1.32. "Purchaser" means any Person, other than the Declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a Unit, other than (a) a leasehold interest (including renewable options) of less than five years, or (b) as security for an obligation.

Section 1.33. "Restricted Common Elements" shall mean those portions of the General Common Elements that are reserved for the exclusive use of the Owner of one Unit in accordance with Section 2.10 of this Declaration.

Section 1.34. "Restrictions" shall mean the covenants, conditions, reservations, assessments, charges, easements, liens and restrictions set forth in this Declaration.

Section 1.35. "Single Family" shall mean a group of (a) one or more persons each related to the other by blood, marriage or legal

adoption, or (b) three or fewer unrelated persons, who maintain a common household in a Unit.

Section 1.36. "Unit" shall mean a portion of the Condominium Property which is intended for separate fee ownership and is not intended to be owned in common with the other Owners of Units in the Condominium Property. A Unit shall be an "Apartment" within the meaning of the Act. The number of each Unit is shown on the Plat. The boundaries of each Unit is shown on the Plat. The boundaries of each Unit are as set forth in Section 2.5 of this Declaration. Each unit shall also include the range, dishwasher, garbage disposal unit and other built-in household appliances lying within such Unit. The following shall not be considered part of a Unit: bearing walls, columns, vertical supports, unfinished floors, unfinished walls and ceilings, roofs, foundations, patio walls and fences, pipes, ducts, flues, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the Unit. No structural part of a Building and no part of a Unit forming a part of any systems serving one or more other Units or the General Common Elements shall be deemed or construed to be a part of a Unit.

Section 1.37. "Unit Estate" shall mean a Unit together with an undivided interest in the General Common Elements as set forth in Section 2.9 of this Declaration; the right to the use, if applicable, of the Limited Common Elements designed for such Unit as described and authorized under Section 2.8 hereof; and the right to the exclusive use of such Unit's appurtenant Restricted Common Elements as described and authorized under Section 2.10 of this Declaration. Each Owner of a Unit owns a Unit Estate.

Section 1.38. "VA" shall mean the Veterans Administration.

ARTICLE II

CREATION AND DESCRIPTION OF HORIZONTAL PROPERTY REGIME

Section 2.1. Submission. Declarant hereby submits and subjects the Condominium Property to a Horizontal Property Regime pursuant to the Act, and in furtherance thereof, makes and declares the Restrictions contained in this Declaration. Declarant hereby declares and agrees that the Condominium Property and all of the Units shall be held, conveyed, transferred, sold, leased, mortgaged, encumbered, occupied, used and improved subject to the Restrictions. The Restrictions shall constitute covenants, conditions and equitable servitudes running with the land and shall be binding upon and inure to the benefit of Declarant, the Association, each Owner, Occupant and the aforementioned parties' respective heirs, legal representatives, personal representatives, successors and assigns.

Section 2.2. Name. The Condominium Property shall be known as "Discovery at Continental Orchard."

Section 2.3. Description of the Project. The Horizontal Property Regime shall be comprised of the Parcel, including a total of Nineteen (19) Units which are numbered on Phase 1 of the Plat as Units * through *, inclusive. The number of Units within the Horizontal Property Regime may be increased from time to time by the annexation of all or any part of the Annexable Property pursuant to Article XI of this Declaration.

Section 2.4. Description of the Cubic Content Space of Each Building. The cubic content space of each Building with reference to its location on the land is reflected on the Plat. The horizontal boundaries of each Building shall be the planes of the top exterior surface elevations of such Building, as shown on the Plat, and the planes of the base elevations of such Building as shown on the Plat. The vertical boundaries of each Building shall be the planes of the exterior of the outside walls of said building.

Section 2.5. Description of the Cubic Content Space of Each Unit. The cubic content space of each Unit within the Buildings is reflected on the Plat. The horizontal boundaries of each Unit shall be the planes of the interior surface of the unfinished ceilings and the planes of the interior surface of the unfinished floors of the Unit as shown on the Plat. The vertical boundaries of each Unit shall be the planes of the interior surface of the unfinished exterior walls located on the perimeter lines of the respective Units as shown on the Plat.

Section 2.6. Description of General Common Elements. The General Common Elements shall include all of the Condominium Property except for the Units. The General Common Elements shall include, but not be limited to, the land upon which the Units are located, the Buildings, excluding the Units, all exterior and unfinished walls, columns; unfinished floors and ceilings; roofs; slabs; stairways; entrance and exit ways; all recreational facilities; pumps; landscaping; landscape sprinkler systems; pavements; parking spaces; private drives; all trash collection areas; pole lights; sewer, water and gas pipes, lines and ducts; conduits, wires, drainage lines or other utility and installation meters and lines; compartments or installations of central services for public utilities; the foundations of the Units; the foundations of the Buildings and all other premises and devices designated for common use or enjoyment.

Section 2.7. Description of Limited Common Elements. The Limited Common Elements shall include all of the General Common Elements designed for use by the Owners of more than one but less than all of the Units. Unless the context otherwise requires, all future references in this Declaration to General Common Elements shall be equally applicable to Limited Common Elements.

Section 2.8. Exclusive Use. Ownership of a Unit within a given Building shall entitle the Owners of the Units within the Building to exclusive use of the Limited Common Elements within said Building subject to such rules and regulations as may be adopted by the Board. "Exclusive use" of the Limited Common Elements of a Building shall entitle only Owners and Occupants of Units within the Building, and their guests,

1011-1013
Inclusive
1132-1139
Inclusive
1220-1227
Inclusive

families, tenants and invitees, to use the Limited Common Elements within their respective Buildings.

Section 2.9. Fractional Interest. Each Unit shall have an appurtenant, undivided fractional interest in the Horizontal Property Regime, which fractional interest shall constitute an undivided interest in the General Common Elements. Each Unit's undivided interest in the General Common Elements shall be a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Units within the Horizontal Property Regime. In the event the Declarant annexes all or any portion or portions of the Annexable Property, the fractional interest of each Unit in the General Common Elements shall be adjusted by the Declarant in accordance with the provisions of Article XI of this Declaration.

Section 2.10. Restricted Common Elements. Ownership of each Unit shall entitle the Owner or the Occupant thereof, but not both the Owner and the Occupant, and his guests, family and invitees, to the exclusive use of the following portions of the General Common Elements:

(a) Patios, porches, storage areas, yard areas, and balconies designated on the Floor Plan of the Plat as being connected to such designated Unit.

(b) The parking space assigned to such Unit by the Board.

(c) All exterior shutters, awnings, sunscreens, doorbells, doorsteps and exterior doors and windows or other fixtures attached to or designed to serve such Unit.

Each Unit Owner's right to the exclusive use of his Unit's appurtenant Restricted Common Elements is subject to such rules regarding the use, repair, restoration, alteration and maintenance of such areas as may be adopted by the Board. Unless the context otherwise requires, all future references in this Declaration to General Common Elements shall be equally applicable to Restricted Common Elements.

Section 2.11. Prohibition of Severance or Partition of a Unit Estate. The fee title to each Unit shall not be separated, severed, partitioned, conveyed, encumbered, assigned or otherwise transferred separate or apart from such Unit's (a) appurtenant, undivided fractional interest in the Common Elements, (b) appurtenant Restricted Common Elements and (c) appurtenant Limited Common Elements. Each Unit's appurtenant undivided interest in the General Common Elements, and each Unit's appurtenant Restricted Common Elements and Limited Common Elements, including the Owner's right and easement of enjoyment therein, shall conclusively and automatically be deemed transferred or encumbered with the Unit even though the description in the instrument of conveyance, encumbrance, assignment or transfer may refer only to the Unit. Nothing contained in this section shall be construed to preclude an Owner of a Unit from creating a cotenancy in the ownership of a Unit with any other person or persons.

Any lien, including, but not limited to, the lien of a mortgage or of a deed of trust, arising against a Unit, shall also be a lien against the Owner's right of exclusive use of the appurtenant Limited and Restricted Common Elements. The foreclosure of a mortgage upon the Unit, or the taking of a deed in lieu thereof, or a trustee's sale under a deed of trust, or any other proceeding for foreclosing liens on a Unit shall carry with it and transfer to the foreclosing party, or the Purchaser at any sheriff's sale or trustee's sale, the exclusive use of the appurtenant Limited and Restricted Common Elements. Partial or full satisfaction or release of any such lien upon a Unit shall similarly be a satisfaction and release of the lien against the right to the exclusive use of the appurtenant Limited and Restricted Common Elements.

Section 2.12. Unassigned Parking Spaces. All parking spaces in the Condominium Property which are not designated for the exclusive use of a Unit pursuant to Section 2.10 hereof may be assigned or used as the Board deems appropriate.

ARTICLE III

THE ASSOCIATION

Section 3.1. Creation. The Association shall be established to operate and maintain the Horizontal Property Regime and the Condominium Property pursuant to the provisions of the Act and the Condominium Documents. The Association shall constitute the "Council of Co-owners" as that term is defined in Section 33-551 of the Act. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the benefit of the Owners in accordance with the provisions of the Act and the Condominium Documents.

Section 3.2. Rights, Powers and Duties of the Association. The Association shall be a non-profit Arizona corporation. The Association shall have such rights, powers and duties as are prescribed by law and as are set forth in the Condominium Documents together with such rights, powers and duties as may be reasonably necessary in order to effectuate the objectives and purposes of the Association as set forth in this Declaration.

Section 3.3. Directors and Officers. The affairs of the Association shall be conducted by the Board and such officers and committees as the directors may elect and appoint, in accordance with the Articles and the Bylaws.

Section 3.4. Association Rules. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations. The Association Rules may, among other things, restrict and govern the use of any area by any Owner or Occupant, by the family of such Owner or Occupant, or by any invitee or licensee of such Owner or Occupant; provided, however, that the Association Rules may not unreasonably discriminate among Owners and shall not be inconsistent with this

Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. It shall be each Owner's responsibility to inform his Occupant of the Association Rules.

Section 3.5. Architectural Committee. The Board shall establish an Architectural Committee consisting of not less than three (3) Members appointed by the Board to regulate the external design, appearance, use and maintenance of the Condominium Property and to perform such other functions and duties as are imposed upon it by this Declaration, the Articles, the Bylaws or the Board.

ARTICLE IV

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 4.1. Members. Each Owner of a Unit shall be a Member of the Association.

Section 4.2. Classes of Membership. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, of Units. Each Class A member shall be entitled to one (1) vote for each Unit owned.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership upon the happening of the first to occur of the following dates:

(a) 90 days after the date on which seventy-five percent (75%) of the Units have been conveyed to Purchasers; or

(b) That date which is five (5) years after the date of recordation of the first conveyance of a Unit to a Purchaser; or

(c) Any earlier date selected by Declarant and notice of which is given to the Owners.

Section 4.3. Joint Ownership. When more than one Person is the Owner of a Unit, all such Persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one ballot be cast with respect to any Unit. The vote for each such Unit must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a ballot representing a certain Unit, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners for the same Unit. In the event more than one ballot is cast for a particular Unit, none of said votes shall be counted and said votes shall be deemed void.

Section 4.4. Corporate or Partnership Ownership. In the event a Unit is owned by a corporation, partnership or association (hereinafter referred to in this Section as the "entity"), the entity shall be a Member and shall designate in writing to the Association at the time of its acquisition of the Unit, the name and title of the natural individual who shall have the power to vote the membership of the entity in the Association. The individual so designated shall be the only one who shall be entitled to cast the vote for the Unit owned by such entity. If the entity fails to designate the individual who shall have the right to vote the membership of the entity, then such entity shall lose its right to vote and it shall not be considered as a Member for the purpose of determining the requirement for a quorum or any other purpose requiring the approval of an individual entitled to cast the vote for the Unit owned by such entity.

Section 4.5. Suspension of Voting Rights. In the event an Owner is delinquent in the payment of any assessment or other amounts due under the terms of the Condominium Documents pursuant to Section 5.9, or is in violation of any other provision of the Condominium Documents, said Owner's right to vote as a Member of the Association shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current, or such other infraction is cured.

Section 4.6. Transfer of Membership. The Association membership of each Owner of a Unit shall be appurtenant to such Unit. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of such Unit, including but not limited to intestate succession, testamentary disposition, foreclosure of a mortgage of record, exercise of a power of sale under a deed of trust or such other legal process as is now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association. Any transfer of ownership of said Unit shall operate to transfer said membership to the new Owner thereof.

Section 4.7. Notice and Quorum for Any Action Authorized Under Sections 5.3, 5.4 or 5.6 of this Declaration. Written notice of any meeting called for the purpose of taking any action authorized under Sections 5.3, 5.4 or 5.6 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first meeting called, the presence of Members or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.8. Notice and Quorum for Any Other Action Authorized Under this Declaration. Except as set forth in Section 4.7 with regard to action authorized under Sections 5.3, 5.4 or 5.6 of this Declaration,

written notice of any meeting which calls for a vote of the Association Members pursuant to this Declaration shall be sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first meeting called, the presence of Members or proxies entitled to cast twenty percent (20%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called, except that the notice shall be sent to all Members not less than ten (10) days nor more than twenty (20) days in advance of the meeting. At the second such meeting called, the presence of Members or proxies entitled to cast ten percent (10%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is still not present, another meeting may be called with the same notice requirement as the second such meeting called, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, or as required by law. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments; Due Dates. Each Owner of a Unit agrees and by acceptance of a deed or otherwise becoming the Owner of a Unit is deemed to covenant and agree, to pay to the Association: (a) annual assessments, (b) special assessments for capital improvements, (c) special assessments for miscellaneous charges, and (d) supplemental assessments. Such assessments shall be levied and collected as provided for in this Declaration.

The annual, special and supplemental assessments, together with interest, costs and reasonable attorneys' fees, shall be a lien on the Unit against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of each person who was the Owner of such Unit at the time when the assessment was levied. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. "Costs", as used hereinabove, shall include all costs of any nature incurred by the Association in enforcing collection of the aforesaid assessments, including, but not limited to, sums paid by the Association to third parties, such as collection agencies. "Attorneys' Fees" shall include all fees payable by the Association to attorneys relating to enforcement of the provisions of this Declaration, regardless of whether a suit is filed.

Unless otherwise prescribed in this Declaration, the Board may establish due dates, delinquent dates, and late penalty fees for all assessments provided for in this Article.

Section 5.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners, for the improvement and maintenance of the General Common Elements, and for all purposes set forth

in the Condominium Documents, including, but not limited to, insurance premiums, expenses for maintenance, repairs and replacements of General Common Elements and reserves for contingencies and capital repair and replacement.

Section 5.3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Unit to a Purchaser, the maximum annual assessment shall be one thousand eight DOLLARS (\$1,008.00) for each Unit. The Board shall set the fiscal year of the Association.

From and after January 1 of the year immediately following the conveyance of the first Unit to a Purchaser,

(a) The Board may, without a vote of the membership of the Association, increase the maximum annual assessment during each fiscal year of the Association by an amount proportional to the amount of increase in the Consumer Price Index [for All Urban Consumers (All Items), U.S. City Average, published by the United States Department of Labor, Bureau of Labor Statistics (1967=100)] during the prior twelve-month period which expires ninety (90) days before the beginning of the Association's fiscal year. In the event the aforesaid Consumer Price Index ceases to be published, then any successor index recommended as a substitute therefor by the United States government shall be utilized;

(b) The maximum annual assessment during each fiscal year of the Association shall be automatically increased by the amounts of any increases in water or other utility charges charged to the Association; and

(c) The Board may increase the maximum annual assessment by an amount greater than the maximum increase allowed pursuant to Section 5.3(a) above, but only with the approval of Members representing at least two-thirds (2/3) of the votes of each class of membership who are voting in person or by proxy at a meeting duly called for such purpose.

Section 5.4. Special Assessments for Capital Improvements. In addition to annual assessments, the Association may levy, in any fiscal year of the Association, a special assessment applicable to that fiscal 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 of the General Common Elements, including fixtures and personal property related thereto, or for any other lawful Association purpose, provided that any such assessment shall have first been approved by Members representing at least two thirds (2/3) of the votes of each class of membership who are voting in person or by proxy at a meeting duly called for such purpose.

Section 5.5. Special Assessments for Miscellaneous Charges. The Board may charge fines, late payment penalty fees, or other special assessments, including, but not limited to, those provided for in Articles V and VII hereof, pursuant to rules and regulations adopted by the Board.

Section 5.6. Supplemental Assessments. In the event the Board shall determine that its funds budgeted or available in any fiscal year are, or will become, inadequate to meet all expenses of the Association for any reason, including nonpayment of assessments, it shall immediately determine the approximate amount of such inadequacies for such fiscal year and issue a supplemental budget and levy a supplemental assessment against the Owner of each Unit for the amount required to pay all such expenses; provided, however, that any such supplemental assessment must first be approved by Owners representing at least two-thirds (2/3) of the votes of each class of membership who are voting in person or by proxy at a meeting duly called for such purpose.

Section 5.7. Rate of Assessment. The annual assessment for each Unit for each fiscal year of the Association shall be the sum equal to the total of (a) the estimated Common Expenses of the Association for the fiscal year, and (b) the amount determined by the Board to be required during the fiscal year for the establishment and maintenance of a reserve fund pursuant to Section 5.14 of this Declaration, multiplied by such Unit's undivided interest in the General Common Elements pursuant to Section 2.9 of this Declaration.

Each Unit shall also be assessed its proportionate share of any special or supplemental assessments levied pursuant to Sections 5.4 or 5.6 of this Declaration. Each Unit's proportionate share of any such assessments shall be the amount obtained by multiplying the total amount of such supplemental or special assessment by such Unit's undivided interest in the General Common Elements pursuant to Section 2.9 of this Declaration.

Section 5.8. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Units in a Phase (including Phase 1) on the first day of the month following the conveyance of the first Unit in such Phase to a Purchaser. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each fiscal year. Written notice of the annual assessment shall be sent to every Owner prior to the commencement of the fiscal year; provided, however, that failure to give such notice shall not affect the validity or enforceability of the assessments as fixed by the Board.

Section 5.9. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment which is not paid within fifteen (15) days after the assessment first became due shall be deemed delinquent. Until payment is made, all amounts due shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, or the prevailing FHA/VA interest rate for new home loans (at the time of delinquency), whichever is higher.

Before recording a lien against any Unit for unpaid assessments, the Association shall make a written demand to the defaulting Owner for payment. Said demand shall state the date and amount of the delinquency.

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

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

Section 5.10. Subordination of Assessment Lien to Mortgages. The lien of the assessments provided in this Declaration shall be subordinate to the lien of any First Mortgage. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien securing such liability.

Section 5.11. Exemption of Owner. No Owner of a Unit may exempt himself from liability for payment of assessments and other charges levied pursuant to the Condominium Documents by waiver or nonuse of any of the General Common Elements and facilities or by the abandonment of his Unit.

Section 5.12. Certificate of Payment. The Association shall, upon demand of an Owner, furnish to such Owner a certificate in writing signed by an officer or appointed representative of the Association setting forth whether the assessments on a particular Unit have or have not been paid and the amount of any unpaid assessments. The Association may charge the Owner requesting the certificate a reasonable fee in an amount established by the Board for each such certificate. Such certificate shall be conclusive evidence of payment of any assessment described in the certificate as having been paid.

Section 5.13. Working Capital Fund. A working capital fund shall be established by the Association in an amount equal to at least two (2) monthly installments of the current annual assessments for each Unit in Phase 1. Any amounts paid into this fund shall be in addition to payments made for any annual, special or supplemental assessments levied pursuant to this Article. Funding for the working capital fund shall be collected from the original Purchaser of each Unit in Phase 1 and shall be collected by the Association at the time of closing of the sale of each Unit to such original Purchaser.

Section 5.14. Maintenance of Reserve Fund. Out of the annual assessments, the Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the General Common Elements which the Association is obligated to maintain.

ARTICLE VI

EASEMENTS

Section 6.1. Utility Easements. There is hereby created an easement upon, across, over and under the General Common Elements for reasonable ingress, egress, installation, replacing, repairing or maintaining of all utilities, including, but not limited to, water, sewer, telephone, cable television, electricity, gas, and heating, cooling and air conditioning units. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment on the General Common Elements. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, gas lines, water lines or other utility or service lines may be installed or relocated upon the General Common Elements except as initially designed, approved and constructed by the Declarant or as approved by the Board. This easement shall in no way affect any other recorded easements on the General Common Elements.

Section 6.2. Easements for Encroachments. Each unit and the General Common Elements shall be subject to an easement for encroachments, including but not limited to encroachments of walls, ceilings, ledges, floors and roofs, created by construction, settling and overhangs as originally designed or constructed, or as created by discrepancies between the Plat and the actual construction. If any portion of the General Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portion of the General Common Elements, or if any Unit shall actually encroach upon another Unit, as the General Common Elements and the Units are shown on the Plat, a valid easement for any of said encroachments and for the maintenance thereof, so long as they stand, shall and does exist. In the event any Unit or structure is repaired, altered, constructed or reconstructed, the Owners of the Units agree that similar encroachments shall be permitted and that a valid easement for any such encroachments and for the maintenance thereof shall exist, provided that no such easement shall exist for an encroachment created by the willful misconduct of the person seeking the benefit of such encroachment easement.

Section 6.3. Easements for Ingress and Egress. Each Owner shall have the unrestricted right of ingress to and egress from his Unit. There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks and lanes that from time to time may exist upon the General Common Elements. There also are created easements for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be intended for such purposes; provided, however, that none of such easements referenced above shall extend to any Restricted

Common Elements. Such easements shall run in favor of and be for the benefit of the Owners and Occupants of the Units and their families, guests and invitees.

Section 6.4. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the General Common Elements, except for the Restricted Common Elements, which right and easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions.

(a) the right of the Association to adopt reasonable rules and regulations governing the use of the General Common Elements;

(b) the right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Unit remains unpaid, or any other infraction or violation of the Condominium Documents remains uncured;

(c) the right of the Association to dedicate or transfer all or any part of the General Common Elements to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument providing therefor, signed by the appropriate officers of the Association, and approved by Owners representing at least two-thirds (2/3) of the votes of each class of membership who vote in person or by proxy at a meeting duly called for such purposes, has been recorded. The requirements of this Section shall not apply in the case of utility easements covered by Section 6.1 of this Declaration; and

(d) the right of Declarant, its agents and representatives, in addition to the Declarant's rights set forth elsewhere in this Declaration, to the nonexclusive use, without charge, of the General Common Elements, except for the Restricted Common Elements, for display and exhibit purposes and the maintenance of sales facilities.

Section 6.5. Delegation of Use. Any Owner may delegate his right of enjoyment to the General Common Elements to the members of his family, his guests or his invitees, provided such delegation is for a reasonable number of persons and at reasonable times.

Any Owner also may delegate his right of enjoyment to the General Common Elements to an Occupant, provided that such delegation extinguishes such Owner's right of enjoyment to the general Common Elements during the Occupant's possession of the Unit.

ARTICLE VII

USE AND OCCUPANCY RESTRICTIONS

Section 7.1. Single Family Residential Use. The Condominium Property shall be used exclusively for Single Family residential purposes and each Unit shall be improved, used and occupied as a separate dwelling unit. Unless specifically approved by the Board, no part of the Condominium Property may be used for any business, commercial, religious, manufacturing, storing, vending or any non-residential purposes.

Section 7.2. External Fixtures. No external items such as, but not limited to, television and radio antennas; satellite dishes; solar equipment; flag poles; clotheslines; wiring; insulation; air conditioning equipment; water softening equipment; fences; awnings; ornamental screens; screen doors; porches; patio or balcony enclosures; sunshades; walls; landscaping and plantings, other than those provided in connection with the original construction of the Condominium Property, and any replacements thereof, and other than those approved by the Architectural Committee, shall be constructed, erected or maintained on the Condominium Property. The Association may maintain in effect or cause to be maintained in effect a central antenna system or systems, which shall provide connections to each Unit via underground or internal wall wiring, or a combination thereof.

Section 7.3. Improvements and Alterations. Except for original construction work undertaken by Declarant, with respect to any Unit or the General Common Elements, neither an Owner nor the Association shall make any major structural alterations, additions or improvements to any Unit or the General Common Elements without the prior written approval of the Architectural Committee.

Any Owner may make nonstructural additions, alterations and improvements within his Unit without the prior written approval of the Architectural Committee, but such Owner shall, to the extent required by Arizona law, be responsible for any damage to other Units and to the General Common Elements which results from any such alterations, additions or improvements. Notwithstanding the foregoing, no addition, alteration or improvement within a Unit, whether structural or not, which would be visible from the exterior of the Building in which the Unit is located, shall be made without the prior written approval of the Architectural Committee, which approval shall only be granted if the Architectural Committee affirmatively finds that the proposed addition, alteration or improvement is aesthetically pleasing and in harmony with the surrounding improvements.

Section 7.4. Unightly Items. All rubbish, debris or unightly materials or objects of any kind shall be regularly removed by each Owner or Occupant from his Unit and appurtenant Restricted Common Elements, and shall not be allowed to accumulate therein or thereon. Refuse containers and machinery and equipment not a part of the Units shall be prohibited on or in any Unit unless obscured from view of adjoining Units and General Common Elements. Trash and garbage not disposed of by equipment contained

within the Units shall be placed in containers by Owners for removal from the Condominium Property in accordance with Association Rules applicable thereto adopted by the Board.

Section 7.5. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon the Condominium Property except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of Units, Buildings, Improvements or structures which are within the permitted uses of such property, and except that which Declarant or the Association may require for the operation and maintenance of the General Common Elements.

Section 7.6. Animals. No animals, birds, fowl, poultry, reptiles or livestock of any kind (hereinafter collectively referred to as "Animals"), other than a reasonable number of generally recognized house pets, shall be kept or maintained in or on any Unit unless they are kept solely as domestic pets and not for commercial purposes. No permitted pet shall be allowed to make an unreasonable amount of noise, cause an odor, or create a nuisance. All dogs shall be kept on a leash not to exceed six (6) feet in length when outside a Unit or any Restricted Common Elements appurtenant to such Unit, and all dogs shall be directly under the Owner's or Occupant's control. No structure for the care, housing, confinement or training of any permitted pet shall be maintained so as to be visible from the exterior of the Building in which the Unit is located. Upon the written request of any Owner, the Board shall determine whether, for the purposes of this Section, a particular Animal is a generally recognized domestic pet, or is a nuisance, or whether the number of domestic pets in any Unit is reasonable or unreasonable.

Section 7.7. Temporary Structures. No structure or building of a temporary character, including a tent or shack, shall be placed upon the Condominium Property or used therein unless the same and its proposed use are approved by the Architectural Committee.

Section 7.8. Restrictions on Leasing and Further Subdivision. No Unit shall be further subdivided or separated into smaller units by an Owner, and no portion less than all of a Unit shall be conveyed, transferred or leased by any Owner. This restriction shall not prevent the granting by an Owner thereof of an easement over part or parts of a Unit for use by another Owner.

Any agreement for the leasing or rental of a Unit (hereinafter in this Section referred to as a "lease") shall be subject, regardless of whether the lease so provides, in all respects to the provisions of the Condominium Documents, and any failure by the Occupant thereunder to comply with the terms of the Condominium Documents shall be in default under the lease. All leases shall be in writing and shall contain the terms just set forth above. With the exception of a First Mortgage in possession of a Unit following a default in a First Mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, no Owner shall be permitted to lease his Unit for any period less than one hundred eighty (180) days. Any Owner who leases his Unit shall be responsible for assuring compliance by the Occupant with the

Condominium Documents, and the Association shall have the right to institute any and all necessary legal actions against an Owner who fails to assure such compliance. Failure by an Owner to take legal action, including the institution of a forcible entry and detainer proceeding against his Occupant, who is in violation of the Condominium Documents, within ten (10) days after receipt of written demand to do so from the Board, shall entitle the Association, through the Board, to take any and all such action as may be necessary, including the institution of proceedings in forcible entry and detainer on behalf of such Owner against his Occupant. Any expenses incurred by the Association, including costs and attorneys' fees, shall be repaid to it by such Owner.

All Occupants, and the families, guests and invitees of all Owners and Occupants shall be bound by the Restrictions in this Article to the same extent as the Owner.

Section 7.9. Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on the Condominium Property, unless otherwise permitted by the Board.

Section 7.10. Mineral Removal. No portion of the Condominium Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals, sand, gravel or earth substance of any kind.

Section 7.11. Diseases and Insects. No condition or thing shall be permitted to exist upon the Condominium Property which could induce, breed or harbor infectious plant diseases or noxious insects.

Section 7.12. Vehicles; Parking. No motor vehicle (classed by manufacturer rating as exceeding 3/4-ton or designed for commercial purposes), motor home, mobile home, trailer, camper shell, detached camper, boat, boat trailer, all-terrain carrier, snow mobile, jet ski, or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed, repaired or stored within the Condominium Property unless parked or placed within the Condominium Property in an area designed for such use by the Board. The foregoing limitation on parking shall not apply to pickup trucks of less than 3/4 ton capacity with camper shells not exceeding seven feet in height measured from ground level or to mini-motor homes not exceeding seven feet in height and eighteen feet in length and which are used on a regular and recurring basis for basic transportation. The Board may adopt rules and regulations relating to the admission and temporary parking of vehicles within the Condominium Property, including the assessment of charges to Owners and Occupants who violate, or whose invitees violate, such rules. Any charges so assessed shall be special assessments pursuant to Section 5.5 of this Declaration.

Section 7.13. Signs. No signs other than a name and address sign not exceeding 10 x 24 inches in size shall be permitted on the exterior of any Unit or Building or any other portion of the Condominium Property without the written approval of the Architectural Committee. Notwithstanding the foregoing, a single sign of reasonable dimension

advertising a Unit for sale or rent may be placed by the Owner or his agent within the Unit or immediately adjacent thereto located on the General Common Elements, subject to reasonable regulation by the Architectural Committee.

Section 7.14. Lawful Use. No immoral, improper, offensive, or unlawful use shall be made on any part of the Condominium Property. No Owner shall engage in activity within the Condominium Property in violation of any law, ordinance, statute, rule or regulation of any local, county, state or federal body.

Section 7.15. Nuisances and Offensive Activity. No private or public nuisance shall be permitted to exist and no noxious or offensive activity shall be carried on in any Unit or elsewhere upon the Condominium Property, nor shall any activity which might be or become an annoyance or nuisance to Owners or Occupants be permitted to interfere with their rights of quiet enjoyment or increase the rate of any insurance.

Section 7.16. Window Coverings. No reflective materials, including, but not limited to, aluminum foil, reflective screens or glass, mirrors or similar type items, shall be installed or placed upon the outside or inside of any windows of a Unit without the prior written approval of the Architectural Committee. No enclosures, drapes, blinds, shades, screens or other items affecting the exterior appearance of a Unit or any Restricted Common Element reserved for the use of such Unit shall be constructed or installed in any Unit or Restricted Common Elements without the prior written consent of the Architectural Committee. The Architectural Committee may adopt rules regulating the types, color and design of the window covers exposed to public view.

Section 7.17. Outside Speakers and Amplifiers. No radio, stereo, broadcast or loudspeaker units and no amplifiers of any kind shall be placed upon or outside, or shall be directed to the outside of, any Building without the prior approval of the Architectural Committee.

Section 7.18. Repairs. No repairs of any detached machinery, equipment or fixtures, including, without limitation, motor vehicles, shall be made upon the Condominium Property.

Section 7.19. Rules and Regulations. The Association, acting through the Board, shall have the power to make and adopt reasonable Association Rules with respect to activities which may be conducted on any part of the Condominium Property. The Board's determination as to whether a particular activity being conducted or to be conducted violates or will violate such Association Rules or the provisions of this Article VII shall be conclusive, unless at a regular or special meeting of the Association, Members, representing at least entitled to cast two-thirds (2/3) of the votes of each class of membership, vote to the contrary.

Section 7.20. Exceptions Applicable to Declarant. Anything in this Article to the contrary notwithstanding, nothing in this Article shall be construed as preventing Declarant, its agents or assigns, from using temporary structures or trailers, or engaging in all forms of

construction and sales activities, or otherwise violating any or all other Sections of this Article in furtherance of its construction and sales activities until all Units in the Condominium Property have been sold.

ARTICLE VIII

~~X~~ MAINTENANCE AND REPAIR OF GENERAL COMMON ELEMENTS AND UNITS

Section 8.1. Duties of the Association. The Association shall maintain, repair and make necessary improvements to all General Common Elements, except for those portions of the General Common Elements which the Owners of the Units are obligated to maintain pursuant to Section 8.2 of this Declaration. The Association's duties for maintenance and repair of the General Common Elements shall include but not be limited to the Buildings, the land upon which the Buildings are located, the space above the Buildings, roofs, slabs, foundations, storage buildings, water and sewer pipes, ducts, conduits, wires and all other utility installations in the Buildings, except the outlets thereof when located within Units, and all structural parts of the General Common Elements, and all common facilities and improvements, landscaping, drainage facilities, roadways, streets, parking areas and walks. All such repairs and maintenance shall be Common Expenses and shall be paid for by the Association.

Section 8.2. Duties of Owners. Each Owner of a Unit shall clean, maintain, repair, replace and restore, at his own expense, all portions of his Unit and its appurtenant Restricted Common Elements (except for his assigned parking space), subject to the Condominium Documents. This includes the cleaning, maintenance, repair, replacement and restoration of all doors, window glass, doorbells, sunscreens and any heating or cooling air conditioning systems and equipment exclusively serving his Unit; all electrical, gas and plumbing fixtures and appliances exclusively serving his Unit, including, but not limited to, dishwasher, laundry equipment, range, oven, water heater and any other built-in appliance; and all interior finishes including, without limitation, floor, ceiling and wall coverings. No Owner shall remove, alter, injure or interfere in any way with any shrubs, trees, grass or plantings placed upon the Condominium Property by Declarant or the Association without first having obtained the written consent of the Architectural Committee.

Section 8.3. Repair or Restoration Necessitated by Owner. Each Owner shall be liable to the Association, to the extent provided for by Arizona law, for any damage to the General Common Elements or the Improvements or equipment thereon which results from the negligence or willful conduct of each such Owner or his Occupants. The cost to the Association of any such repair, maintenance or replacements required by such act of an Owner or his Occupant shall be paid by said Owner, upon demand, to the Association. The Board may enforce collection of any such amounts in the same manner and to the same extent as provided for the collection of special assessments pursuant to Sections 5.5 and 5.9 of this Declaration.

Section 8.4. Association's Right of Access to General Common Elements. Each Owner hereby grants to the authorized representatives of the Association a right of access to the General Common Elements for the purpose of enabling the Board and the Architectural Committee, and any other committees established by the Board to exercise and discharge their respective powers, duties and responsibilities under the Condominium Documents. This right of access shall include, but not be limited to, the right to enter upon the General Common Elements for the purpose of determining whether the provisions of this Declaration are being complied with by the Owners and Occupants, their guests, invitees and licensees.

Section 8.5. Association's Right of Access to a Unit. In case of emergency, the Association shall have the right to enter a Unit for the purpose of making repairs or otherwise carrying out the obligations of the Association under the Condominium Documents.

ARTICLE IX

INSURANCE

Section 9.1. Scope of Coverage. Commencing not later than the date of the first conveyance of a Unit to a Purchaser, the Association shall maintain, to the extent reasonably available, the following insurance coverage:

(a) Fire, hazard and extended coverage insurance on the General Common Elements and Units, as determined by the Board, insuring in an amount equal to the maximum insurable replacement value of the General Common Elements and Units; provided, however, that the total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement cost of the insured property, exclusive of land, excavations, foundations and other items normally excluded from such a policy.

(b) Comprehensive general liability insurance in an amount determined by the Board, but not less than \$2,000,000.00. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the General Common Elements for which the Association is legally liable, and shall contain such other endorsements as the Board deems appropriate.

(c) Such other insurance as may be required by the FHA or VA, such as flood insurance and "Agreed Amount" and "Inflation Amount" endorsements; and such other insurance, including but not limited to workmen's compensation insurance, errors and omissions insurance for Directors and Officers of the Board, and fidelity bonds, and including such endorsements as the Board shall determine from time to time to be appropriate to protect the Association or the Owners.

Section 9.2. Certificates of Insurance. An insurer that has issued an insurance policy under this Article shall issue certificates or a memorandum of insurance to the Association and, upon request, to any Owner, mortgagee or beneficiary under a deed of trust. Any insurance obtained pursuant to this Article may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Owner and each First Mortgagee who is listed as a scheduled holder of a First Mortgage in the insurance policy.

Section 9.3. Insurance Obtained by Owners. The issuance of insurance policies to the Association pursuant to this Article shall not preclude an Owner from obtaining, for his own benefit and at his own expense, fire and extended coverage insurance on his own Unit. Every Owner should obtain for his own benefit, and the same shall be at his expense, insurance covering his personal property and providing personal liability coverage.

Section 9.4. Payment of Insurance Proceeds. Any loss covered by property insurance obtained by the Association in accordance with this Article shall be adjusted with the Association and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. The Association shall hold any insurance proceeds in trust for Owners, First Mortgagees, and lienholders as their interests may appear. Subject to the provisions of Section 9.5, the proceeds shall be disbursed for the repair or restoration of the damage to General Common Elements and Units, and Owners and lienholders shall not be entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the General Common Elements and Units have been completely repaired or restored, or the Horizontal Property Regime terminated.

Section 9.5. Repair and Replacement of Damaged or Destroyed Property. Any portion of the Condominium Property damaged or destroyed shall be repaired or replaced promptly by the Association unless (a) the Horizontal Property Regime is terminated, (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (c) Owners, including every Owner of a Unit that will not be rebuilt, representing at least eighty percent (80%) of the votes of each class of membership who are voting in person or by proxy at a meeting duly called for such purpose, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves shall be a Common Expense. If the entire Condominium Property is not repaired or replaced, (a) insurance proceeds attributable to the damaged General Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium Property, (b) insurance proceeds attributable to Units which are not to be rebuilt shall be distributed to the Owners of those Units, (c) the remainder of the proceeds shall be distributed to all Owners in proportion to the fair market value of each Owner's Unit as compared to the fair market value of all of the Units at the time of the damage or destruction as determined by an appraiser employed by the Board. If the Owners vote not to rebuild a Unit, that Unit's appurtenant fractional interest in the General Common Elements and vote in the Association shall be automatically reallocated to the other

Units within the Condominium Property so that the fractional interest of each remaining Unit shall be a fraction, the numerator of which is one and the denominator of which is the number of Units remaining, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the revised allocations.

ARTICLE X

CONDEMNATION

Section 10.1. Consequences of Condemnation: Notices. If at any time all or any part of the Condominium Property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Article shall apply. Upon any such act, each Owner who has requested special notice, and each holder of a lien or encumbrance on the Condominium Property or any part thereof shall be provided with timely written notice of any proceeding or proposed acquisition or sale. The Association shall represent the Owners in any condemnation proceeding or in negotiations, settlements and agreements with the condemning authority for acquisition of the General Common Elements or any part thereof.

Section 10.2. Proceeds. All compensation, damages or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Board in trust for the Owners, First Mortgagees, and all other holders of liens and encumbrances on the Condominium Property or any part thereof, as their interests may appear.

Section 10.3. Complete Taking. In the event that the entire Condominium Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Horizontal Property Regime created pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to the fair market value of each Owner's Unit as compared to the fair market value of all of the Units at the time of the condemnation. The fair market value of each Unit at the time of the condemnation shall be determined by the judgment or order entered by the Court making the Condemnation Award or, if there is no judgment or order or if the judgment or order fails to specify the fair market value of each of the Units, then the fair market value of each Unit shall be determined by an appraiser employed by the Board. If the Board employs an appraiser for such purpose then the fee or compensation to be paid to the appraiser shall be paid by the Board out of the Condemnation Award. On the basis of the foregoing principle, the Board shall, as soon as practicable, determine the share of the Condemnation Award to which each Owner is entitled. Out of the respective share of each Owner, the Board shall pay, to the extent such funds are sufficient for such purpose, all encumbrances and liens on the interest of such Owner in the order of their priority, and the balance, if any, of the Owner's share shall then be distributed to the Owner.

Section 10.4. Partial Taking. In the event that less than the entire Condominium Property is taken, condemned, sold or otherwise

disposed of in lieu of or in avoidance thereof, the Horizontal Property Regime created hereunder shall not terminate and the following provisions shall apply:

(a) Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner:

(i) As soon as practicable the Board shall, reasonably and in good faith, allocate the Condemnation Award between compensation, severance damages, or other proceeds;

(ii) The Board shall apportion the amounts so allocated to a taking of or injury to the General Common Elements which in turn shall be apportioned among the Owners in proportion to the fair market value of each Owner's Unit as compared to the fair market value of all of the Units at the time of the condemnation, as set forth in the third and succeeding sentences in Section 10.3.

(iii) The total amount allocated to the taking of or injury to a particular Unit and/or improvements an Owner had made within his own Unit shall be apportioned to the particular Unit involved;

(iv) The amount allocated to consequential damages and any other taking or injury shall be apportioned as the Board determines to be equitable in the circumstances;

(v) If an allocation of the Condemnation Award has already been established by negotiation, judicial decree or otherwise, then the Board shall allocate the Condemnation Award as so established;

(vi) Distribution of apportioned proceeds shall be made to the respective First Mortgagees of each Unit and any sums in excess of the amount necessary to satisfy the First Mortgages and other liens shall be paid to the Owners of the affected Units.

(b) Upon the acquisition of one or more Units by the condemning authority, the interest of the Unit or Units taken in the General Common Elements shall be reallocated to the other Units within the Condominium Property as prescribed in the last sentence of Section 9.5.

Section 10.5. Priority. Nothing contained in this Article shall entitle an Owner to priority over any lender having a lien against his

Unit as to any portion of any such Condemnation Award allocated to such Unit.

ARTICLE XI

ANNEXATION

Section 11.1. Right of Annexation. Declarant hereby expressly reserves the right until seven (7) years from the date of the recording of this Declaration to expand from time to time the Horizontal Property Regime created by this Declaration, without the consent of any other Owner, by annexing all or any portion or portions of the Annexable Property, provided that the VA or the FHA determines that the annexation is in accord with the general plan heretofore approved by them. The annexation of any Phase of the Annexable Property shall be automatically accomplished by the Declarant recording with the County Recorder of Maricopa County, Arizona, one of the following:

(a) a deed conveying title to a Unit located in the Phase to be annexed; or

(b) a Notice of Substantial Completion of the Units in the Phase to be annexed.

The annexation of a Phase of the Annexable Property shall become effective, and the obligations to pay assessments and the voting rights in the Association of Owners of the Units in each such Phase shall commence and be effective, as of the first day of the month following the first to occur of either of the events described in (a) or (b) above. The Declarant is hereby irrevocably appointed as agent and attorney-in-fact for all of the Owners, and each of them individually, to do all acts required by this Section in order to annex any or all of the Annexable Property.

Section 11.2. Reallocation of Fractional Interests in General Common Elements. In the event the Declarant annexes all or any part of the Annexable Property, the fractional interest of each Unit in the General Common Elements shall be adjusted by the Declarant. Each Unit's undivided interest in the General Common Elements shall be a new fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Units then in the Horizontal Property Regime.

Section 11.3. No Assurances. Declarant makes no assurances as to (a) the exact location of Buildings and other Improvements to be constructed on the Annexable Property, (b) the exact number of Units which shall be added to the Horizontal Property Regime by annexation of all or any portion of the Annexable Property, except that the maximum number of Units in the Condominium Property shall not exceed the number specified in Recital D of this Declaration, and (c) what Improvements may be constructed on the Annexable Property. Any such Improvements and the Units may differ in size, material and style, but nonetheless shall be in harmony with the Improvements constructed on the Condominium Property described in Phase 1 in Exhibit "A" attached to this Declaration. All

Improvements to be constructed on any portion of the Annexable Property annexed into the Horizontal Property Regime will be substantially completed prior to the annexation of such Annexable Property.

Section 11.4. Prior Taxes. All taxes and other assessments relating to all or any portion of the Annexable Property annexed into the Horizontal Property Regime covering any period prior to the recording of the Declaration of Annexation shall be the responsibility of, and shall be paid for by, the Declarant.

ARTICLE XII

RIGHTS OF FIRST MORTGAGEES

Section 12.1. Notification to First Mortgagees. Upon receipt by the Association of a written request from a First Mortgagee or insurer or governmental guarantor of a First Mortgage informing the Association of its correct name and mailing address and number or address of the Unit against which there is a First Mortgage (hereinafter called the "Affected Unit") and to which Unit the request relates, the Association shall provide such Eligible Mortgage Holder or Eligible Insurer or Guarantor (collectively referred to hereinafter as "Eligible Person") with timely written notice of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium Property or any Affected Unit;

(b) Any delinquency in the payment of assessments or charges owed by an Owner of an Affected Unit or any other default in the performance by such Owner of any obligation under the Condominium Documents, which delinquency or default remains uncured for a period of sixty (60) days;

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

(d) Any proposed action which requires the consent of a specified percentage of First Mortgagees or Eligible Mortgage Holders as set forth in Sections 12.2 or 12.3 of this Declaration.

Section 12.2. Actions Requiring Approval of Eligible Mortgage Holders. To the extent permitted by applicable law, Eligible Mortgage Holders shall have the following rights:

(a) Any restoration or repair of the Condominium Property, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by the following: Eligible Mortgage Holders holding First Mortgages

on Units, the Owners of which have at least fifty-one percent (51%) of the votes in the Association allocated to Owners of all Units subject to First Mortgages held by Eligible Mortgage Holders (hereinafter referred to as the "Required Eligible Mortgage Holders").

(b) Any election to terminate the Horizontal Property Regime after substantial destruction or a substantial taking in condemnation of the Condominium Property shall not be effective unless approved by the Required Eligible Mortgage Holders and as provided in Article XIII.

(c) When professional management of the Association has been previously required by any Eligible Person, any decision to establish self-management by the Association shall require the prior consent of Owners representing at least two-thirds (2/3) of the votes of each class of membership in the Association who are voting in person or by proxy at a meeting duly called for such purpose, and the approval of the Required Eligible Mortgage Holders.

Section 12.3. Approval Required for Amendments to Declaration, Articles or Bylaws. The following provisions shall apply to all amendments to the Declaration, Articles and Bylaws, except for those amendments made as a result of destruction, damage or condemnation pursuant to Section 12.2 of this Declaration:

(a) The consent of Owners having at least two-thirds (2/3) of the votes of each class of membership in the Association who are voting in person or by proxy at a meeting duly called for such purpose, and the approval of two-thirds (2/3) of the First Mortgagees (based upon one vote for each First Mortgage owned by each such First Mortgagee) shall be required to add, delete, or amend any material provisions of the Declaration, Articles or Bylaws relating to the following:

- (i) Voting;
- (ii) Assessments, assessment liens or subordination of such liens;
- (iii) Reserves for maintenance, repair and replacement of General Common Elements (or Units, if applicable);
- (iv) Insurance or fidelity bonds;
- (v) Rights to the use of the General Common Elements;
- (vi) Responsibility for maintenance and repair of the various portions of the Condominium Property;

(vii) Expansion or contraction of the Condominium Property, or the addition, annexation or withdrawal of property to or from the Condominium Property, except the annexation of the Annexable Property pursuant to Article XI;

(viii) Boundaries of any Unit;

(ix) The fractional interests in the General Common Elements or Restricted Common Elements;

(x) Convertability of Units into General Common Elements or of General Common Elements into Units;

(xi) Leasing of Units;

(xii) Imposition of any right of first refusal or similar restriction on the right of any Owner to sell, transfer or otherwise convey his Unit;

(xiii) Any provisions which are for the express benefit of First Mortgagees or Eligible Persons.

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

Section 12.4. Prohibition Against Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey his Unit shall not be subject to any right of first refusal or similar restriction.

Section 12.5. First Mortgagee Not Liable for Prior Assessments. Any First Mortgagee or any other party acquiring title or coming into possession of a Unit through foreclosure of the First Mortgage, purchase at a foreclosure sale or trustee sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title free and clear of any claims for unpaid assessments and charges against the Unit which became payable prior to such sale or transfer. Any such delinquent assessments which are extinguished pursuant to this Section may be reallocated and assessed to all Units as a Common Expense. Any assessments and charges against the Unit which accrue prior to such sale or transfer shall remain the obligation of the defaulting Owner of the Unit.

Section 12.6. Subordination of Certain Liens to First Mortgage. Any lien which the Association may have on a Unit for the payment of assessments or other charges becoming payable on or after the date of the recording of the First Mortgage on the Unit shall be subordinate to the First Mortgage.

Section 12.7. Right of Inspection of Records. Any Owner, First Mortgagee or Eligible Person will, upon written request, be entitled to (a) inspect the current copies of the Condominium Documents and the books, records and financial statements of the Association during normal business hours, (b) receive within ninety (90) days following the end of any fiscal year of the Association, an audited financial statement of the Association for the immediately preceding fiscal year of the Association, free of charge to the requesting party, and (c) receive written notice of all meetings of the Members of the Association and be permitted to designate a representative to attend all such meetings.

Section 12.8. Prior Written Approval of First Mortgagees. Except as provided by statute in case of condemnation or substantial loss of the Units and/or the General Common Elements, unless at least (i) two-thirds (2/3) of all First Mortgagees (based upon one vote for each First Mortgage owned) and (ii) Owners representing at least two-thirds (2/3) of the votes of each class of membership in the Association who are voting in person or by proxy at a meeting duly called for such purpose, give their prior written approval, the Association shall not be entitled to:

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

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

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

Section 12.9. Liens Prior to First Mortgage. All taxes, assessments, and charges which may become liens prior to the First Mortgage under local law shall relate only to the individual Units and not to the Condominium Property as a whole.

Section 12.10. Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Article and any other provision of the Condominium Documents, the provisions of this

Article shall prevail; provided, however, that in the event of any conflict or inconsistency between the different Sections of this Article or between the provisions of this Article and any other provision of the Condominium Documents with respect to the number or percentage of Owners, First Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors that must consent to (i) an amendment of the Declaration, Articles or Bylaws, (ii) a termination of the Horizontal Property Regime, or (iii) certain actions of the Association as specified in Sections 12.2, 12.3 and 12.8 of this Declaration, the provision requiring the consent of the greatest number or percentage of Owners, First Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors shall prevail.

Section 12.11. FHA/VA. The Association shall have the right, from time to time, to amend the Condominium Documents, in the manner prescribed by this Declaration, to be in compliance with the relevant rules and regulations promulgated by the FHA and by the VA.

ARTICLE XIII

TERMINATION OF THE HORIZONTAL PROPERTY REGIME

Section 13.1. Method of Termination. Notwithstanding any contrary provision of the Condominium Documents, the Horizontal Property Regime created by the recording of this Declaration may only be terminated with the approval of all of the Owners of the Units. Any such termination of the Horizontal Property Regime shall be evidenced by a Declaration of Withdrawal which shall be executed and acknowledged by all of the Owners and recorded with the County Recorder of Maricopa County, Arizona. If at the time of such termination there are any encumbrances or liens against any of the Units, the Declaration of Withdrawal will be effective only when the creditors holding such encumbrances or liens execute and acknowledge such Declaration of Withdrawal or their encumbrances or liens are satisfied other than by foreclosure against the Units or expire by operation by law. No termination of the Horizontal Property Regime shall be a bar to any subsequent commitment of the Condominium Property to a Horizontal Property Regime. So long as there is a Class B membership in the Association, any termination of the Horizontal Property Regime must be approved by the VA or the FHA.

ARTICLE XIV

ENFORCEMENT

Section 14.1. Persons Entitled to Enforce: Waiver. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, the Restrictions now or hereafter imposed by the provisions of the Condominium Documents. Failure by the Association or by any Owner to enforce any Restriction contained in the Condominium Documents shall in no event be deemed a waiver of the right to do so at the time or thereafter with respect to the same Restriction or any other Restriction.

Section 14.2. Remedies Cumulative. Each remedy provided in this Declaration is cumulative and not exclusive.

Section 14.3. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of the same has been deposited in the United States mail, postage prepaid. It shall be the responsibility of each Owner to notify the Association in writing of any change of address; provided, however, that any such address may be changed at any time by the party concerned by recording a written notice of change of address and delivering a copy thereof to the Association. Each Owner of a Unit shall file the correct mailing address of such Owner with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

Section 14.4. Attorneys' Fees. In the event the Declarant, the Association or any Owner employs an attorney or attorneys to enforce a lien or to collect any assessments or other amounts due from an Owner or to enforce compliance with or recover damages for any violation or noncompliance with the Condominium Documents, the enforcing party (or the prevailing party in the event an action is filed) shall be entitled to recover from the other party its costs and reasonable attorneys' fees incurred (including but not limited to those specified in Section 5.1).

ARTICLE XV

TREATMENT OF CERTAIN RIGHTS

Section 15.1. Survival of Liability. The termination of membership in the Association shall not relieve or release any such former Owner or Member from any liability or obligation incurred under, or in any way connected with the Association during the period of such ownership or membership, or impair any rights or remedies which the Association may have against such former Owner or Member arising out of or in any way connected with such ownership or membership and the covenants and obligations incident thereto.

Section 15.2. Joint and Several Liability. In the case of joint ownership of a Unit, the liabilities and obligations of each of the joint Owners set forth in, or imposed by the Condominium Documents, shall be joint and several.

Section 15.3. Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or its duly authorized agents of improvements or signs necessary or convenient to the development or sale of the Condominium Property or the Units. Declarant and its agents and assigns specifically reserve the right to use and enjoy the General Common Elements and all other Improvements and Buildings and grounds in connection with its advertising, promotion and sales efforts; provided, however, that such use of the General Common Elements by the Declarant must not unreasonably interfere with any Owner's use and enjoyment of the General Common Elements. So

long as the Declarant owns any Unit, the Condominium Documents may not be amended in any way which would eliminate, modify or impair the rights of the Declarant as set forth in this Section, except as expressly approved in writing by Declarant.

Section 15.4. Declarant's Right to Use Similar Name. The Association hereby irrevocably consents to the use by any other nonprofit corporation, which may be formed or incorporated by Declarant, of a corporate name which is the same as or deceptively similar to the name of the Association, provided one or more words are added to the name of such other corporation to make the name of the Association distinguishable from the name of such other corporation. Within five (5) days after being requested to do so by the Declarant, the Association shall sign such letters, documents or other writings as may be required by the Arizona Corporation Commission or Secretary of State in order for any other nonprofit corporation formed or incorporated by the Declarant to use a corporate name which is the same as or deceptively similar to the name of the Association.

ARTICLE XVI

INTERPRETATION AND GENERAL PROVISIONS

Section 16.1. Topic Headings. The marginal or topical headings of the sections contained in this Declaration are for convenience only and do not define, limit or construe the contents of such sections or of the other sections or provisions of this Declaration.

Section 16.2. Construction. In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and the Articles, Bylaws, Association Rules or Architectural Committee Rules, the provisions of this Declaration shall prevail.

Section 16.3. Gender. The singular, wherever used in this Declaration, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions of this Declaration apply either to corporations, partnerships, associations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 16.4. Number of Days. In computing the number of days for purposes of any provision of the Condominium Documents, all days shall be counted including Saturdays, Sundays and legal holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or legal holiday.

Section 16.5. Severability. Invalidation of any one of these Restrictions or any sentence or part thereof by judgment or court order shall in no way affect any other provision or provisions of this Declaration which shall remain in full force and effect.

Section 16.6. Amendment. The Restrictions of this Declaration shall run with and bind the Condominium Property for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Any amendment to this declaration must be recorded. So long as there is a Class B membership in the Association, any amendment must be approved by the VA or the FHA. Any amendment must also comply with the requirements of Article XIII of this Declaration. Notwithstanding anything to the contrary in this Section, so long as there is a Class B membership in the Association, the Declarant shall have the right to amend this Declaration without obtaining the approval or consent of any other Owner or mortgagee in order to conform the Declaration to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the FHA or the VA; provided, however, that any such amendment by the Declarant must be approved by the VA or the FHA. Any such amendment shall not be subject to the provisions of Article XIII of this Declaration.

Section 16.7. Binding Effect. By acceptance of a deed or by acquiring any ownership interest in any portion of the Condominium Property, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, Restrictions, covenants, conditions, rules and regulations now or hereafter imposed by the Condominium Documents and any amendments thereof. In addition, each such person by so doing thereby acknowledges that the Condominium Documents set forth a general scheme for the improvement and development of the Condominium Property covered thereby and hereby evidences his interest that all the Restrictions, conditions, covenants, rules and regulations contained in the Condominium Documents shall run with the Condominium Property and be binding on all subsequent and future Owners, Occupants, grantees, purchasers, assignees and transferees thereof. Furthermore, each such person fully understands and acknowledges that the Condominium Documents shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners. Declarant, its successors, assigns and grantees, covenants and agrees that the Units and the membership in the Association and the other rights created by the Condominium Documents shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance of encumbrance may refer only to the Unit.

Section 16.8. Guests and Tenants. Each Owner shall, to the extent required by law, be responsible for compliance by his Occupants, agents, tenants, guests, invitees, licensees and their respective servants, agents and employees with the provisions of the Condominium Documents. An Owner's failure to insure compliance by such individuals shall be grounds for the same action available to the Association or any other Owner by reason of such Owner's own noncompliance.

Section 16.9. Management Agreements. Any agreement for professional management of the Association or the Condominium Property or

any other contract providing for services of the Declarant, or other developer, sponsor or builder of the Condominium Property shall not exceed one year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on thirty (30) days' or less written notice.

IN WITNESS WHEREOF, the undersigned, being the Declarant, has executed this Declaration as of the date first hereinabove set forth.

CONTINENTAL HOMES, INC., an Arizona corporation,

By Robert J. Wade
Its Robert J. Wade

STATE OF ARIZONA)
County of Maricopa) ss.

The foregoing instrument was acknowledged before me this 2nd day of October, 19 85, by Robert J. Wade, the President of CONTINENTAL HOMES, INC., an Arizona corporation, on behalf of the corporation.

Ann Cherry
Notary Public

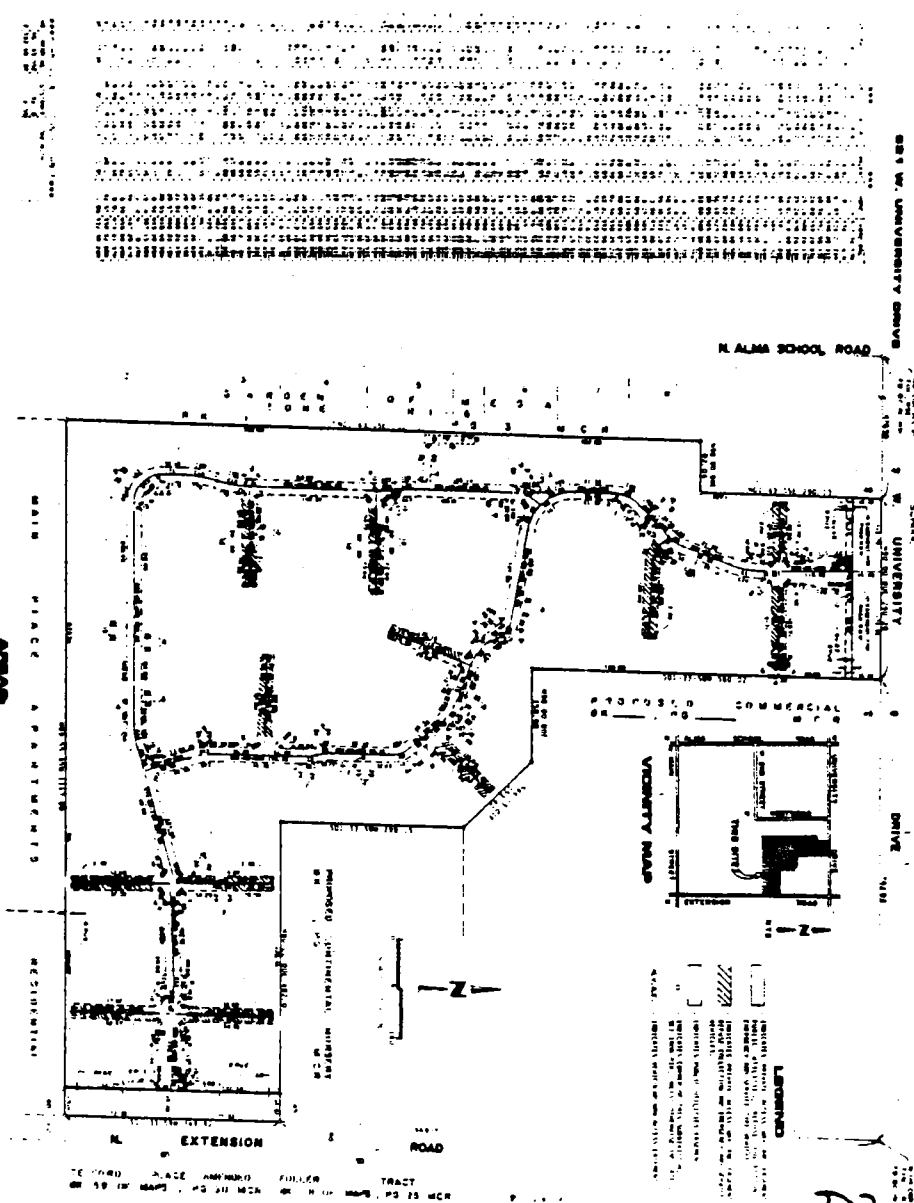
My commission expires:

My Commission Expires Jan. 14, 1986

EXHIBIT B

DISCOVERY AT CONTINENTAL ORCHARD

A HORIZONTAL PROPERTY PLAN FOR A PORTION OF THE NE 1/4, NW 1/4, SEC. 21, T. 1N, R. 8 E, S. 2, M.



AREAS:
 APARTMENTS - 18,018 AC.
 STREET R.O.W. - 0,001 AC.
 TOTAL LOTS - 18,017 AC.

286-15
 2-8-05

DEDICATION

ACKNOWLEDGMENT

CERTIFICATION

APPROVAL

INDEX
SHEET DESCRIPTION

EXHIBIT B
 OCEAN VAN LOG
 SHEET 1 OF 2

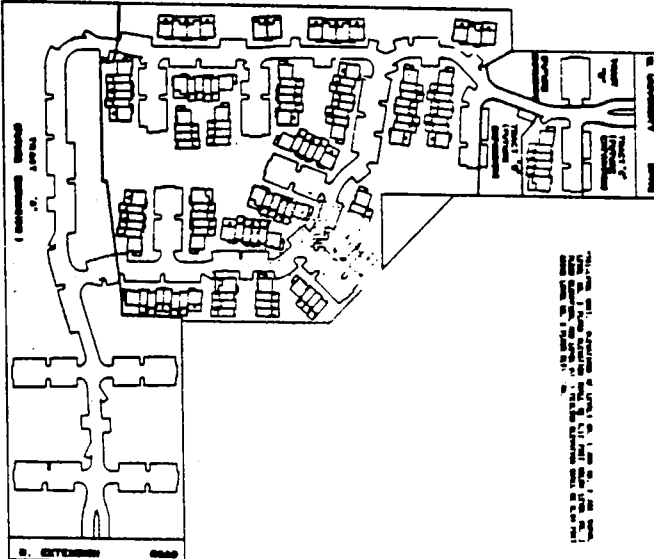
EXHIBIT B

DISCOVERY AT CONTINENTAL ORCHARD

A HORIZONTAL PROPERTY PROGRAM FROM

| UNIT NO. | UNIT TYPE | SQ. FT. | STATUS | REMARKS |
|----------|-----------|---------|--------|---------|
| 101 | 1 BR | 750 | OK | |
| 102 | 1 BR | 750 | OK | |
| 103 | 1 BR | 750 | OK | |
| 104 | 1 BR | 750 | OK | |
| 105 | 1 BR | 750 | OK | |
| 106 | 1 BR | 750 | OK | |
| 107 | 1 BR | 750 | OK | |
| 108 | 1 BR | 750 | OK | |
| 109 | 1 BR | 750 | OK | |
| 110 | 1 BR | 750 | OK | |
| 111 | 1 BR | 750 | OK | |
| 112 | 1 BR | 750 | OK | |
| 113 | 1 BR | 750 | OK | |
| 114 | 1 BR | 750 | OK | |
| 115 | 1 BR | 750 | OK | |
| 116 | 1 BR | 750 | OK | |
| 117 | 1 BR | 750 | OK | |
| 118 | 1 BR | 750 | OK | |
| 119 | 1 BR | 750 | OK | |
| 120 | 1 BR | 750 | OK | |
| 121 | 1 BR | 750 | OK | |
| 122 | 1 BR | 750 | OK | |
| 123 | 1 BR | 750 | OK | |
| 124 | 1 BR | 750 | OK | |
| 125 | 1 BR | 750 | OK | |
| 126 | 1 BR | 750 | OK | |
| 127 | 1 BR | 750 | OK | |
| 128 | 1 BR | 750 | OK | |
| 129 | 1 BR | 750 | OK | |
| 130 | 1 BR | 750 | OK | |
| 131 | 1 BR | 750 | OK | |
| 132 | 1 BR | 750 | OK | |
| 133 | 1 BR | 750 | OK | |
| 134 | 1 BR | 750 | OK | |
| 135 | 1 BR | 750 | OK | |
| 136 | 1 BR | 750 | OK | |
| 137 | 1 BR | 750 | OK | |
| 138 | 1 BR | 750 | OK | |
| 139 | 1 BR | 750 | OK | |
| 140 | 1 BR | 750 | OK | |
| 141 | 1 BR | 750 | OK | |
| 142 | 1 BR | 750 | OK | |
| 143 | 1 BR | 750 | OK | |
| 144 | 1 BR | 750 | OK | |
| 145 | 1 BR | 750 | OK | |
| 146 | 1 BR | 750 | OK | |
| 147 | 1 BR | 750 | OK | |
| 148 | 1 BR | 750 | OK | |
| 149 | 1 BR | 750 | OK | |
| 150 | 1 BR | 750 | OK | |
| 151 | 1 BR | 750 | OK | |
| 152 | 1 BR | 750 | OK | |
| 153 | 1 BR | 750 | OK | |
| 154 | 1 BR | 750 | OK | |
| 155 | 1 BR | 750 | OK | |
| 156 | 1 BR | 750 | OK | |
| 157 | 1 BR | 750 | OK | |
| 158 | 1 BR | 750 | OK | |
| 159 | 1 BR | 750 | OK | |
| 160 | 1 BR | 750 | OK | |
| 161 | 1 BR | 750 | OK | |
| 162 | 1 BR | 750 | OK | |
| 163 | 1 BR | 750 | OK | |
| 164 | 1 BR | 750 | OK | |
| 165 | 1 BR | 750 | OK | |
| 166 | 1 BR | 750 | OK | |
| 167 | 1 BR | 750 | OK | |
| 168 | 1 BR | 750 | OK | |
| 169 | 1 BR | 750 | OK | |
| 170 | 1 BR | 750 | OK | |
| 171 | 1 BR | 750 | OK | |
| 172 | 1 BR | 750 | OK | |
| 173 | 1 BR | 750 | OK | |
| 174 | 1 BR | 750 | OK | |
| 175 | 1 BR | 750 | OK | |
| 176 | 1 BR | 750 | OK | |
| 177 | 1 BR | 750 | OK | |
| 178 | 1 BR | 750 | OK | |
| 179 | 1 BR | 750 | OK | |
| 180 | 1 BR | 750 | OK | |
| 181 | 1 BR | 750 | OK | |
| 182 | 1 BR | 750 | OK | |
| 183 | 1 BR | 750 | OK | |
| 184 | 1 BR | 750 | OK | |
| 185 | 1 BR | 750 | OK | |
| 186 | 1 BR | 750 | OK | |
| 187 | 1 BR | 750 | OK | |
| 188 | 1 BR | 750 | OK | |
| 189 | 1 BR | 750 | OK | |
| 190 | 1 BR | 750 | OK | |
| 191 | 1 BR | 750 | OK | |
| 192 | 1 BR | 750 | OK | |
| 193 | 1 BR | 750 | OK | |
| 194 | 1 BR | 750 | OK | |
| 195 | 1 BR | 750 | OK | |
| 196 | 1 BR | 750 | OK | |
| 197 | 1 BR | 750 | OK | |
| 198 | 1 BR | 750 | OK | |
| 199 | 1 BR | 750 | OK | |
| 200 | 1 BR | 750 | OK | |

| UNIT NO. | UNIT TYPE | SQ. FT. | STATUS | REMARKS |
|----------|-----------|---------|--------|---------|
| 201 | 1 BR | 750 | OK | |
| 202 | 1 BR | 750 | OK | |
| 203 | 1 BR | 750 | OK | |
| 204 | 1 BR | 750 | OK | |
| 205 | 1 BR | 750 | OK | |
| 206 | 1 BR | 750 | OK | |
| 207 | 1 BR | 750 | OK | |
| 208 | 1 BR | 750 | OK | |
| 209 | 1 BR | 750 | OK | |
| 210 | 1 BR | 750 | OK | |
| 211 | 1 BR | 750 | OK | |
| 212 | 1 BR | 750 | OK | |
| 213 | 1 BR | 750 | OK | |
| 214 | 1 BR | 750 | OK | |
| 215 | 1 BR | 750 | OK | |
| 216 | 1 BR | 750 | OK | |
| 217 | 1 BR | 750 | OK | |
| 218 | 1 BR | 750 | OK | |
| 219 | 1 BR | 750 | OK | |
| 220 | 1 BR | 750 | OK | |
| 221 | 1 BR | 750 | OK | |
| 222 | 1 BR | 750 | OK | |
| 223 | 1 BR | 750 | OK | |
| 224 | 1 BR | 750 | OK | |
| 225 | 1 BR | 750 | OK | |
| 226 | 1 BR | 750 | OK | |
| 227 | 1 BR | 750 | OK | |
| 228 | 1 BR | 750 | OK | |
| 229 | 1 BR | 750 | OK | |
| 230 | 1 BR | 750 | OK | |
| 231 | 1 BR | 750 | OK | |
| 232 | 1 BR | 750 | OK | |
| 233 | 1 BR | 750 | OK | |
| 234 | 1 BR | 750 | OK | |
| 235 | 1 BR | 750 | OK | |
| 236 | 1 BR | 750 | OK | |
| 237 | 1 BR | 750 | OK | |
| 238 | 1 BR | 750 | OK | |
| 239 | 1 BR | 750 | OK | |
| 240 | 1 BR | 750 | OK | |
| 241 | 1 BR | 750 | OK | |
| 242 | 1 BR | 750 | OK | |
| 243 | 1 BR | 750 | OK | |
| 244 | 1 BR | 750 | OK | |
| 245 | 1 BR | 750 | OK | |
| 246 | 1 BR | 750 | OK | |
| 247 | 1 BR | 750 | OK | |
| 248 | 1 BR | 750 | OK | |
| 249 | 1 BR | 750 | OK | |
| 250 | 1 BR | 750 | OK | |
| 251 | 1 BR | 750 | OK | |
| 252 | 1 BR | 750 | OK | |
| 253 | 1 BR | 750 | OK | |
| 254 | 1 BR | 750 | OK | |
| 255 | 1 BR | 750 | OK | |
| 256 | 1 BR | 750 | OK | |
| 257 | 1 BR | 750 | OK | |
| 258 | 1 BR | 750 | OK | |
| 259 | 1 BR | 750 | OK | |
| 260 | 1 BR | 750 | OK | |
| 261 | 1 BR | 750 | OK | |
| 262 | 1 BR | 750 | OK | |
| 263 | 1 BR | 750 | OK | |
| 264 | 1 BR | 750 | OK | |
| 265 | 1 BR | 750 | OK | |
| 266 | 1 BR | 750 | OK | |
| 267 | 1 BR | 750 | OK | |
| 268 | 1 BR | 750 | OK | |
| 269 | 1 BR | 750 | OK | |
| 270 | 1 BR | 750 | OK | |
| 271 | 1 BR | 750 | OK | |
| 272 | 1 BR | 750 | OK | |
| 273 | 1 BR | 750 | OK | |
| 274 | 1 BR | 750 | OK | |
| 275 | 1 BR | 750 | OK | |
| 276 | 1 BR | 750 | OK | |
| 277 | 1 BR | 750 | OK | |
| 278 | 1 BR | 750 | OK | |
| 279 | 1 BR | 750 | OK | |
| 280 | 1 BR | 750 | OK | |
| 281 | 1 BR | 750 | OK | |
| 282 | 1 BR | 750 | OK | |
| 283 | 1 BR | 750 | OK | |
| 284 | 1 BR | 750 | OK | |
| 285 | 1 BR | 750 | OK | |
| 286 | 1 BR | 750 | OK | |
| 287 | 1 BR | 750 | OK | |
| 288 | 1 BR | 750 | OK | |
| 289 | 1 BR | 750 | OK | |
| 290 | 1 BR | 750 | OK | |
| 291 | 1 BR | 750 | OK | |
| 292 | 1 BR | 750 | OK | |
| 293 | 1 BR | 750 | OK | |
| 294 | 1 BR | 750 | OK | |
| 295 | 1 BR | 750 | OK | |
| 296 | 1 BR | 750 | OK | |
| 297 | 1 BR | 750 | OK | |
| 298 | 1 BR | 750 | OK | |
| 299 | 1 BR | 750 | OK | |
| 300 | 1 BR | 750 | OK | |



KEY MAP

- 1. The horizontal property program, generally, is a legal arrangement that allows the owner of a building to divide the building into separate units, each of which is owned by a different person.
- 2. The horizontal property program is a legal arrangement that allows the owner of a building to divide the building into separate units, each of which is owned by a different person.
- 3. The horizontal property program is a legal arrangement that allows the owner of a building to divide the building into separate units, each of which is owned by a different person.
- 4. The horizontal property program is a legal arrangement that allows the owner of a building to divide the building into separate units, each of which is owned by a different person.
- 5. The horizontal property program is a legal arrangement that allows the owner of a building to divide the building into separate units, each of which is owned by a different person.

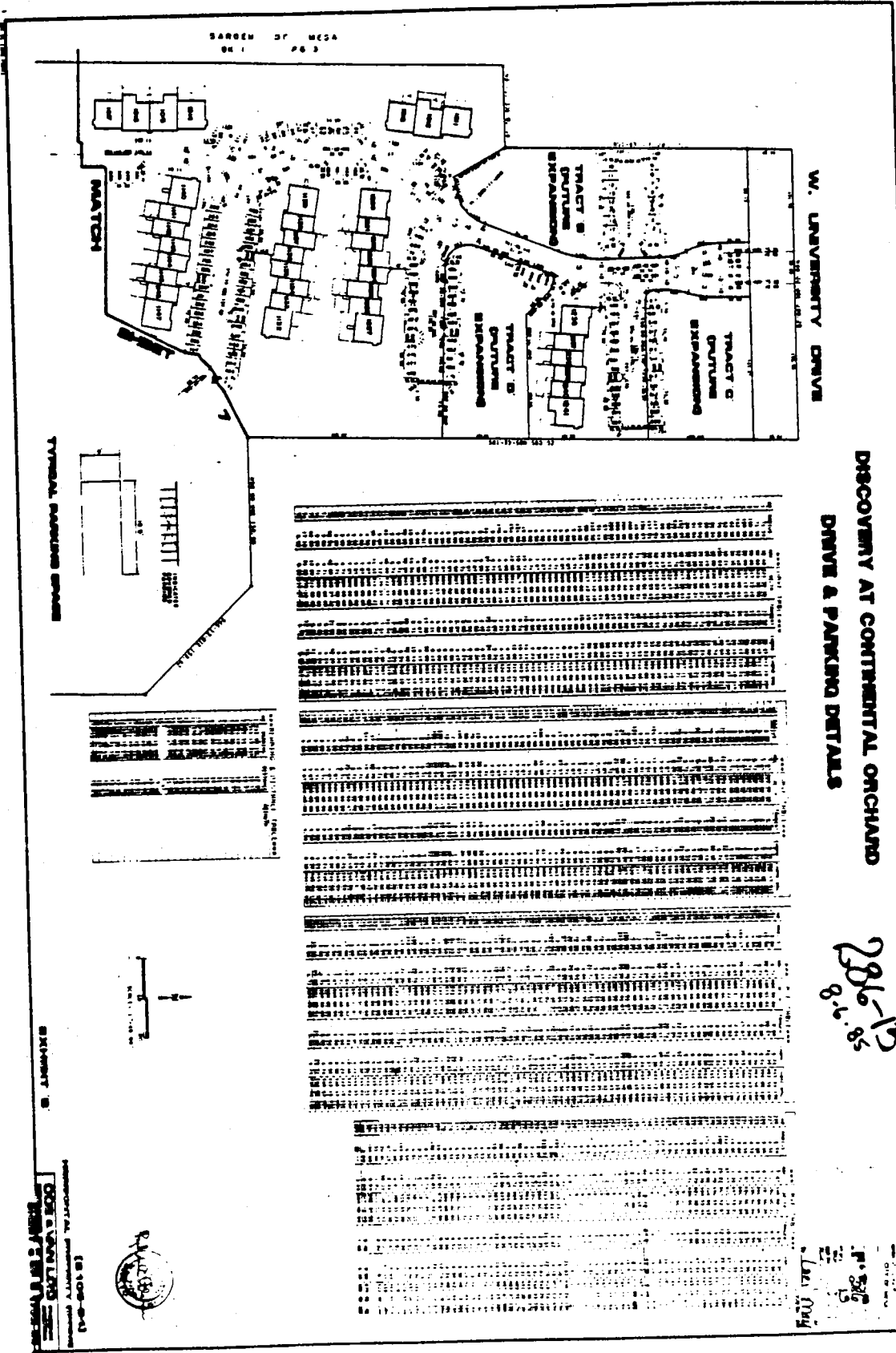
286-15
286-15

85-369035

EXHIBIT B

CONVANTING





**DISCOVERY AT CONTINENTAL ORCHARD
DRIVE & PARKING DETAILS**

*286-13
8.1.85*

EXHIBIT B

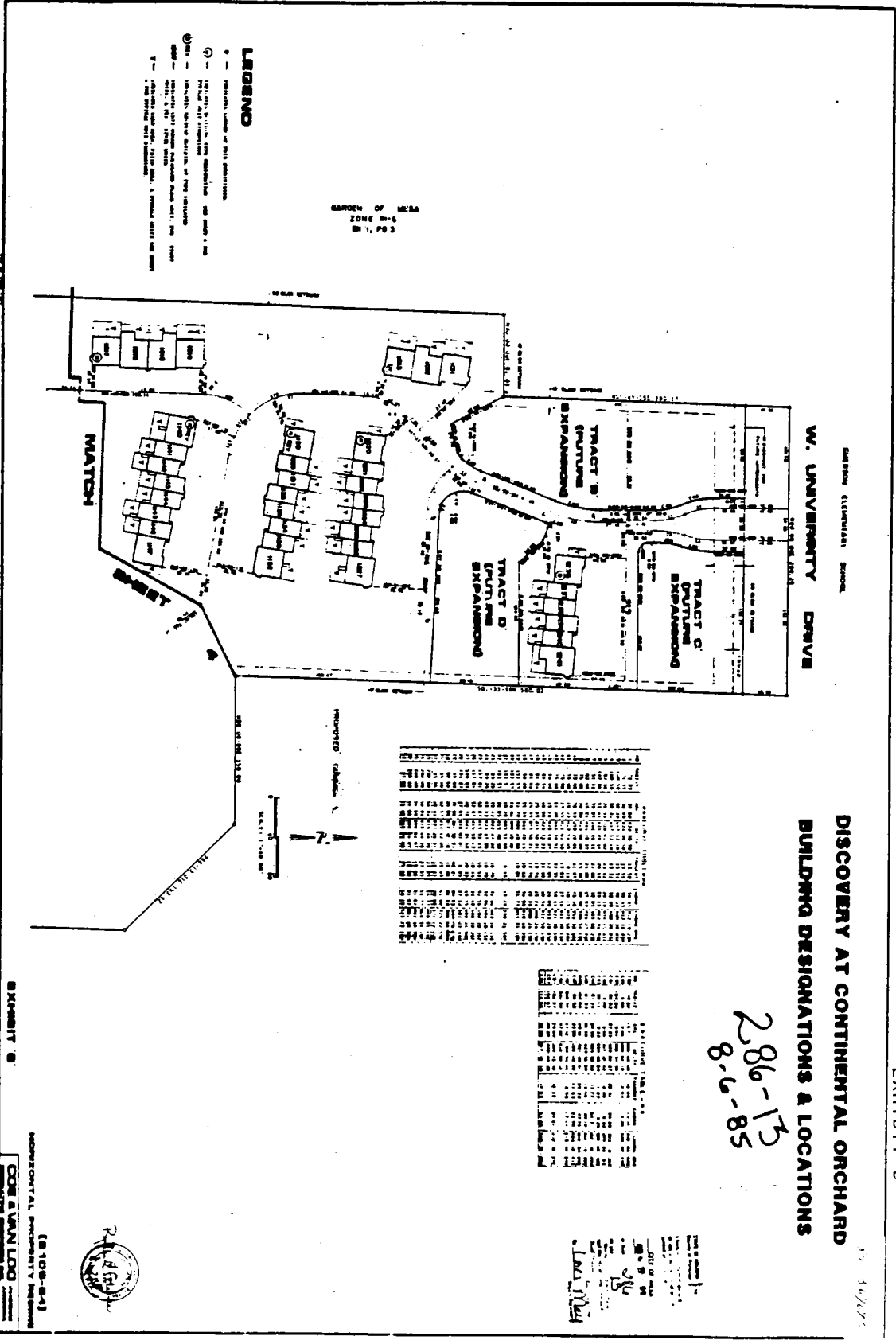
DISCOVERY AT CONTINENTAL ORCHARD
DRIVE & PARKING DETAILS
8.1.85



W. UNIVERSITY DRIVE

DISCOVERY AT CONTINENTAL ORCHARD
BUILDING DESIGNATIONS & LOCATIONS

286-15
8.6-85



LEGEND

1 - BUILDING FOOTPRINT OF THIS DEVELOPMENT

2 - EXISTING BUILDING FOOTPRINT

3 - EXISTING DRIVE DRIVEWAY OF THIS DEVELOPMENT

4 - EXISTING DRIVE DRIVEWAY OF OTHER DEVELOPMENT

5 - EXISTING DRIVE DRIVEWAY OF OTHER DEVELOPMENT

6 - EXISTING DRIVE DRIVEWAY OF OTHER DEVELOPMENT

7 - EXISTING DRIVE DRIVEWAY OF OTHER DEVELOPMENT

8 - EXISTING DRIVE DRIVEWAY OF OTHER DEVELOPMENT

9 - EXISTING DRIVE DRIVEWAY OF OTHER DEVELOPMENT

10 - EXISTING DRIVE DRIVEWAY OF OTHER DEVELOPMENT

EXHIBIT B

CONTINENTAL PROPERTY INCORPORATED

COB & VAN LIND

PROJECT NO. 85-1788-00-00

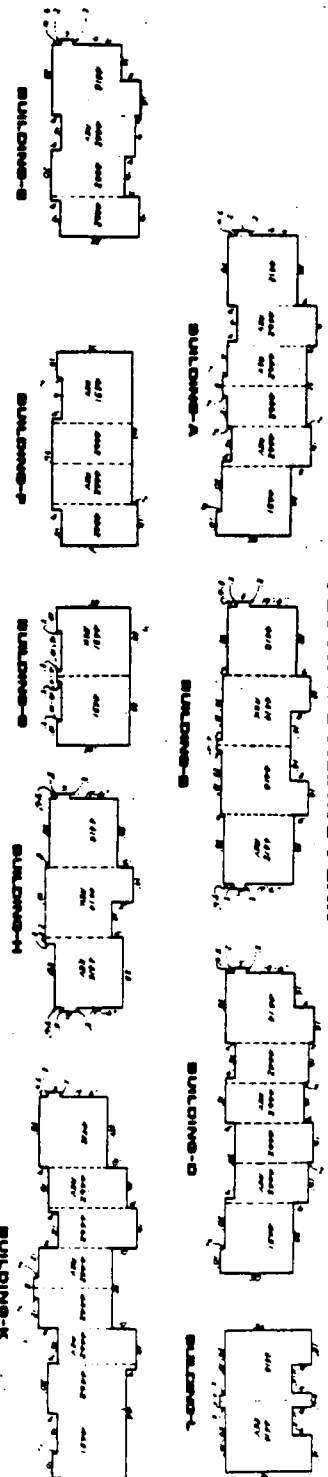


EXHIBIT B

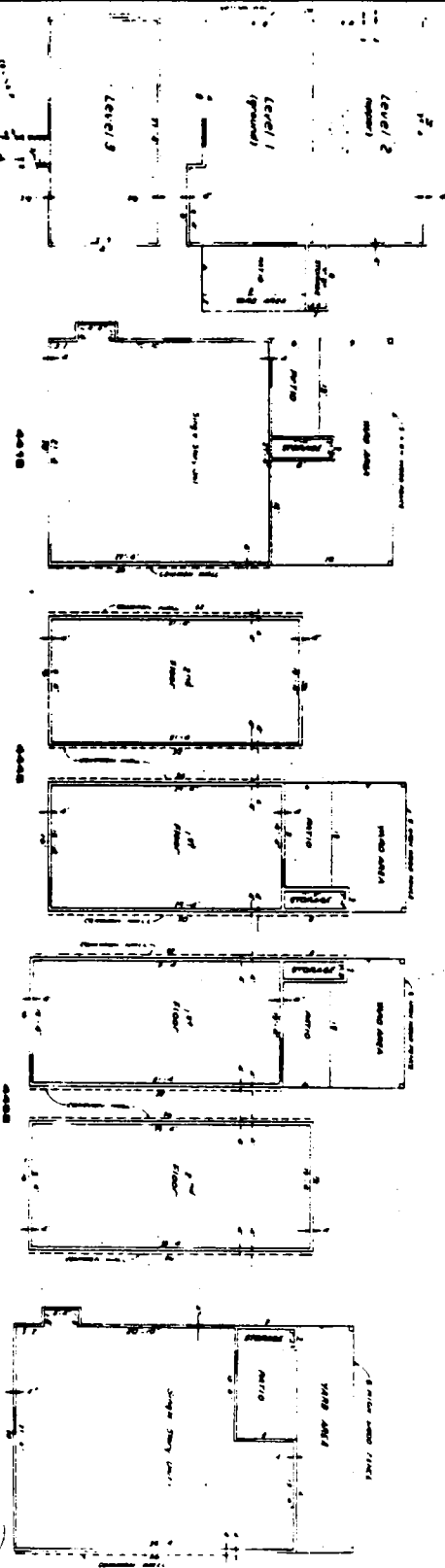
286-15
8.6.85

Scale 1/4" = 1'-0"
Date 8/6/85

FLOOR A BUILDING PLAN



TYPICAL BUILDING PLAN

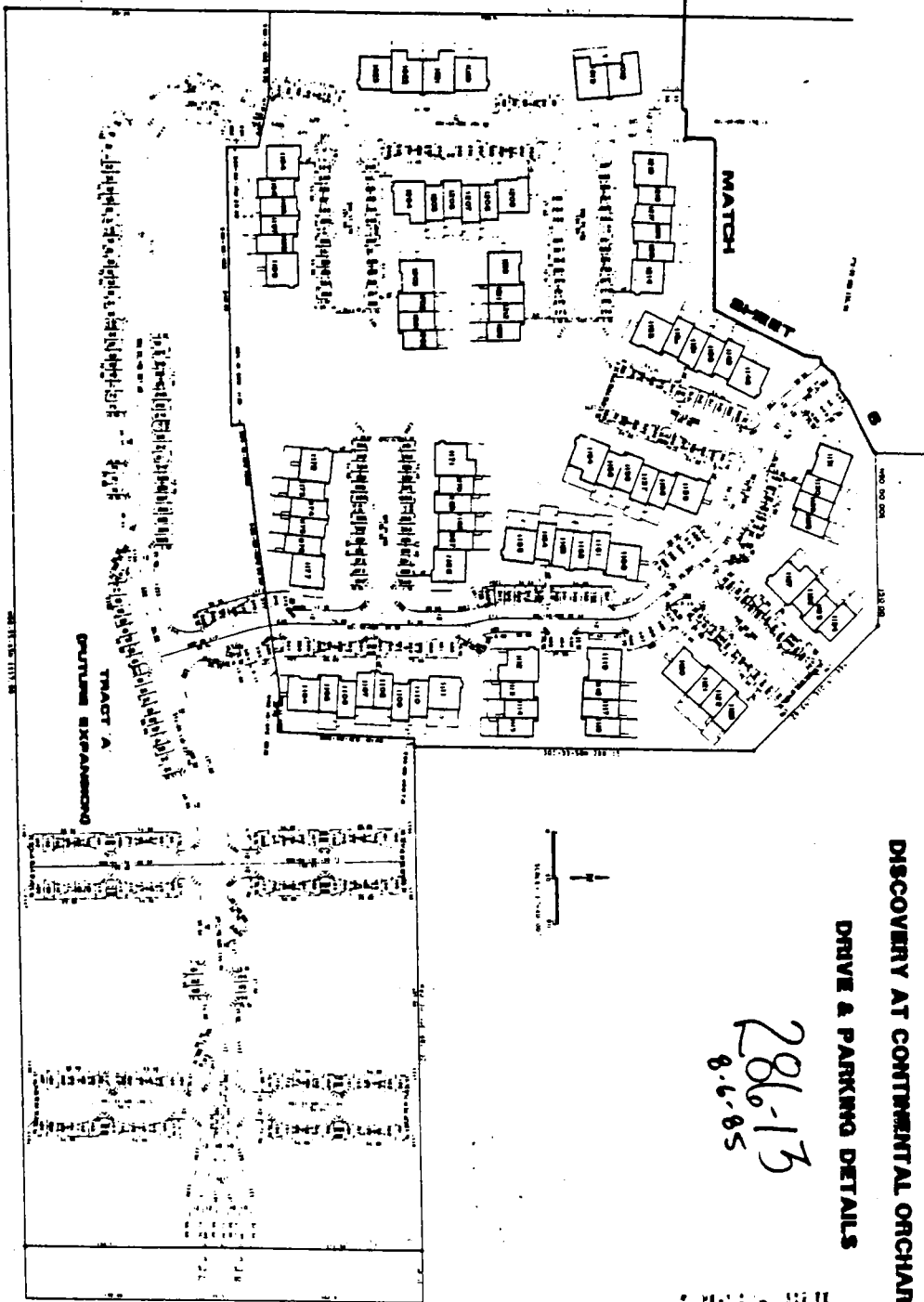


TYPICAL FLOOR PLAN



BRUNNEN & CO. INC. (8109-84)
CONTRACT NO. 8 1788-85-04

GARDEN OF MESA
SHEET PG 2



DISCOVERY AT CONTINENTAL ORCHARD
DRIVE & PARKING DETAILS

286-15
8.6.85

EXHIBIT B

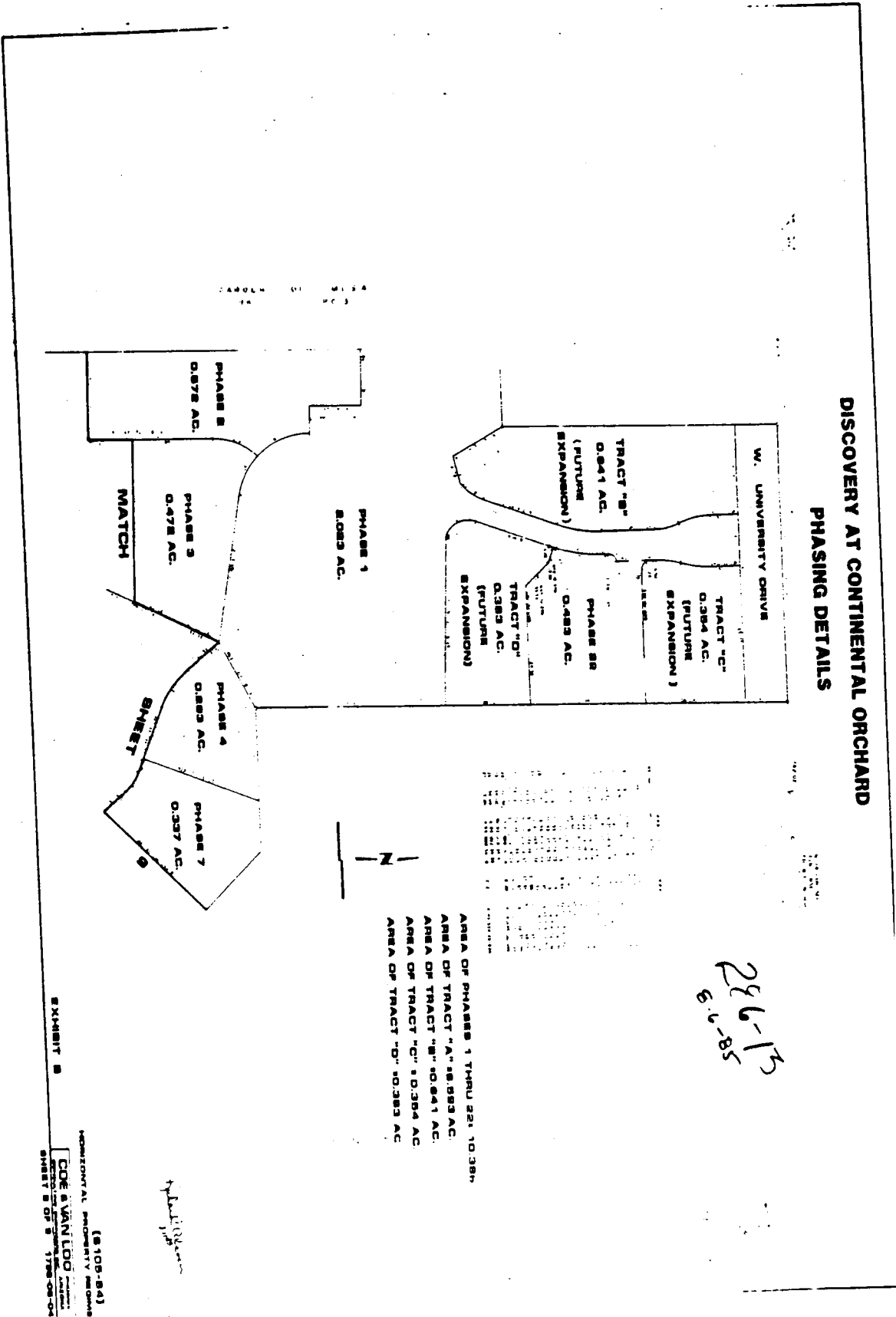
MAIN PLACE APARTMENTS

RESIDENTIAL

CONTRACTOR: [illegible]
 PROJECT: [illegible]



DISCOVERY AT CONTINENTAL ORCHARD PHASING DETAILS



AREA OF PHASES 1 THRU 221 10.384
 AREA OF TRACT "A" 18.883 AC
 AREA OF TRACT "B" 10.041 AC
 AREA OF TRACT "C" 10.384 AC
 AREA OF TRACT "D" 10.383 AC

296-13
6.2-85

H. Van Lo...

(S108-84)
 HORIZONTAL PROPERTY RECORD
 CODE & VAN LO
 1778-08-04
 SHEET 2 OF 2

EXHIBIT B

DISCOVERY AT CONTINENTAL ORCHARD

PHASING DETAILS

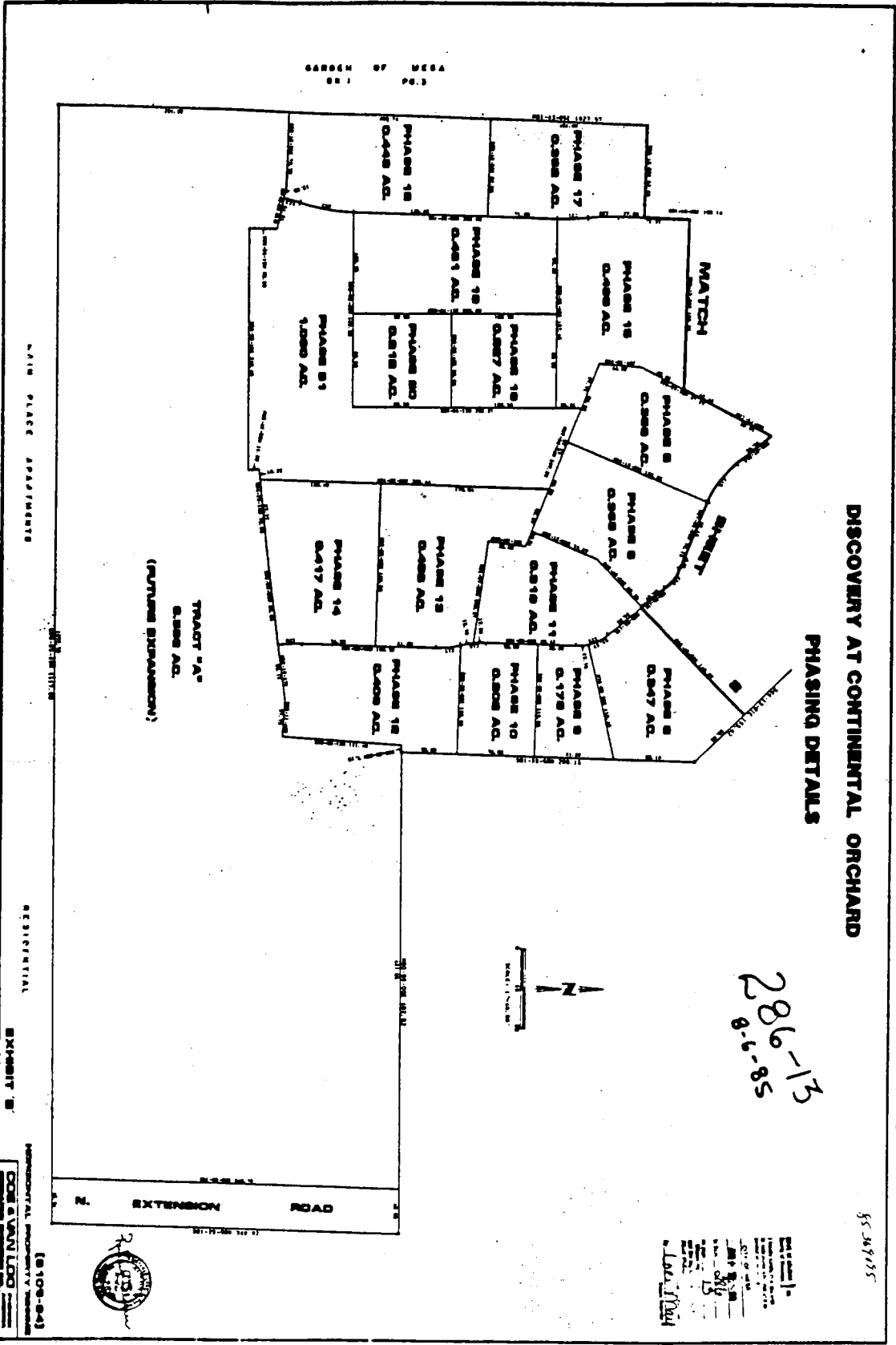


EXHIBIT B

55-267155

Approved by:
 Date:
 Title:
 Signature:
 Date:
 Title:
 Signature:
 Date:

MAIN PLACE APARTMENTS

RESIDENTIAL

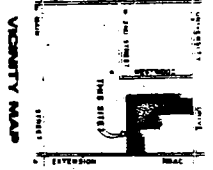
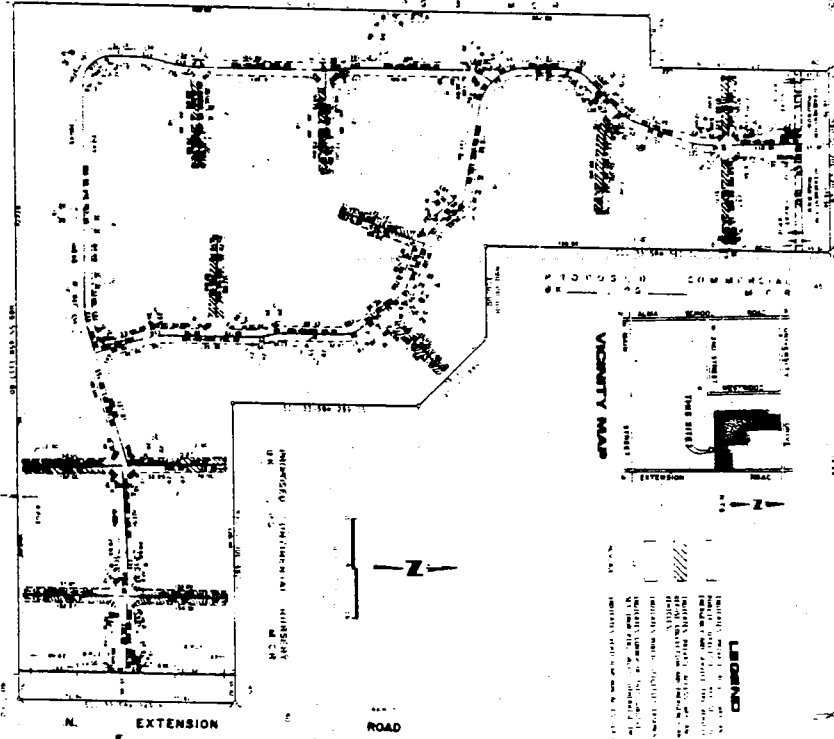
EXHIBIT B

(8108-84)
 DISCOVERY AT CONTINENTAL ORCHARD
 GORVAN LEO
 1700-00-01



A HORIZONTAL PROPERTY REGIME FOR DISCOVERY AT CONTINENTAL ORCHARD

A PORTION OF THE NE 1/4, NW 1/4, SEC. 21, T. 1N, R. 2E, Q. 2 SR. 2 M.,
MERCER COUNTY, ARIZONA



- LEGEND**
- ▭ BUILDING FOOTPRINT
 - ▭ DRIVE
 - ▭ PARKING
 - ▭ LANDSCAPING
 - ▭ UTILITY
 - ▭ FENCE
 - ▭ EROSION CONTROL
 - ▭ EXISTING
 - ▭ PROPOSED

APPROXIMATE
 100000 ± SQ. FT. AC.
 2300 ± AC.
 TOTAL LOTS ± 1200 AC.

286-13
Page 03

DEDICATION

ACKNOWLEDGEMENT

CERTIFICATION

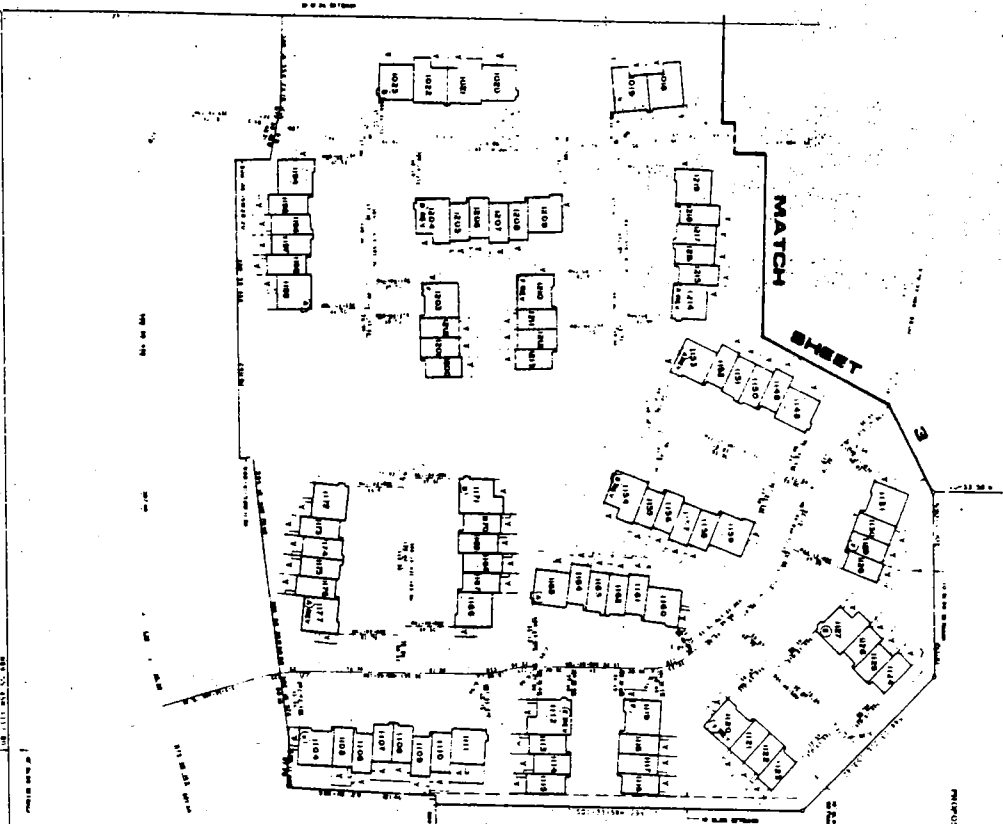
APPROVAL

INDEX
 SHEET DESCRIPTION

EXHIBIT B

CONTRACT NO.
DATE
PROJECT NO.
SHEET 1 OF 3

CADRECH 17 M. SA
ZONA 41-6
M. 1, PC 2

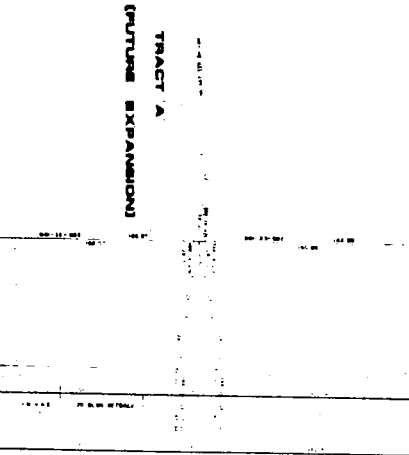


PLAN PLAZA APARTAMIENTOS
ZONA 41-6

PROYECTO
ZONA 41-6

EXHIBIT B

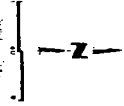
(8108-84)
CORRECCION DE ERRORES
CORRECCION DE ERRORES



N. EXTENSION ROAD



PROYECTO CONTINENTAL MARKET



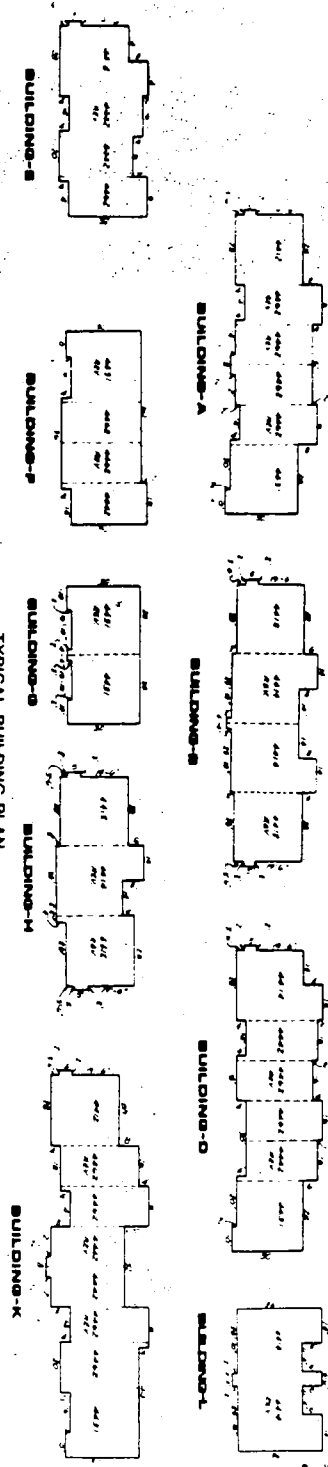
286-15
8-2-85

DATE: 8-2-85
BY: JLV
CHECKED: L. M. M.

DISCOVERY AT CONTINENTAL ORCHARD
BUILDING DESIGNATIONS & LOCATIONS

286-13
8.6.83

FLOOR & BUILDING PLAN



TYPICAL BUILDING PLAN



TYPICAL FLOOR PLAN

EXHIBIT B

CONSULTING ENGINEERS
SON & YOUNG
 1700-10-04
 SHEET B OF B 1700-10-04



W. UNIVERSITY DRIVE

DISCOVERY AT CONTINENTAL ORCHARD
DRIVE & PARKING DETAILS

286-13
8.1.85

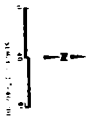
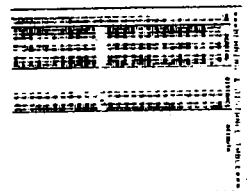
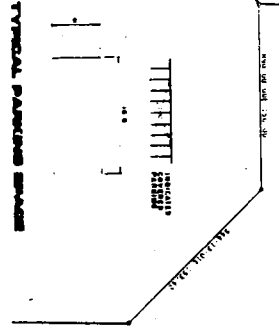
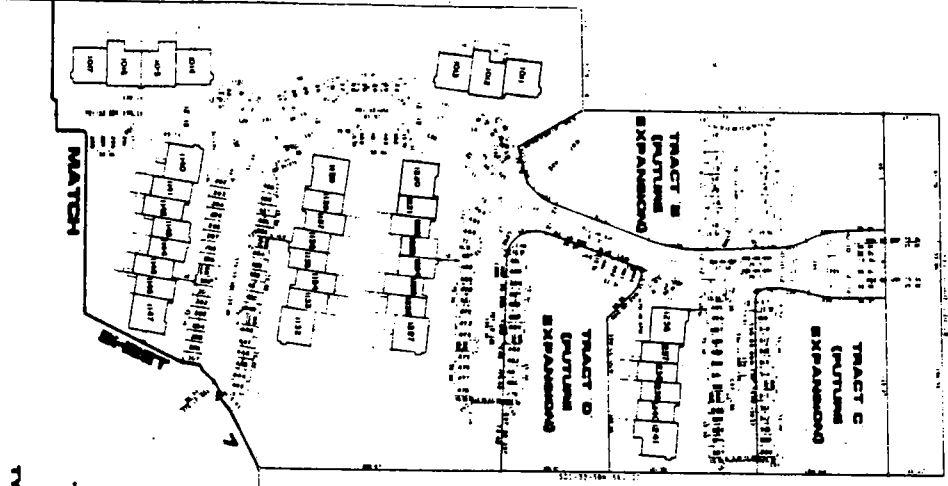
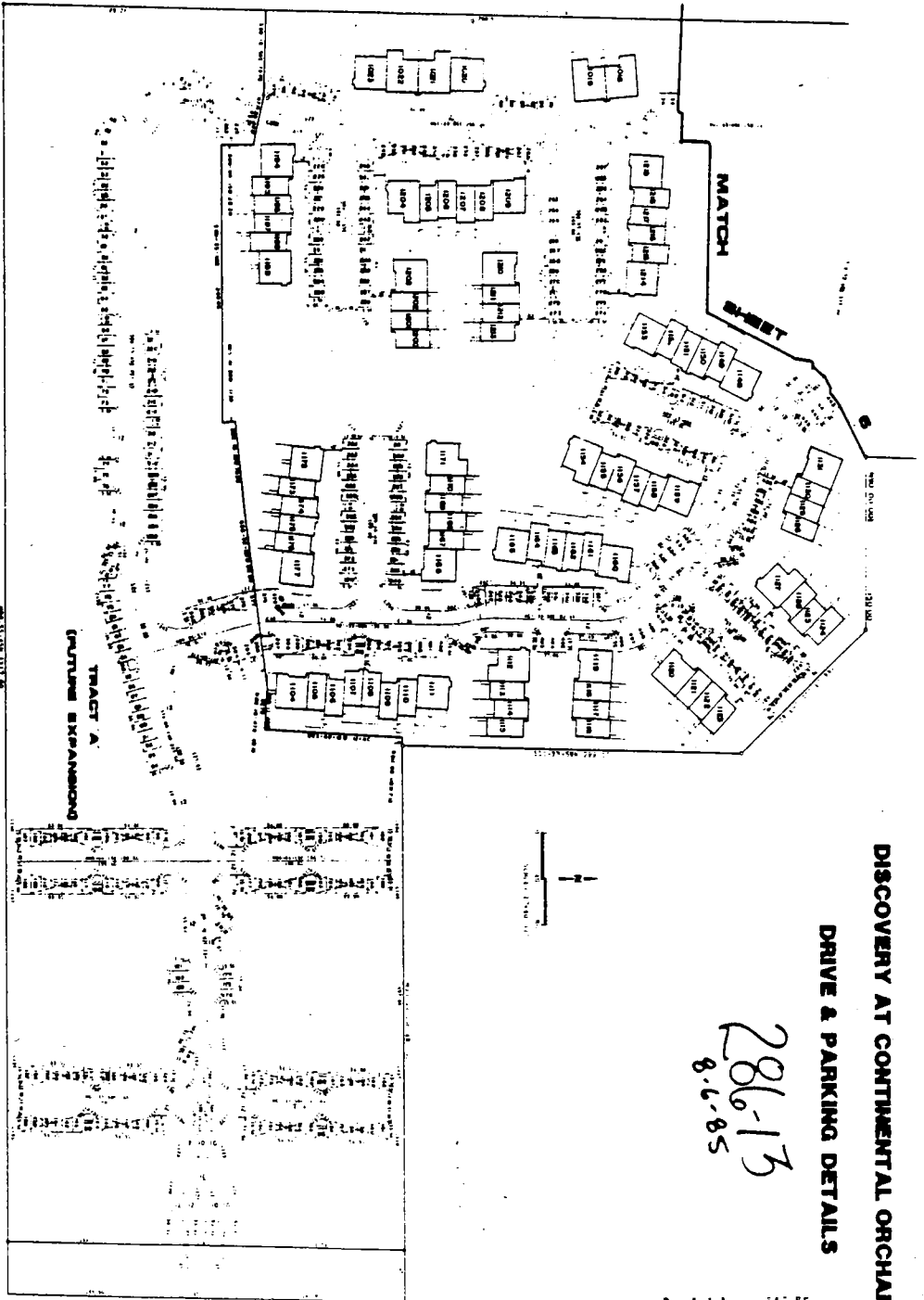


EXHIBIT 'B'

(S 108-8-4)
 CONTINENTAL UNIVERSITY
 608 E. VAN LIND
 DENVER, CO 80202



Scale
 1" = 100'
 15
 1/4" = 100'



DISCOVERY AT CONTINENTAL ORCHARD
DRIVE & PARKING DETAILS

286-15
8.6.85

MAIN PLACE APARTMENTS

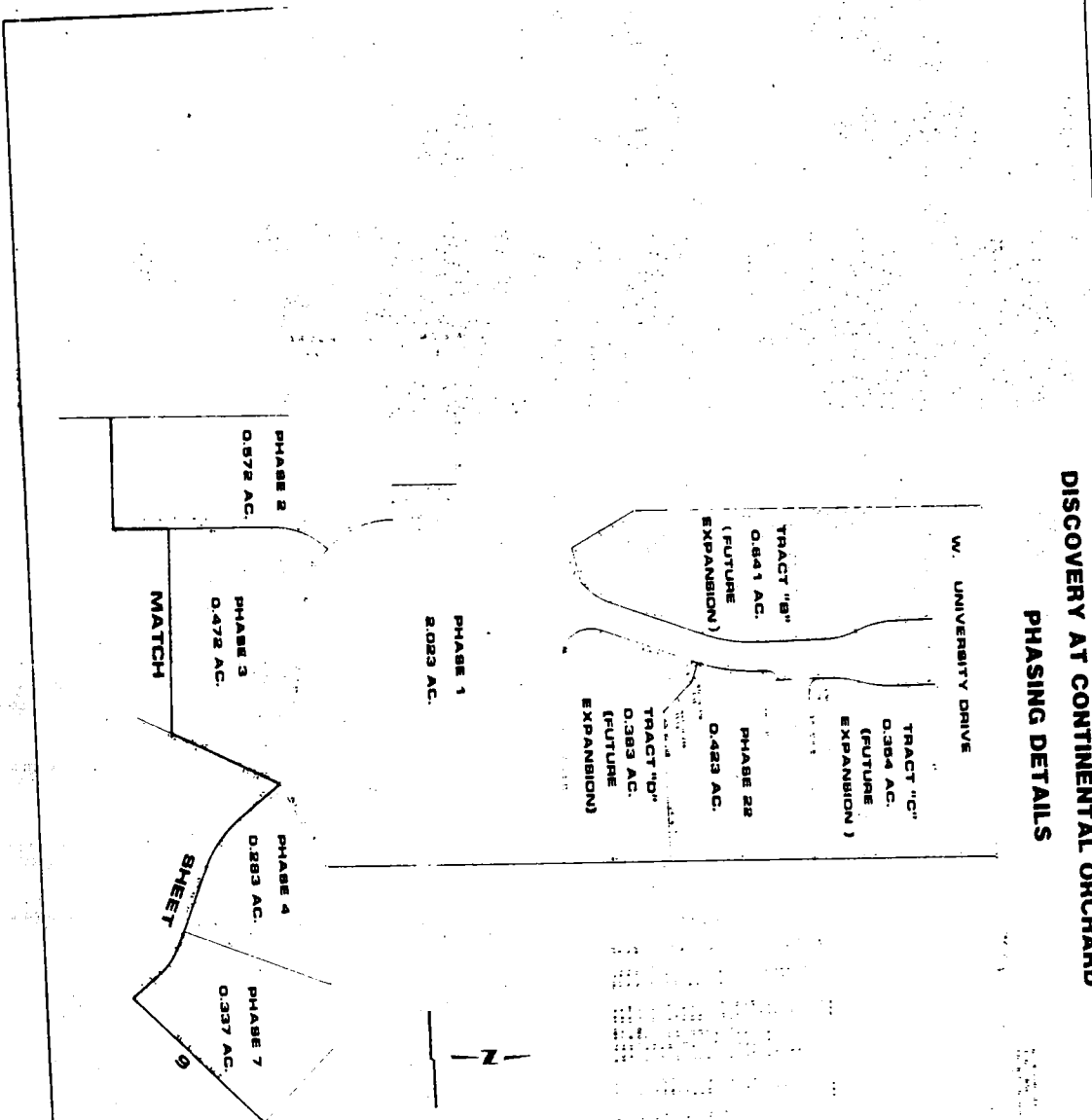
RESIDENTIAL

EXHIBIT B

(8108-84)
CONTRACTAL PROPERTY
CCE VALUED
PROPERTY 7 OF 8 1985-85



**DISCOVERY AT CONTINENTAL ORCHARD
PHASING DETAILS**



AREA OF PHASES 1 THRU 22: 10.381
 AREA OF TRACT "A": 6.593 AC
 AREA OF TRACT "B": 0.841 AC
 AREA OF TRACT "C": 0.384 AC
 AREA OF TRACT "D": 0.383 AC

*246-17
E.V.-85*

EXHIBIT B

(S105-84)
 HORIZONTAL PROPERTY RECORD
COE & VAN LIND
 10000 W. UNIVERSITY DRIVE
 SUITE 100
 DENVER, CO 80231
 SHEET 9 OF 9 1/88-08-04

