

GAINNEY GR RANCH



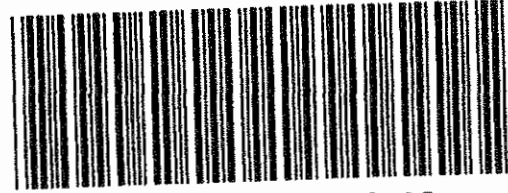
*8989 GAINNEY CENTER DRIVE
CONDOMINIUM ASSOCIATION*

**DECLARATION of COVENANTS,
CONDITIONS and RESTRICTIONS**
(with Amendments)

UPDATED MAY 2022

When Recorded, Return to:

Joyce Kline Wright, Esq.
Snell & Wilmer
One Arizona Center
400 East Van Buren Street
Phoenix, AZ 85004-0001



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
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FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM AND
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR 8989 GAINNEY CENTER DRIVE CONDOMINIUM

THIS FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM AND
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR 8989
GAINNEY CENTER DRIVE CONDOMINIUM (the "Amendment") is made this 27 day of
JUNE, 1995.

RECITALS

A. That certain Declaration of Condominium and Declaration of Covenants, Conditions and Restrictions for 8989 Gainey Center Drive Condominium dated December 2, 1993 and recorded January 19, 1994 as Instrument No. 94-0045854, records of Maricopa County, Arizona, as supplemented by First Supplemental Declaration of Annexation to Declaration of Condominium for 8989 Gainey Center Drive Condominium dated March 11, 1994 and recorded March 17, 1994, as Instrument No. 94-0216633, records of Maricopa County, Arizona and by Second Supplemental Declaration of Annexation to Declaration of Condominium for 8989 Gainey Center Drive Condominium dated April 22, 1994 and recorded April 25, 1994, as Instrument No. 94-0331907, records of Maricopa County, Arizona (collectively, the "Declaration"), governs 8989 Gainey Center Drive Condominium.

B. Pursuant to Article 18.4 of the Declaration, the Declaration may only be amended by vote of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. The 8989 Gainey Center Drive Condominium Association (the "Association") has obtained the requisite number of votes of Owners of Units to effect this Amendment and by their signatures on behalf of the Association, the undersigned President and Secretary of the Association hereby certify that this Amendment has been so approved.

C. Pursuant to Article 18.4 of the Declaration, prior to the "Turnover Date," the Declarant's prior written consent to an amendment to the Declaration must be obtained prior to the effectiveness of any such amendment. However, since this Amendment is subsequent to the Turnover Date, the Declarant's consent to this Amendment is not required.

D. Pursuant to Article 13.4 and Article 18.7 of the Declaration, amendments to the insurance provisions of the Declaration require the affirmative written assent of seventy-five percent (75%) of all Lenders which have notified the Association that they desire to receive written notice of certain proposed actions of the Association. No Lenders have provided such notice to the Association, therefore, assent to this First Amendment by Lenders is not required.

E. The Owners deem it desirable to amend the Declaration to revise certain provisions regarding insurance to be maintained by the Association, as hereinafter set forth.

NOW THEREFORE, the Declaration shall be amended as follows:

1. Capitalized terms used in this Amendment shall have the same meaning set forth for such terms in the Declaration.

2. The following sentence shall be added to Section 10.1 of the Declaration:

"If any insurance required by this Article is not available on a Standard Insurance Services Office policy, then it shall be deemed to be not reasonably available."

3. Section 10.3 of the Declaration will be deleted in its entirety and the following is substituted therefor:

Section 10.3 Comprehensive Public Liability Insurance. To the extent reasonably available, the Association shall obtain comprehensive general liability insurance insuring the Association, the Declarant, the agents and employees of the Association only while acting in their representative capacities, and the Owner, against liability incident to the use, ownership, or maintenance of the Common Elements or membership in the Association. The limits of such insurance shall not be less than \$1,000,000.00 covering all claims for death of or injury to any one person and/or property damage in any single occurrence. Such insurance shall contain a severability of interest endorsement. Such insurance shall also include protection against water damage liability and liability for non-owned and hired automobiles. The Board shall adjust the amount of the insurance carried under this Section from time to time.

4. Sections 10.7(c), (d), (e) and (f) of the Declaration will be deleted in their entirety and the following are substituted therefor:

(c) Coverage must not be limited by (i) any act or neglect by Owners which is not within control of the Association; or (ii) any failure of the Association to comply with

any warranty or condition regarding any portion of the Condominium over which the Association has no control.

(d) Coverage may not be cancelled or substantially modified (including cancellation for non-payment of premiums) without at least ten (10) days prior written notice to the Association, all Lenders and any Owner to whom a certificate has been issued.

(e) All policies must contain a waiver of subrogation by the insurer as to any and all claims against the Association, Owners and the members of an Owner's household, and a waiver of any defenses based on co-insurance or on invalidity arising from acts or omissions of an Owner.

5. Except as amended hereby, all of the terms, conditions and provisions of the Declaration shall continue in full force and effect.

DATED as first written above.

8989 GAINNEY CENTER DRIVE
CONDOMINIUM ASSOCIATION, an Arizona
non-profit corporation

By: [Signature]
Its: President

By: [Signature]
Its: Secretary

"Association"

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 17th day of JULY, 1995, by JOHN MAXWELL, the President, and ARLENE ARDI, the Secretary of 8989 GAINNEY CENTER DRIVE CONDOMINIUM ASSOCIATION, an Arizona non-profit corporation, on behalf of the corporation.

[Signature]
NOTARY PUBLIC
nee Linda S. Wilcox

My Commission Expires:
7/9/97

APPROVAL BY MASTER ASSOCIATION

The Gainey Ranch Community Association (which is defined as the Master Association in the Declaration) hereby approves the terms and conditions of the aforesaid First Amendment to Declaration of Condominium and Declaration of Covenants, Conditions and Restrictions for 8989 Gainey Center Drive Condominium (the "First Amendment"), and confirms that the First Amendment complies with all required terms of the Master Declaration.

DATED this 27th day of June, 1995.

THE GAINERY RANCH COMMUNITY ASSOCIATION, an Arizona nonprofit corporation

By Fred B. Thielen

Its President

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 27th day of June, 1995, by FRED B. THIELEN, the PRESIDENT of THE GAINERY RANCH COMMUNITY ASSOCIATION, an Arizona nonprofit corporation, on behalf of the corporation.

Linda S. Johnson
NOTARY PUBLIC.
n.e.e. Linda S. Wilcox

My Commission Expires:
July 9, 1997

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Recorded at the Request of:

WHEN RECORDED, MAIL TO: Beth Mulcahy Mulcahy Law Firm, P.C. 3001 E. Camelback Road, Suite 130 Phoenix, Arizona 85016
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8989 Gainey Center Drive Condominium Association

**SECOND AMENDMENT TO THE DECLARATION OF CONDOMINIUM AND
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR 8989
GAINEY CENTER DRIVE CONDOMINIUM**

SECOND AMENDMENT TO THE DECLARATION OF CONDOMINIUM AND
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR 8989 GAINEY
CENTER DRIVE CONDOMINIUM ("Declaration") is made this 2nd day of January, 2018, by
8989 Gainey Center Drive Condominium Association ("Association").

RECITALS

A. The Declaration of Condominium and Declaration of Covenants, Conditions and Restrictions for 8989 Gainey Center Drive Condominium dated December 2, 1993 and recorded January 19, 1994 as Instrument No. 1994-0045854, records of Maricopa County, Arizona, as supplemented by First Supplemental Declaration of Annexation to Declaration of Condominium for 8989 Gainey Center Drive Condominium dated March 11, 1994, and recorded March 17, 1994, as Instrument No. 1994-0216633, records of Maricopa County, Arizona and by Second Supplemental Declaration of Annexation to Declaration of Condominium for 8989 Gainey Center Drive Condominium dated April 22, 1994 and recorded April 25, 1994, as Instrument No. 1994-0331907, records of Maricopa County, Arizona, and amended by First Amendment to Declaration of Condominium and Declaration of Covenants, Conditions and Restrictions for 8989 Gainey Center Drive Condominium dated June 27, 1995 and recorded July 21, 1995 as Instrument No. 1995-0426894, records of Maricopa County, Arizona (collectively, the "Declaration"), and subjected the real property described in the Declaration (and any Supplemental Declaration) to the Declaration and required that the property be held, sold, used, and conveyed subject to the easements, restrictions, covenants and conditions, which run with the title to the real property subject to this Declaration.

B. The Declaration is binding on all parties having any right, title or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the properties.

C. The Members of the Association wish to amend the Declaration.

D. Pursuant to Article 18.4 of the Association's Declaration, the Declaration may be amended only by vote or agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Add Article 19 the Declaration as follows:

Article 19. 8989 GAINNEY CENTER DRIVE ENHANCEMENT FEE

Section 1. Except as provided in Section 3 hereof, any person or entity who, on or after February 1, 2018, becomes the Owner of, or otherwise becomes the Owner of controlling legal interest in, a Unit shall immediately pay to the Association an 8989 Enhancement Fee. Subject only to the reasonable discretion of the Board, the transfer of a controlling interest in any entity which owns a Unit shall be deemed a transfer of ownership of such Unit for purposes of this Section, and the purchaser or transferee shall be obligated to pay the 8989 Enhancement Fee provided herein.

Section 2. The 8989 Enhancement Fee shall be in the amount of \$1,500 (one thousand five hundred dollars), subject to the authority of the Board to, in its sole discretion and from time-to-time, increase the fee as warranted by future circumstances. Any such increase by the Board shall (1) be limited to an increase of no more than 20% of the then existing Enhancement Fee and (2) be effective 90 days after the date of written notice to current Unit Owners of such increase.

Section 3. Subject only to the reasonable discretion of the Board, no 8989 Enhancement Fee shall be payable upon any of the following: (i) A transfer or conveyance by devise or intestate succession; (ii) A gratuitous transfer or conveyance between spouses, parent and child, siblings, or grandparent and grandchild; (iii) A transfer or conveyance to or from a corporation, partnership, limited liability company or other legal entity in which the grantor/grantee owns a controlling legal interest; (iv) A transfer or conveyance to the Association or the Master Association; (v) A transfer or conveyance pursuant to a written contract which was fully executed and signed prior to February 1, 2018.

Section 4. All amounts paid to the Association for the 8989 Enhancement Fee shall be deposited and maintained in a separate reserve account and may be expended only for capital improvements, replacements and/or upgrades to Common Elements as determined by the Board. The collection and expenditure of the Capital Contribution Fees touch and concern the Property and are appurtenant to the title of each and every Unit.

Section 5. The 8989 Enhancement Fee shall be in addition to the Community Enhancement Fee imposed by the Master Association.

2. The terms used in this Amendment without definition shall have the same meanings given to such terms in the Declaration (as amended).

- 3. By attesting to this Amendment, the undersigned certify that the amendments to the Declaration set forth in this Amendment were properly adopted in accordance with the requirements of the Declaration.
- 4. Except as expressly amended by this Amendment, the Declaration shall remain in full force and effect. In the event of any inconsistency or conflict between the provisions of this Amendment and the Declaration this Amendment shall prevail.

8989 Gainey Center Drive Condominium Association

BY: [Signature] (Signature)
John J. Michalik (Print Name)
 ITS: President

STATE OF ARIZONA)
) ss.
 COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 12th day of January, 2018, by John J. Michalik, the President of 8989 Gainey Center Drive Condominium Association, an Arizona non-profit corporation, on behalf of the non-profit corporation.

Notary Public: CW Stone
 My commission Expires: August 31, 2019



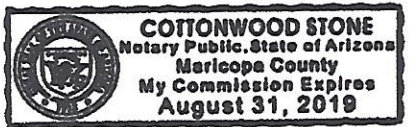
8989 Gainey Center Drive Condominium Association

BY: [Signature] (Signature)
Charles J. Addy (Print Name)
 ITS: Secretary

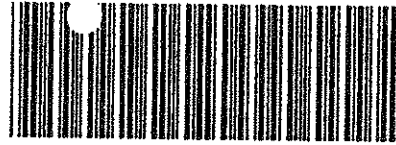
STATE OF ARIZONA)
) ss.
 COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 12th day of January, 2018, by Charles J. Addy, the Secretary of 8989 Gainey Center Drive Condominium Association, an Arizona non-profit corporation, on behalf of the non-profit corporation.

Notary Public: CW Stone
 My commission Expires: August 31, 2019



When recorded, return to:
Joyce Kline Wright, Esq.
SNELL & WILMER
One Arizona Center
Phoenix, Arizona 85004-0001



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

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DECLARATION OF CONDOMINIUM

AND

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

8989 GAINNEY CENTER DRIVE CONDOMINIUM

A PHASED RESIDENTIAL CONDOMINIUM PROJECT

IN

SCOTTSDALE, MARICOPA COUNTY, ARIZONA

AND

SATELLITE COMMUNITY OF

GAINNEY RANCH

MARKLAND HOMES INC.,
AN ARIZONA CORPORATION,

AS DECLARANT

DECEMBER 2, 1993

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EXHIBIT "B" -- ADDITIONAL PARCEL

EXHIBIT "C" -- PLAT

EXHIBIT "D" -- WITHDRAWABLE PARCEL

THIS DECLARATION is made as of the date hereinafter set forth by MARKLAND 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 City of Scottsdale, County of Maricopa, State of Arizona, described on EXHIBIT "A", attached hereto and hereby incorporated by reference (the "Parcel");

B. The Parcel is located within the development boundaries of the master planned community of Gainey Ranch as defined in that certain Master Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements dated March 23, 1984, and recorded March 29, 1984, as Instrument No. 84-130211, official records of the County Recorder of Maricopa County, Arizona, and was subsequently amended by (a) that certain First Amendment to Master Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements, dated September 19, 1984, and recorded on December 26, 1984, as Instrument No. 84-553071, official records of the County Recorder of Maricopa County, Arizona; and (b) the amendments set forth in that certain Certificate of Second Amendment, dated September 22, 1987, and recorded on September 28, 1987, as Instrument No. 87-600774, official records of the County Recorder of Maricopa County, Arizona (which Declaration, as the same has heretofore been amended and may hereafter be amended or supplemented, is hereinafter referred to as the "Master Declaration");

C. The Parcel has been designated for residential condominium use development pursuant to a Tract Declaration (the "Tract Declaration") duly executed and recorded in furtherance of the Master Declaration;

D. The Parcel is part of the Gainey Ranch Town Center as described in the Gainey Ranch Town Center Declaration of Covenants, Conditions, Restrictions, Easements, Assessments, Charges, Servitudes and Liens dated January 29, 1988, and recorded January 29,

1988, as Instrument No. 88-045209, official records of the County Recorder of Maricopa County, Arizona, and was subsequently (a) amended by the amendments set forth in that certain Certificate of First Amendment thereto dated February 25, 1993, and recorded February 25, 1993, as Instrument No. 93-0113721, and rerecorded January 12, 1994, as Instrument No. 94-0030952, official records of the County Recorder of Maricopa County, Arizona; (b) supplemented by the provisions of that certain Supplement, dated February 25, 1993, and recorded on February 25, 1993, as Instrument No. 93-0113722, official records of the County Recorder of Maricopa County, Arizona; and (c) supplemented by the provisions of that certain Declaration of Annexation, dated February 25, 1993, and recorded on February 25, 1993, as Instrument No. 93-0113723; official records of the County Recorder of Maricopa County, Arizona (which Town Center Declaration, as the same has heretofore been amended and supplemented and may hereafter be amended or supplemented, is hereinafter referred to as the "Town Center Declaration");

E. Declarant desires to comply with all terms of the Master Declaration and to submit the Parcel, together with all buildings and improvements now or hereafter constructed on the Parcel, and all easements and rights appurtenant thereto (the "Property") to a condominium originally consisting of twenty-four (24) Units and related Common Elements pursuant to Sections 33-1201 through 33-1270, Arizona Revised Statutes (the "Condominium");

F. Declarant desires to reserve the right to add all or part of the Additional Parcel (as hereinafter defined) and thereby annex additional Units and Common Elements into the Condominium in accordance with a coordinated development plan;

G. Declarant desires to reserve the right to withdraw all or part of the Withdrawable Parcels (as hereinafter defined) and thereby reduce the total minimum number of Units originally planned for the Condominium;

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

I. Declarant intends that the Owners, Occupants, Lenders, and all other persons hereafter acquiring any interest in the 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 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 and the quality of life therein;

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

ARTICLE 1. -- DEFINITIONS

As used herein, unless the context otherwise requires:

1.1. "Act" shall mean Sections 33-1201 through 33-1270, Arizona Revised Statutes, pertaining to the creation and management of a Condominium in the State of Arizona.

1.2. "Additional Parcel" shall mean the real property situated in the City of Scottsdale, County of Maricopa, State of Arizona, which is legally described on EXHIBIT "B", attached hereto and hereby incorporated by reference, all or part of which may be added to the Condominium in one or more additional phases by Supplemental Declaration pursuant to the option reserved by Declarant in accordance with Article 15 hereof.

1.3. "Allocated Interest" shall mean the undivided interest (expressed as a fraction or percentage in this Declaration) in the Common Elements, the Common Expense liability, and votes in the Association allocated to each Unit.

1.4. "Articles" shall mean the Articles of Incorporation by which the Association is formed under the nonprofit corporation law of the State of Arizona.

1.5. "Assessments" shall mean the charges against Owners to defray the Common Expenses as well as miscellaneous special Assessments, special Assessments for capital improvements, and special Assessments for the purpose of restoring and reconstructing the Condominium in the event of casualty, all as provided in this Declaration.

1.6. "Association" shall refer to 8989 GAINNEY CENTER DRIVE CONDOMINIUM ASSOCIATION, whose membership shall include each Owner of a Unit in the Condominium, as required by the Act. The Association will be incorporated as an Arizona nonprofit corporation prior to the conveyance of the first Unit in the Condominium by Declarant.

1.7. "Association Rules" shall mean and refer to the rules and regulations adopted by the Association pursuant to this Declaration and in furtherance of the Bylaws and in accordance with Section 33-1242 of the Act.

1.8. "Board" shall mean the Board of Directors of the Association elected pursuant to the Bylaws and serving as the management body of the Association.

1.9. "Bylaws" shall mean the Bylaws adopted by the Association pursuant to Section 33-1246 of the Act for the purpose of regulating the affairs of the Association, as the same may be amended from time to time.

1.10. "Common Elements" shall mean the entire Condominium, excluding the Units.

1.11. "Common Expenses" shall mean the actual and estimated costs for: (a) maintenance, management, operation, repair and replacement of the Common Elements which are maintained by the Association; (b) deficiencies arising by reason of unpaid Assessments; (c) management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees; (d) utilities (other than separately metered utilities for the Units), trash pickup and disposal, extermination, security, gardening, pool service, and other related services; (e) insurance and bonds required by this Declaration or any additional insurance and bonds obtained by the Board in its discretion; (f) the establishment of reasonable reserves as the Board shall deem appropriate in its discretion for the periodic maintenance, repair, and replacement of the Common Elements; (g) performance of the Association's maintenance obligations described in the Tract Declaration; (h) payment of Town Center Assessments as described in the Town Center Declaration; and (i) other miscellaneous charges incurred by the Association or the Board pursuant to this Declaration, the Tract Declaration, the Town Center Declaration, the Bylaws, or Association Rules in furtherance of the purposes of the Association or in discharge of the duties and powers of the Association.

1.12. "Condominium" means, in accordance with the Act, the entire subdivided Parcel created by this Declaration, portions of which (namely, the Units) are designated for separate ownership and the remainder of which (namely, the Common Elements) is designated for common ownership solely by the Owners of the Units.

- 1.13. "Declarant" shall mean MARKLAND HOMES INC., an Arizona corporation, and the successors and assigns of Declarant's rights hereunder.
- 1.14. "Declaration" shall mean this Declaration including all exhibits attached hereto, which are hereby incorporated by reference, and any and all amendments hereof and supplements hereto.
- 1.15. "Development Rights" shall mean the rights granted to Declarant pursuant to Section 3.10 below.
- 1.16. "Lender" shall mean a holder of a first mortgage or first deed of trust on a Unit or the Seller under a first contract of sale as defined in Section 33-741, Arizona Revised Statutes.
- 1.17. "Limited Common Element" means a portion of the Common Elements specifically designated as a Limited Common Element in this Declaration or the Plat and allocated by this Declaration or the Plat (or by operation of law as set forth in the Act pursuant to paragraph 2 or 4 of Section 33-1212) for the exclusive use of one or more but fewer than all of the Units.
- 1.18. "Master Association" shall mean The Gainey Ranch Community Association, or such other Arizona non-profit corporation organized pursuant to the Master Declaration to administer and enforce the terms thereof.
- 1.19. "Master Declaration" shall mean that certain Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements dated March 23, 1984, and recorded March 29, 1984, as Instrument No. 84-130211, official records of the County Recorder of Maricopa County, Arizona, as the same has heretofore been amended and may hereafter be amended or supplemented.
- 1.20. "Occupant" shall mean a Person or Persons, other than an Owner, in possession of, or using a Unit, including, without limitation, family members, tenants, guests, or invitees.
- 1.21. "Owner" shall mean the Person or Persons who are vested with record title of a Unit according to the records of the County Recorder of Maricopa County, Arizona (and, in the case of a contract for conveyance of a Unit as defined in Section 33-741, Arizona Revised Statutes, Owner shall mean the contract purchaser of such Unit); however, Owner shall not include a Person who holds an interest in a Unit merely as security for the performance of

an obligation. Declarant shall be considered the record Owner of any Unit prior to its initial conveyance by Declarant.

1.22. "Parcel" shall mean the real property legally described on EXHIBIT "A", and all the buildings, improvements and permanent fixtures located thereon, and all easements and rights appurtenant thereto.

1.23. "Person" shall mean a natural individual, corporation, estate, partnership, trustee, association, joint venture, government, governmental subdivision or agency or other legal entity capable of holding title to real property. In the case of a subdivision trust, Person means the beneficiary of the trust who holds the right to subdivide, develop or sell the real estate rather than the trustee.

1.24. "Plat" means the plat of survey of the Parcel submitted to this Condominium and showing thereon twenty-four (24) Units, each of which is identified by a Unit Number. A copy of the Plat is included as EXHIBIT "C", attached hereto and hereby incorporated by reference. The original Plat is recorded in Book 371 of Maps, Page 18, in the records of the County Recorder of Maricopa County, Arizona. "Plat" shall also refer to any additional plat which may be recorded with any Supplemental Declaration.

1.25. "Property" shall mean the Parcel, and any part of the Additional Parcel added pursuant to Article 15 hereof, together with all the buildings, improvements and permanent fixtures located thereon, and all easements and rights appurtenant thereto.

1.26. "Restrictions" shall mean the covenants, conditions, assessments, easements, liens and restrictions set forth in this Declaration.

1.27. "Special Declarant Rights" shall mean the rights granted to Declarant in this Declaration to do any of the following:

- (a) Construct the improvements provided for in this Declaration;
- (b) Exercise any Development Right;
- (c) Maintain sales offices, models, and signs advertising the Condominium;
- (d) Use easements upon the Common Elements for the purpose of making improvements within the Parcel or the Additional Parcel; and
- (e) Appoint or remove any Officer or Board Member of the Association prior to the Turnover Date.

1.28. "Supplemental Declaration" shall mean a written instrument recorded in the records of the County Recorder of Maricopa County, Arizona, which refers to this Declaration and which amends, modifies, or supplements this Declaration in accordance with its terms.

1.29. "Town Center Association" shall mean the Gainey Ranch Town Center Association, or such other Arizona non-profit corporation organized pursuant to the Town Center Declaration to administer and enforce the terms thereof.

1.30. "Turnover Date" shall have the meaning set forth in Section 5.3 below.

1.31. "Tract Declaration" shall mean the Tract Declaration for the Parcel and Additional Parcel duly executed and recorded in furtherance of the Master Declaration.

1.32. "Unit" shall mean part of the Condominium, including one or more rooms situated in a building comprising part of the Condominium, designed or intended for independent ownership and occupancy as a dwelling unit. The respective Allocated Interest in the Common Elements is appurtenant to the Unit.

1.33. "Unit Number" shall mean the number, symbol, or address that identifies one Unit in the Condominium. Unit Number shall be synonymous with the term "Identifying Number" defined in the Act.

1.34. "Withdrawable Parcels" shall mean the parcels of real property situated in the City of Scottsdale, County of Maricopa, State of Arizona, which are legally described on EXHIBIT "D" attached hereto and hereby incorporated by reference, which may presently or hereafter be included in the Condominium, all or portions of which may be removed and withdrawn from the Condominium by a Supplemental Declaration of Withdrawal pursuant to the option reserved by the Declarant in accordance with Article 16 hereof.

ARTICLE 2. -- CREATION OF THE CONDOMINIUM

2.1. Submission. Declarant hereby submits and subjects the Parcel to a Condominium pursuant to the Act, and in furtherance thereof, makes and declares the Restrictions contained in this Declaration, and Declarant hereby declares and agrees that the Condominium and all of the Units shall be held, conveyed, transferred, sold, leased, mortgaged, encumbered, occupied, used, and improved subject to the Restrictions, which Restrictions shall constitute covenants and conditions running with the land and shall be binding upon and inure

to the benefit of Declarant, the Association, and each Owner, including their respective heirs, executors, administrators, personal representatives, successors and assigns.

2.2. Name and Location. The Condominium shall be named and known as 8989 GAINNEY CENTER DRIVE CONDOMINIUM. The Condominium is located in Maricopa County, Arizona, and the legal description of the real estate included in the Condominium is the Parcel set forth on EXHIBIT "A". The name of the Association is 8989 GAINNEY CENTER DRIVE ASSOCIATION.

2.3. Interpretation of Declaration and Applicability of the Act. Declarant intends that the Condominium shall be governed by the Act, except where (in compliance with the Act) Declarant has included specific provisions in this Declaration which are permitted by the Act to legally vary, supersede, or supplement the Act, in which event such specific provisions of this Declaration which are contrary to the Act shall govern the Condominium.

ARTICLE 3. -- DESCRIPTION OF THE UNITS, LIMITED COMMON ELEMENTS, COMMON ELEMENTS, ALLOCATED INTERESTS, PLAT, AND DEVELOPMENT RIGHTS

3.1. Description of Boundaries of Each Unit and Unit Number. The cubic content space and Unit Number of each of the twenty-four (24) Units within the Condominium are set forth on the Plat. The horizontal boundaries of each Unit shall be the underside of the finished but undecorated ceiling and the top of the finished but undecorated floor of the Unit as shown on the Plat. The vertical boundaries of each Unit shall be the interiors of the finished but undecorated walls located on the perimeter lines of the respective Units as shown on the Plat. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and other materials constituting any part of the finished surfaces are part of the Unit, and all other and structural portions of the walls, floors, columns, or ceilings are part of the Common Elements. If any pipes, wires, conduits, chutes, flues, ducts, shafts, public utility, water, or sewer lines, or any other similar fixtures lie partially within and partially outside the designated boundaries of a Unit, any portion serving only that Unit is a Limited Common Element allocated solely to that Unit and any portion serving more than one Unit or any portion of the Common Elements is part of the Common Elements. Subject to the preceding sentence, each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes as shown on the Plat, and all interior partitions and other fixtures and

improvements within such boundaries shall be part of the Unit. Conveyance of a Unit includes the use of the Limited Common Elements appurtenant to said Unit.

3.2. Description of Limited Common Elements for Parking. The parking space or spaces set forth in the garage or garages on the Plat and designated for the respective Unit by corresponding number shall be an exclusive Limited Common Element for the Unit and such Owner. Such Limited Common Element shall be appurtenant to the respective Unit and may not be severed from the ownership of the Unit.

3.3. Description of Limited Common Elements for Patios, Balconies, Awnings, Entryways, Fireplaces, and Storage Areas. The patio, balcony (or balconies), awnings, exterior screens and shutters; entryway, driveway; fireplace (including firebox and flue), and storeroom (if any) which are adjacent to each respective Unit as set forth and depicted on the Plat shall be exclusive Limited Common Elements for the Unit. These Limited Common Elements shall be appurtenant to each respective Unit where so identified and may not be severed from the ownership of the Unit.

3.4. Description of Common Elements. The Common Elements shall consist of the entire Condominium, excluding the Units.

3.5. Allocated Interest of Each Unit in the Common Elements. The designation of the Allocated Interest which each Unit has in the Common Elements (which Allocated Interest is based on equality) is a fractional interest where the numerator is one and the denominator is the number of Units in the Condominium.

3.6. Allocated Interest of Each Unit in the Votes of the Association. The designation of the Allocated Interest which each Unit has in the votes of the Association (which Allocated Interest is based on a formula of equality of one vote for each Unit) is a fraction where the numerator is one and the denominator is the number of Units in the Condominium.

3.7. Allocated Interest of Each Unit in the Common Expenses of the Condominium. The designation of the Allocated Interest which each Unit bears in the Common Expenses of the Condominium (which Allocated Interest is based on a formula of equality) is a fraction where the numerator is one and the denominator is the number of Units in the Condominium.

3.8. Current Statement of Allocated Interest. The Allocated Interest of each Unit for purposes of Section 3.5, Section 3.6, and Section 3.7 of the Declaration is presently one twenty-fourth (1/24). The Allocated Interest of each Unit is subject to amendment and reallocation as provided in Article 15 and Article 16.

3.9. Plat. The Plat is hereby incorporated into, and made an integral part of, this Declaration and all requirements and specifications set forth on the Plat and which are required by the Act are deemed included in this Declaration.

3.10. Reservation of Development Rights. Declarant intends to develop the Condominium in one or more legal phases and possibly one or more construction phases within each legal phase so that Declarant will have flexibility to change the layout of the Units, Common Elements, and Limited Common Elements as described on the original Plat. Without the approval of the Owners or the Association or the existing Lenders, Declarant hereby reserves, and Declarant shall have, the Development Rights set forth in this Section 3.10. All Development Rights shall be exercised in accordance with the Act by preparing, executing, and recording an amendment to the Declaration called a Supplemental Declaration, if required, and an amendment to the Plat which will be called a Supplemental Plat. No Supplemental Declaration or Supplemental Plat shall alter or diminish the rights of any existing Owner (other than Declarant) to the exclusive Limited Common Elements shown on the original Plat. The Declarant reserves the following Development Rights:

- (a) The right, by amendment to the Declaration and Plat, to create easements, Units, Common Elements, and Limited Common Elements in the location shown as "Development Rights Reserved in this Area" on the Plat;
- (b) The right, by amendment, to subdivide Units, convert Units to Common Elements, or convert Common Elements to Units in the location shown as "Development Rights Reserved in this Area" on the Plat;
- (c) The right to expand the Condominium and add additional Units and Common Elements as provided in Article 15;
- (d) The right to contract the Condominium and reduce the original number of Units and Common Elements as provided in Article 16; and
- (e) The right to amend the Declaration as provided herein and in Article 18.

3.11. Limitation on Development Rights. Development Rights reserved in Section 3.10 are limited as follows:

- (a) Except as otherwise provided herein, the Development Rights may be exercised at any time;
- (b) Not more than seventy-two (72) additional Units may be created under the Development Rights and the total maximum number of Units in the Condominium will be ninety-six (96).
- (c) The minimum size of any new Unit created in the Condominium will be one thousand two hundred (1,200) square feet of liveable space;
- (d) The quality of construction of all buildings and improvements constructed in the Condominium shall be consistent with the quality of those buildings and improvements initially constructed on the Parcel as subjected to the original Declaration; and
- (e) All Units and Common Elements created pursuant to the Development Rights will be restricted to residential use in the same manner and to the same extent as the Units created under this Declaration as initially recorded and will be comparable in architectural style and quality of construction and in harmony with landscaping and existing improvements in the Condominium.

ARTICLE 4. -- MAINTENANCE, UTILITIES, AND LAKE AREAS

4.1. Maintenance of Units and Limited Common Elements. Each Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs, and replacements within his own Unit. Such obligation shall include, without limitation: (a) the maintenance of all interior and exterior doors, including thresholds and door jams (excluding garage doors), all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, fireboxes of fireplaces, and any other materials constituting the finished surfaces of floors, ceilings, or interior walls (all other portions of the walls, floors, or ceilings are part of the Common Elements); (b) repair and replacement of all window, skylights, and door glass or equivalent materials and the interior and exterior cleaning of such window and door glass; (c) the maintenance of, in an open and unobstructed condition, all sewer and drainage pipes, water and other utility lines serving an Owner's respective Unit between the points at which the same enter the respective Unit and the points where the same join the utility lines serving other Units; (d) maintenance, replacement, repair and restoration of all of the following which service an Owner's Unit exclusively: lighting fixtures (except exterior building mounted lights and walkway lights which are not located within patios and balconies), fans, plumbing fixtures, stoves, refrigerators, hot water heaters, air conditioning units (including compressors, condensers and forced air units), intercoms, security systems, and such other

appliances, fixtures, and decorations as an Owner may install; (e) the maintenance of the Unit and all exclusive Limited Common Elements, such as patios and balconies (including all materials above or upon the support structure, and railings and posts), awnings, exterior screens, shutters, and chimney flues, that are within his exclusive (or joint, if the Limited Common Elements serve more than one Unit) control in a clean and sanitary condition, free of pests and rodents, and in good order and repair, except that the sweeping and maintenance of any parking spaces (excluding garage interiors) and driveways, and maintenance of garage doors that are designated as Limited Common Elements hereunder, shall be the responsibility of the Association. An Owner may make non-structural alterations within his Unit, but an Owner shall not make any structural or exterior alterations of the Common Elements without the prior written approval of the Board and the architectural committee of the Master Association.

4.2. Maintenance of Common Elements. The Association, or its duly delegated representative, shall:

- (a) Maintain and otherwise manage the Common Elements, including, but not limited to, the landscaping, parking areas (exterior to garages), streets and recreational facilities, if any, located thereon and maintain all garage doors and exterior building mounted lights not within patios and balconies, walkway and landscape area lights (located outside patios and balconies), the structural support components of patios and roofs and flashings and other materials on patios and roofs that were installed to exclusively function as a roof, however, excluding skylights;
- (b) Replace injured and diseased trees or other vegetation in any Common Elements, and plant trees, shrubs and ground cover to the extent that the Board and the architectural committee of the Master Association deems necessary for the conservation of water and soil or for aesthetic purposes;
- (c) Place and maintain upon any Common Elements, such signs, markers and lights as the Board may deem appropriate for the proper identification, use and regulation thereof, subject to the approval of the Board and the architectural committee of the Master Association;
- (d) Pay all electrical, water, gas and other utility charges or fees for services furnished to the Common Elements as the same become due and payable except that the electrical charges for exterior lighting of each Unit and the walkways and landscape areas adjacent thereto shall be paid by each respective Unit Owner; and
- (e) Do all such other and further acts which the Board deems necessary to preserve and protect the Common Elements and the beauty thereof, in accordance with the general purposes specified in this Declaration.

Subject to the standards established by the Master Declaration, the Board shall be the sole judge as to the appropriate maintenance of the Common Elements. If the need for maintenance or repair is caused through the willful or negligent act of an Owner, his family, guests, licensees, lessees or invitees, the cost of such maintenance or repair shall be paid by such Owner, upon demand, to the Association, and the Association may enforce collection of such amounts as provided hereinbelow for the collection of Assessments.

4.3. Maintenance Required by Tract Declaration. The Association shall maintain, as required by the Tract Declaration (including any amendments or supplements thereto): (a) the common area roadway providing access to the Condominium and dedicated for private use of owners of the Condominium and owners of the Additional Parcel; (b) the landscaping and perimeter wall on the Common Elements of the Parcel and on the Additional Parcel to the extent required by the Tract Declaration (including any amendments or supplements thereto); (c) the portions of the bank and the hard edge of the "Town Center Lake" described in the Tract Declaration in the manner required therein; and (d) any other areas which the Tract Declaration (including amendments or supplements thereto) obligates the Association to maintain. The foregoing obligations for maintenance required by the Association shall be subject to reimbursement by present and future owners of portions of the Additional Parcel which are not part of the Condominium as such reimbursement is provided for in the Tract Declaration (including any amendments or supplements thereto).

4.4. Maintenance by the Master Association. To the extent contemplated or authorized by the Master Declaration or the Tract Declaration, the Master Association shall be, and hereby is, authorized to perform the duties and responsibilities of the Association described in Sections 4.2 and 4.3 of this Article 4. The Master Association shall receive cost reimbursements and compensation for performing such obligations on behalf of the Association, in accordance with the Master Declaration or the Tract Declaration, as applicable. Charges for the services provided hereunder shall be Common Expenses and shall be allocable to the Owners as part of the Assessments.

4.5. Owner Default in Maintenance. If an Owner fails to so maintain his Unit or make repairs thereto in such a manner as may be deemed reasonably necessary in the judgment of the Board to preserve and protect the attractive appearance and value of the Condominium, or if an Owner shall fail to observe any covenant or restriction imposed on such

Owner by the terms of the Declaration, then the Board or its authorized representative shall give written notice to such Owner stating with particularity the nature of the default and the corrective action which the Board determines to be required and requesting that the same be carried out within a period of fourteen (14) days after the giving of such written notice. If such Owner fails to carry out such action within the period specified by the notice, the Board may cause such action to be taken and may levy a special assessment for the cost thereof on such Owner, such special assessment to be due and payable within thirty (30) days after the Board gives written notice thereof and to be secured by the Assessment lien created in Section 6.1 of this Declaration.

4.6. Utilities. All utilities for individual Units (except those utility costs which are metered collectively and paid by the Association as a Common Expense item) will be metered separately to each Unit and such utility charges shall be the responsibility of the respective Owners. The Owner of each respective Unit shall also be responsible to pay the electric utility charges for all exterior lighting of each Unit and lighting of walkways and landscaping areas adjacent to the Unit.

4.7. Cable Television. The Master Association has entered into an agreement with a cable television provider, wherein the provider has agreed to furnish cable television service to all of the improved Lots (as defined in the Master Declaration) within Gainey Ranch at a specified charge per Lot, and to bill the Master Association for all the improved Lots within Gainey Ranch. At such time as the Association is organized, it shall enter into a cable television agreement in a form furnished by the Master Association and on file in the Master Association offices, wherein the Association shall agree to pay any monthly and other charges incurred by the Master Association for all cable television services attributable to Units within the Condominium. Each Owner of a Unit within the Condominium shall pay the per Lot charge, together with all other charges levied against the Master Association which are attributable to the Owner's Unit. All such cable television charges shall be due and payable to the Association by each Owner of a Unit every month as part of the monthly Assessment, whether or not the Unit is occupied and whether or not an Owner or Occupant of such Unit elects to receive cable television service. If an Owner incurs charges for cable television services not covered in the agreement between the Master Association and the cable television provider, the Owner shall pay the provider directly for such charges. The Master Association

and the Association shall have no liability for the operation or maintenance of the cable television system and no Owner shall have the right to withhold payment or offset any credits allegedly due to any such Owner because of actions or inactions of the cable television provider. An Owner shall only be entitled to reductions in charges as the result of interruption or discontinuation of cable television service if the Master Association receives a reduction therefor from the cable television provider.

4.8. Security System. Each Unit, each Owner, and the Association shall become a part of the Master Security System operated by the Master Association. Each Owner shall abide by the provisions of the Master Declaration regarding the Master Security System, and easements are hereby reserved for entry of security personnel, installation and maintenance of security systems, and any other items which may be necessary or desirable to operate the Master Security System in an efficient manner as contemplated by the Master Declaration. No Owner nor the Association shall take any steps which will impair, hinder, or otherwise disrupt the operation of such system.

4.9. Golf Course. Portions of the Parcel are located adjacent to the golf course constructed on Gainey Ranch as described in the Tract Declaration for the Golf Course Parcel, recorded on August 14, 1985, as Instrument No. 85-382843, records of Maricopa County, Arizona (the "Golf Course"). All present and future Owners, residents, and lessees of any portion of the Property hereby acknowledge and agree that they have no right to use the Golf Course or to automatic membership in the golf club which operates the Golf Course by virtue of the purchase or lease of a Unit. Such individuals further acknowledge and agree that there are certain risks inherent in the ownership and occupancy of property adjacent to a golf course, including, without limitation, the possibility of golf balls entering property adjacent to the Golf Course, and causing damage to property and injury to persons, and all such Owners, residents, and lessees expressly agree to assume such risk. Such persons further agree that no claim or cause of action for any harm, damage, or injury to person or property of any kind caused or occasioned by golf balls or any other hazards associated with the design, operation, maintenance, and use of the Golf Course shall be maintained against Declarant, the Association, the Master Association, the Architectural Committee, or any other committee of the Association or the Master Association, or any of the members, directors, officers, partners,

employees, or agents of any of the foregoing, and all such entities and individuals are hereby released from any and all such claims or causes of action.

ARTICLE 5. — MANAGEMENT

5.1. Association. The Association will be organized no later than the date the first Unit in the Condominium is conveyed to an Owner other than Declarant to serve as the governing body for all Owners and shall make provisions for the maintenance, repair, replacement, administration and operation of the Common Elements, assessment of expenses, payment of losses, division of profits, acquisition of hazard insurance and disposition of such hazard insurance proceeds; and other matters as provided in the Act, the Declaration, the Tract Declaration, the Town Center Declaration and the Bylaws. The Association shall have all rights and powers granted to it under the Act and in this Declaration, the Tract Declaration, the Town Center Declaration, the Articles and Bylaws, including, without limitation, the right to assign its future income and to vote on behalf of the Owners and represent the Owners as a member of the Town Center Association. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the Owners in accordance with the Declaration, the Articles, and the Bylaws.

5.2. Membership. Membership in the Association shall at all times consist exclusively of the Unit Owners and each Owner shall be a member of the Association so long as he shall be an Owner and such membership shall automatically terminate when he ceases to be an Owner. Upon the transfer of an ownership interest in a Unit, the new Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association.

5.3. Voting. The Association shall have two (2) classes of voting membership.

Class A. Class A Members shall be all Owners (including the Declarant). Class A Members shall be entitled to one (1) vote for each Unit owned. When more than one Person owns an interest in a Unit, each such Person shall be a member of the Association but the vote for such Unit shall be exercised as provided by the Act, but in no event shall more than one (1) vote be cast with respect to any Unit. The Association shall not be required to recognize the vote or written assent of any such co-Owner except the vote or written assent

of the co-Owner designated in a writing executed by all of such co-Owners and delivered to the Association.

Class B. The Class B Member shall be the Declarant. Declarant, as the Class B Member, shall have the right to control the Association to the extent of having the exclusive right (either directly or through a person designated by the Declarant) to elect, appoint and remove the members of the Board and the officers of the Association until the Turnover Date (as hereinafter defined). The special control rights of the Declarant, as the Class B Member, shall cease and terminate upon the earlier of the following (the "Turnover Date"):

- (a) The date ninety (90) days after the conveyance by Declarant of seventy-five percent (75%) of the Units which may be created at any time or from time to time by this Declaration (including any Units which may be added under Article 15 below) to Owners (other than Declarant or an affiliate of Declarant);
- (b) The date four (4) years after Declarant (or any successor) has ceased to offer Units for sale in the ordinary course of business;
- (c) The date which is the seventh (7th) anniversary of the first conveyance of a Unit by Declarant to an Owner other than Declarant; or
- (d) The date required by the Master Declaration.

Upon the Turnover Date, Declarant shall retain the voting rights of a Class A Member even though the special voting and control rights of the Class B Member have ceased and terminated. Declarant may voluntarily surrender the right to elect, appoint and remove the members of the Board and the officers prior to the Turnover Date, but, in that event, Declarant may require that specified actions of the Association or the Board taken prior to the Turnover Date, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective. Upon the Turnover Date, the process of transferring control of the Association from the Declarant to the Owners shall commence and be completed within a reasonable period of time. This process shall include the Owners' election of the Board of Directors and shall be considered completed on the date of the initial meeting of the Board of Directors elected by the Owners. The Owners' election of the initial Board of Directors may be conducted at a regular or special meeting of the Association or by a mailed balloting procedure, within thirty (30) days following the Turnover Date.

5.4. Board of Directors. The governing body of the Association shall be the Board of Directors elected pursuant to the Bylaws. Cumulative voting shall apply for the purpose of electing members of the Board. The Board shall consist of not less than three (3) members and not more than five (5) members. Except as otherwise provided in this Declaration, the Bylaws, or Association Rules, the Board may act in all instances on behalf of the Association. The Board shall act to adopt the Bylaws as required by the Act at the time the Association is organized, and the Board may, as it deems appropriate, adopt, amend, and repeal Association Rules.

5.5. Qualification of Directors. Except for Board members elected or appointed by Declarant, each Director shall be an Owner or the spouse of an Owner (or if an Owner is a corporation, partnership, or trust, a Director may be an officer, partner, trustee or beneficiary of such Owner). If a Director shall cease to meet such qualifications during his term, he will thereupon cease to be a Director and his place on the Board shall be deemed vacant.

5.6. Appointee to Council of Presidents. The President of the Association shall be the Association's appointee to the Council of Presidents, as created by the Master Declaration. The President of the Association shall give due consideration to the wishes and requests of the Board and Owners when representing the Association before the Council of Presidents.

5.7. Management of the Association. In accordance with Article XIII, Section 4 of the Master Declaration, the Master Association shall provide administrative and management services to the Association, act as accountant for the Association, handle the collection of assessments levied by the Association and enforce such collection, assist in the preparation of budgets, administer use of the Common Elements, negotiate contracts for services, and enforce this Declaration. As provided in Article XIII, Section 1 of the Master Declaration, the Master Association shall have the right to take temporary control of the Association in the event (i) the Association is failing to levy and collect assessments in an amount sufficient to pay its obligations to the Master Association, (ii) the Association is failing, in the opinion of the Board of Directors of the Master Association, to perform its functions and duties in a manner consistent with the standards established by other Satellite Associations (as such term is defined in the Master Declaration) in Gainey Ranch or necessary for the

maintenance of the high quality of residential development envisioned for the residential areas of Gainey Ranch, or (iii) there are not sufficient members of the Board to make a quorum necessary to conduct the affairs of the Association.

5.8. Action by Owners. The Board may not act on behalf of the Association to amend or terminate this Declaration, to elect members of the Board, except in filling vacancies in its membership for the unexpired portion of any term, or to determine the qualifications, powers and duties or terms of the members of the Board of Directors.

5.9. Annual Meeting. The Association shall hold an annual meeting as provided in the Bylaws.

5.10. Right of Association to Enter Units. The Association acting through the Board or its duly authorized agent shall have the right at all times upon reasonable notice (and at any time in case of an emergency) to enter upon or in any Unit to abate any infractions, to make repairs, or correct any violation of any of the Restrictions herein set forth, and in connection therewith shall have the further right to assess all costs incurred against the Owner, such assessment to be secured by the lien provided in Section 6.1.

5.11. Association Rules. The Board may adopt and administer Association Rules in furtherance of the Bylaws for the regulation and operation of the Condominium.

5.12. Reserve Fund. The Association shall maintain an adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis, and for performance of the Association's maintenance obligations set forth in the Tract Declaration, and such reserve shall be funded as part of monthly Assessments. To the extent the Board deems necessary, surplus monies of the Association may be retained as additional reserves rather than being paid to Unit Owners or being credited to future Assessments.

5.13. Availability of Condominium Documents. The Association will maintain current copies of this Declaration, the Articles, Bylaws, and Association Rules concerning the Condominium and the Association's own books, records, and financial statements available for inspection, upon request, during normal business hours by an Owner or Lender (or any insurer or guarantor of a Lender).

5.14. Managing Agent. The Board may contract with a professional management agent to assist the Board in the management and operation of the Condominium

and may delegate such of its powers and duties to the management agent as it deems appropriate; provided, however, that only the Board shall have the right to approve Association budgets, to impose a special Assessment and to authorize foreclosure of an Assessment lien. However, any such management agent may not replace the administrative and management services provided by the Master Association pursuant to the Master Declaration.

ARTICLE 6. -- COVENANT FOR ASSESSMENTS

6.1. Creation of Lien and Personal Obligation for Assessments. Each Owner, including Declarant to the extent Declarant is an Owner as defined herein, of any Unit, by acceptance of a deed or other instrument creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other instrument, is deemed to covenant and agree to pay to the Association, such Assessments to be fixed, established and collected from time to time as provided in this Declaration. The Assessments, together with interest thereon, collection charges, attorneys' fees, court costs and other costs of collection as hereinafter provided, shall be secured by a continuing lien upon the Unit against which each such Assessment is made in favor of the Association. Each such Assessment, together with such interest, collection charges, costs and attorneys' fees, shall also be the personal obligation of the Owner of such Unit at the time the Assessment becomes due. The personal obligation shall not pass to the successor in title of an Owner unless expressly assumed by such successor. All Assessments shall be in addition to any amounts paid by Owners to the Master Association pursuant to the Master Declaration.

6.2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purposes of promoting the health, safety and welfare of the Owners, the management, maintenance, care, preservation, and protection of the Condominium, performance of the Association's obligations under the Tract Declaration and Town Center Declaration, enhancing the quality of life in the Condominium and the value of the Condominium including, without limitation, the improvement and maintenance of the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements, or in furtherance of any other duty or power of the Association.

6.3. Regular Assessments. The Board is expressly authorized to adopt and amend budgets from time to time. Not later than thirty (30) days prior to the beginning of

each fiscal year, the Board shall adopt a pro forma operating statement or budget for the upcoming fiscal year which shall, among other things, estimate the total Common Expenses to be incurred for such fiscal year. The Board may, but is not required to, send a written summary of the budget to all Owners within thirty (30) days after the adoption of the proposed budget. The Board shall at that time determine the amount of the regular Assessment to be paid by each Owner. Each Owner shall thereafter pay to the Association his regular Assessment in equal monthly installments on the first day of each month. In the event the Board shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of the regular Assessment against each Owner, and the date or dates when due. The Owners shall have no right to ratify any budget, or amendment thereof, adopted by the Board.

6.4. Capital Improvement Assessments. In addition to regular Assessments, the Board may levy in any fiscal year a capital improvement Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or replacement (other than due to destruction) of a described capital improvement upon the Common Elements, including the necessary fixtures and personal property related thereto. The Board shall not impose a capital improvement Assessment exceeding ten percent (10%) of the then estimated annual Common Expenses without the approval of Owners holding a majority of the Allocated Interests in the votes of the Association. All amounts collected as capital improvement Assessments may only be used for capital improvements and shall be deposited by the Board in a separate bank account or the Association's account for reserve funds, to be held in trust for such purposes and said funds shall not be commingled with any other funds (other than reserve funds) of the Association.

6.5. Uniform Assessments. Except as otherwise provided herein, all Assessments (other than special Assessments) shall be fixed at an equal amount for each Unit.

6.6. Rules Regarding Billing and Collection Procedures. The Board shall have the right to adopt rules and regulations setting forth procedures for the purpose of making the Assessments provided herein and for the billing and collection of regular and special Assessments, provided that said procedures are not inconsistent with the provisions hereof.

The failure of the Association to send a bill to an Owner shall not relieve any Owner of his liability for any Assessment or charge under this Declaration, but the Assessment lien therefor shall not be foreclosed or otherwise enforced until the Owner has been given not less than thirty (30) days' written notice prior to such foreclosure or enforcement, at the address of the Owner on the records of the Association, that the Assessment or any installment thereof is or will be due and of the amount owing. Such notice may be given at any time prior to or after delinquency of such payment.

6.7. Certificate of Payment. The Association shall, within twenty (20) business days after written demand, furnish to any Owner liable for Assessments a recordable written statement or certificate signed by an officer or authorized agent of the Association setting forth whether the Assessments relating to a specified Unit have been paid and the amount of delinquency, if any. To the extent permitted by law, a reasonable charge may be collected by the Board for the issuance of each such certificate. Each certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

6.8. Special Assessments. Special Assessments shall be levied by the Board against a Unit and its Owner to reimburse the Association for:

- (a) costs incurred in bringing an Owner and his Unit into compliance with the provisions of this Declaration, the Articles, the Bylaws, or Association Rules;
- (b) costs associated with the maintenance, repair, or replacement of a Limited Common Element assigned to such Unit;
- (c) any other charge designated as a special Assessment in this Declaration, the Articles, the Bylaws, or Association Rules; and
- (d) attorneys' fees, interest and other charges relating thereto as provided in this Declaration.

In the event the Association undertakes to provide materials or services which benefit individual Units and which can be accepted or not by individual Owners, such Owners, in accepting such materials or services, agree that the costs thereof shall be a special Assessment.

6.9. Date of Commencement of Assessments. Regular and other Assessments as to Units within the Condominium for which construction has been substantially completed shall commence as to all such substantially completed Units on the first day of the month following the conveyance of the first Unit by Declarant to an Owner. Thereafter, regular and other Assessments shall commence as to newly completed Units on the first day of the month

following the substantial completion of construction for each respective building. Until the Association makes an Assessment, the Declarant shall pay all Common Expenses of the Association. No Assessments shall be payable on Units for which construction has not been substantially completed; provided, however, that Declarant shall be obligated to pay to the Association any deficiencies in monies available to pay Common Expenses due to the Declarant not having paid an Assessment on uncompleted Units and which are necessary for the Association to be able to pay all Common Expenses in a timely manner.

6.10. Application of Excess Assessments. In the event the amount budgeted to meet Common Expenses for a particular fiscal year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may apply the excess to reserves, credit the excess against future Assessments, or pay the excess to the Owners in proportion to the Allocated Interests of each Unit in the Common Expenses of the Condominium, as the Board deems appropriate. The decision of the Board shall be binding and conclusive. In addition, the Association shall not be obligated to reduce the amount of Assessments in succeeding years if an excess exists for a prior year.

6.11. No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in this Declaration.

6.12. Homestead Waiver. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Arizona now in effect, or in effect from time to time hereafter.

ARTICLE 7. -- EFFECT OF NON-PAYMENT OF ASSESSMENTS AND REMEDIES

7.1. Due Date and Delinquency. The first day of each month shall be the Assessment due date for that month. Any Assessment which is not paid within thirty (30) days after it becomes due shall be delinquent. Whenever an Assessment is delinquent, the Board may at its option invoke any or all of the sanctions provided for herein.

7.2. Collection Charge. If any Assessment is delinquent, the Owner shall be obligated to pay the collection charge then provided for in the Bylaws. The amount of such

collection charge until paid shall constitute part of the Assessment lien as provided for in Section 6.1 of this Declaration.

7.3. Interest. If any Assessment is delinquent, interest at the rate set forth in the Bylaws at the time may be assessed on the amount owing from the date due until such time as it is paid.

7.4. Action at Law. The Association may bring an action to recover a delinquent Assessment either personally against the Owner obligated to pay same or foreclose the Assessment lien; provided, however, that the Association's choice of one remedy shall not prejudice or constitute a waiver of the Association's right to exercise the other. The costs of preparing and filing the complaint shall be assessed against the delinquent Owner and his Unit and reasonable attorneys' fees and court costs will thereafter be added to the amount in delinquency (plus interest and/or collection charges, if appropriate) in the event that a judgment is obtained by the Association. Each Owner vests in the Association or its assigns the right and power to bring actions at law and/or lien foreclosures against such Owner or Owners for the collection of delinquent Assessments.

7.5. Foreclosure Sale. Any foreclosure sale provided for in this Declaration is to be conducted in accordance with applicable provisions relating to the foreclosure of realty mortgages in the State of Arizona. The Association, upon approval by a majority of the Allocated Interests in the votes of the Association, may through its duly authorized agents have and exercise the power to bid on the Unit at the foreclosure sale and to acquire, hold, lease, mortgage and convey such Unit.

7.6. Suspension of Votes. The Board may suspend the obligated Owner's right to vote on any matter at regular or special meetings of the Association and the Owner's right to use all or any portion of the Common Elements (exclusive of the Limited Common Elements appurtenant to the Owner's Unit) for the entire period during which an Assessment or other amount due under any of the provisions of the Declaration or the Master Declaration remains delinquent.

ARTICLE 8. – EASEMENTS

8.1. General Easements to Common Elements and Units. Subject to this Declaration and the Association Rules, non-exclusive reciprocal easements are hereby reserved

and created for the purpose of support, ingress and egress, access, use and enjoyment in favor of each Owner, upon, across, over, under and through the Common Elements (exclusive of the Limited Common Elements), including the use of all pipes, wires, ducts, cables, conduits, and public utility lines, which easements shall be appurtenant to each Unit. The Association, acting through the Board or its authorized agent, and public utility companies providing service to the Condominium, shall have non-exclusive easements with the right of access to each Unit to make inspections, to remove violations, to maintain, repair, replace or effectuate the restoration of the Common Elements accessible from such Unit; provided, however, such rights shall be exercised in a reasonable manner and at reasonable times with prior notification, unless emergency situations demand immediate access.

8.2. Public Utilities. Easements and rights over the Condominium for the installation and maintenance of electricity lines, telephone lines, cable television, water lines, gas lines, sanitary sewer lines, drainage facilities, and such other public utilities needed to serve the Condominium are hereby reserved by Declarant, together with the right to grant and transfer the same; provided, however, such easements and rights shall not unreasonably interfere with the use of the Common Elements and the Units by the Owners or Occupants. Declarant or the Association shall have the power to grant and convey, in the name of all of the Owners as their attorney-in-fact, to any other person easements and rights-of-way in, on, over or under the Common Elements for the purpose of constructing, erecting, operating or maintaining lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone, public sewers, storm water drains and pipes, water systems, sprinkling systems, water heating and gas lines or pipes, and any similar public or quasi-public improvements or facility, and each Owner in accepting the deed to a Unit expressly consents to such easements and rights-of-way and authorizes and appoints the Association and Declarant (as long as Declarant owns one or more Units in the Condominium) as attorney-in-fact of such Owner to execute any and all instruments conveying or creating such easements or rights-of-way. However, no such easement can be granted if it would permanently interfere with the use, occupancy, or enjoyment by any Owner or such Owner's Unit.

8.3. Easements for Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or the Common Elements, or if any such encroachment shall occur hereafter as a result of the manner

in which the buildings have been constructed or due to settling, shifting, alteration, replacement, repair, or restoration by Declarant or the Association, a valid easement for encroachment shall exist so long as the buildings stand.

8.4. Development Easements for Declarant. Until all Units have been sold by Declarant, there are hereby reserved to Declarant, together with the right to grant and transfer the same to others, including Declarant's sales agents, representatives and assigns, easements and rights upon, across, over, under and through the Condominium for construction, display (including the use of the Units as models), maintenance, sales and exhibit purposes (including the use of signs and other advertising devices) in connection with the erection and sale or lease of Units within the Condominium; provided, however, that no such use by Declarant or its agents shall otherwise restrict Owners or Occupants in the reasonable use and enjoyment of their Units.

ARTICLE 9. -- USE RESTRICTIONS

9.1. Priority of Master Declaration and Tract Declaration. Notwithstanding anything to the contrary contained in this Declaration, no Person shall use or cause to be used any portion of the Parcel in any manner which would violate any of the terms set forth in Article IV, Section 2 and Section 3 of the Master Declaration, in the Tract Declaration recorded for the Parcel in furtherance of the Master Declaration, or in the Town Center Declaration. Any Person owning, using or having an interest in the Condominium or any portion thereof shall comply with all the conditions on use of the Parcel set forth in the Master Declaration, the Tract Declaration, and the Town Center Declaration, and the Association shall have the right, independently of or in conjunction with the Master Association, to enforce any and all of the covenants of the Master Declaration, the Tract Declaration, and the Town Center Declaration relating to the use of the Parcel or any portion thereof, all of which are specifically incorporated by reference herein as if fully restated in this Declaration. However, nothing contained herein shall be construed to prevent Declarant and its agents from engaging in all forms of construction and sales activities within the Condominium including use of Units owned by Declarant as models until all Units have been sold by Declarant. All consents required by this Declaration shall be in addition to any consents required under the Master Declaration or related documents, the Tract Declaration, and the Town Center Declaration.

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

- (a) such signs as may be required by legal proceedings;
- (b) one house number identification as originally placed by the Declarant with a face area of seventy-two (72) square inches or less;
- (c) such signs, the nature, number, and location of which have been approved by the Board and the architectural committee of the Master Association in advance; and
- (d) street identification and traffic directional signs erected on or adjacent to Gainey Center Drive by the Town Center Association, which signs shall not require prior approval from the Board.

Nothing included herein shall prevent Declarant and its agents and assigns from utilizing reasonable signs, flags, markers, and sales devices in furtherance of sales activities until all Units have been sold by Declarant.

9.3. Nuisance. No noxious or offensive activity shall be carried on upon the Condominium, 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 or decrease the value of the Units. No Owner or Occupant shall engage in activity within the Condominium in violation of any law, ordinance, statute, rule or regulation of any local, county, state or federal body. Nothing included herein shall be construed to prevent Declarant and its agents from engaging in all forms of construction and sales activities until all Units have been sold by Declarant.

9.4. Temporary Structures. No structure or building of a temporary character, including a tent or shack, shall be placed upon the Condominium or used therein unless the same and its proposed use are approved by the Board. Nothing included herein shall be construed as preventing Declarant from using temporary structures or trailers for construction and/or sales purposes or engaging in all forms of construction and sales activities within the Condominium.

9.5. Parking and Use of Garages/Visitor Parking. Unless otherwise permitted by the Association, and except for "customary parking" and "temporary parking," as permitted by this Section 9.5, no automobiles or other vehicles of any type (including, without limitation, motorcycles, trailers, campers, vans, recreational vehicles or boats) shall be parked, stored, or

located within any portion of the Condominium, including any Unit, Limited Common Elements, or Common Elements. "Customary parking" shall mean the parking of operable automobiles, motorcycles, small trucks, and vans (each of which must not be used for commercial purposes and each of which must not exceed 3/4 ton in size and/or seven (7) feet in height measured from ground level and eighteen (18) feet in length) within the parking spaces designated as an exclusive Limited Common Element for each respective Unit. The garages shall be used only for parking customary automobiles, motorcycles, small trucks, and vans as permitted above (and accessory storage) and shall not be converted for living, storage or recreational activities. Each garage door shall remain closed at all times except when being used to enter or exit. No Owner or Occupant or other visitor or invitee shall use the driveway area for parking other than temporary parking unless the garage is fully occupied by motor vehicles owned by the Owner or Occupant. "Temporary parking" shall mean the use of designated parking areas within the Condominium for parking of operable vehicles belonging to invitees of Owners and Occupants, including the parking of delivery trucks, service vehicles, and other commercial vehicles being used in the furnishing of goods and services to the Owners and Occupants as well as parking of vehicles belonging to or being used by Owners, Occupants and invitees during social engagements and for loading and unloading purposes. The Association may adopt Association Rules relating to the admission and temporary parking of vehicles within the Condominium and the use of the visitor parking spaces identified on the Plat, including, without limitation, the right to lease or license the visitor parking spaces in the discretion of the Association, the right to remove or cause to be removed any vehicles that are improperly parked, restrictions on the time visitor spaces may be used, and the assessment of charges to Owners and Occupants who violate, or whose invitees violate, such rules. Any charges so assessed shall be special Assessments. Nothing included herein shall be construed to prevent Declarant from using temporary structures or trailers for construction and/or sales purposes or engaging in all forms of construction and sales activities within the Condominium.

9.6. External Fixtures. No external items such as, but not limited to, television and radio antennas, flag poles, clotheslines, wiring, insulation, air conditioning equipment, water softening equipment, fences, awnings, ornamental screens, screen doors, porch or patio or balcony enclosures, sunshades, lighting fixtures, walls, landscaping and planting, other than those provided in connection with the original construction of the Condominium, and any

replacements thereof, and other than those approved by the Board and the architectural committee of the Master Association, and any replacements thereof, shall be constructed, erected or maintained on the Condominium. The foregoing notwithstanding, nothing included herein shall be construed as preventing Declarant and its agents and assigns from engaging in all forms of construction and sales activities within the Condominium.

9.7. Window Covers. Only curtains, drapes, shades, shutters, and blinds may be installed as window covers, and all such window covers shall be approved in advance by the architectural committee of the Master Association. No window shall be covered by paint, foil, sheets or similar items. The Board may adopt Association Rules regulating the type, color and design of the external surface of window covers. The Board may also require use of a uniform color and fabric for draperies, under-draperies and drapery linings to the extent such are visible from outside a Unit.

9.8. External Laundering. Unless otherwise permitted by the Board, external laundering and drying of clothing and other items is prohibited.

9.9. Outside Speakers and Amplifiers. No radio, stereo, broadcast or loudspeaker units and no amplifiers of any kind shall be placed upon or outside, or be directed to the outside of, any Unit without the prior written approval of the Board and the architectural committee of the Master Association.

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

9.11. Unightly Items. All rubbish, debris or unsightly materials or objects of any kind shall be regularly removed from Units 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 upon any Unit unless obscured from view of adjoining Units and Common Elements. Trash and garbage not disposed of by equipment contained within the Units shall be placed in containers by Owners and Occupants for removal from the Condominium in accordance with Association Rules applicable thereto adopted by the Board. The Board may adopt rules applicable to the provisions of this Section and their enforcement, 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. The foregoing notwithstanding,

nothing included herein shall be construed as preventing Declarant and its agents and assigns from engaging in all forms of construction and sales activities within the Condominium.

9.12. Oil and Mineral Activity. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon the surface of the Condominium, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be installed upon the surface of the Condominium or within five hundred (500) feet below the surface of the Condominium. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the Condominium.

9.13. Animals. No animals, livestock, birds, reptiles, or poultry of any kind shall be raised, bred or kept in any Unit or upon the Condominium, except that one (1) dog, two (2) domestic cats, or other household pets approved by the Board may be kept by Owners within a Unit provided such pets are not raised, bred, kept or maintained for any commercial purpose. Notwithstanding the foregoing, no animal or fowl may be kept within a Unit which, in the good faith judgment of the Board, results in an annoyance or is obnoxious to Owners or Occupants within the Condominium and the Board may exercise this judgment for specific pets even though others are permitted to remain. All animals permitted to be kept by this Section shall be kept on a leash, and all fecal matter shall be immediately cleaned up when on any portion of the Condominium except within a Unit. The Board may adopt Association Rules applicable to the provisions of this Section and to the keeping of pets within the Condominium, and their enforcement, including the assessment of charges to Owners and Occupants who violate such rules. Any charges so assessed shall be special Assessments.

9.14. Leases. Any agreement for the leasing, rental, or occupancy of a Unit (hereinafter in this Section referred to as a "lease") shall be in writing and a copy thereof shall be delivered to the Association and the Master Association before the term of the Lease commences. Every lease shall provide that the terms of such lease shall be subject in all respects to the provisions of this Declaration, the Bylaws and the Association Rules, and the Master Association Rules. Said lease shall further provide that any failure by the Occupant thereunder to comply with the terms of the foregoing documents shall be a default under the lease. If any lease does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the lease and binding on the Owner and Occupant by virtue of their inclusion in this Declaration. No Owner shall be permitted to lease his Unit for transient or

hotel purposes, which shall be defined as rental for any period of less than thirty (30) days. No Owner may lease less than his entire Unit. Any Owner who shall lease his Unit shall be responsible for assuring compliance by the Occupant with this Declaration, the Bylaws and the Association Rules. 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 this Declaration, the Bylaws or the Association Rules within ten (10) days after receipt of written demand so to do from the Board, shall entitle the Association, through the Board, to take any and all such action including the institution of proceedings in forcible entry and detainer on behalf of such Owner against his Occupant. Neither the Association nor any agent retained by the Association to manage the Condominium shall be liable to the Owner or Occupant for any eviction under this Section that is made in good faith. Any expenses incurred by the Association, including attorneys' fees and costs of suit, shall be repaid to it by such Owner. Failure by such Owner to make such repayment within ten (10) days after receipt of a written demand therefor shall entitle the Board to levy a special Assessment against such Owner and his Unit for all such expenses incurred by the Association. In the event such special Assessment is not paid within thirty (30) days of its due date, the Board may resort to all remedies of the Association for the collection thereof. Other than as stated in this Section 9.14, there is no restriction on the right of any Owner to lease or otherwise grant occupancy rights to a Unit.

9.15. Landscape Maintenance. The Declarant and the Association shall have the right to maintain all landscaping in the Common Elements and Limited Elements as specified in Article 4 hereof. The Declarant and the Association shall have the right of access to all areas of the Condominium which are necessary for such landscape maintenance.

9.16. Floor Load/No Waterbeds. There shall be no floor load in excess of the weight for which the Unit or balcony was designed, unless special arrangements are made, and an engineering determination of floor load capacity in the area of the heavy use is approved in writing by the Association. No waterbeds are permitted to be installed, maintained, or used on the second floors of any of the Units in the Condominium.

9.17. Single Family Occupancy. The use of each Unit is restricted to single family occupancy and accessory uses as permitted herein. Except for those activities conducted as part of the marketing and development program for the Condominium by Declarant, no

industry, business, trade, or commercial activities (other than home professional pursuits without employees, public visits, or nonresidential storage and mail), or other use of the Unit, shall be conducted, maintained, or permitted in any part of a Unit, nor shall any Unit be used or rented for transient, hotel, or motel purposes. Single family occupancy is defined as a single housekeeping unit, operated on a nonprofit, noncommercial basis between its occupants, cooking and eating with a common kitchen and dining area, where all residents are members of a family related by blood, adoption, or marriage, except for not more than two (2) additional persons not so related may reside in a Unit, and except occupancy of any Unit shall be limited to not more than two (2) individuals per bedroom as designated on the plans for each Unit set forth on the Plat.

9.18. No Subdivision of Units or Further Restriction. No Unit shall be split, subdivided, or separated into two or more Units, and no Owner of a Unit shall sell or lease less than all of the Unit. No subdivision plat or further covenants, conditions, or restrictions (other than Tract Declarations executed and recorded in furtherance of the Master Declaration) shall be recorded by any Owner or other Person with respect to any Unit unless the Board has first approved the plat or the proposed covenants, conditions, or restrictions, such approval to be evidenced by the Association's signature on the final recorded plat or instrument imposing the covenants, conditions, or restrictions. Any plat or covenants, conditions, or restrictions recorded in violation of this Section shall be absolutely null and void. The Board's review shall be for the purpose of assuring, in the sole and absolute discretion of the Board, that the plat or covenants, conditions, and restrictions are consistent and compatible with the overall plan of development of the Property. However, in no event shall the approval of the Board of any plat or covenant, condition, or restriction be deemed an abandonment or waiver of any provision of this Declaration or of any Tract Declaration. The provisions of this Declaration and any applicable Tract Declaration shall be and remain superior to any such plat or covenant, conditions, or restriction.

9.19. Architectural Control. No exterior changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the architectural committee of the Master Association and the prior written approval of the Board or any committee established by the Board for that purpose. By way of illustration but not of limitation the following are considered exterior changes: painting, landscaping, repairs,

excavation, patio covers, screens, doors, evaporative coolers, fireplaces, skylights, storage buildings, solar collectors, shade screens, awnings, window coating or tinting, decorative alterations or other work which in any way alters the exterior appearance of the Property. The Board, or committee established by the Board for that purpose, and the architectural committee of the Master Association, may designate the design, style, model and manufacturer of any exterior improvement or alteration which is acceptable to the Board. Such designations shall be for the purpose of achieving uniformity of appearance and preservation of property values. No interior structural changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the Board, or any committee established by the Board for that purpose and the architectural committee of the Master Association. By way of illustration but not of limitation the following are considered interior structural changes: moving, removing, adding or altering walls, doorways, and the like.

9.20. Lighting. Garage mounted exterior lighting fixtures and walkway and landscaping lights shall be required for each Unit and must be illuminated from dusk to dawn each day as determined by the Board and the architectural committee of the Master Association. Exterior lighting of Limited Common Elements shall be allowed only to the extent approved by the Board and the architectural committee of the Master Association.

9.21. Association Rules. The Association 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. The Board's determination as to whether a particular activity being conducted or to be conducted violates or will violate such Association Rules shall be conclusive unless, at a regular or special meeting of the Association, Owners representing a majority of the Allocated Interests in the votes of the Association vote to the contrary.

9.22. Variances. The Board may, at its option and in extenuating circumstances, grant variances from the Restrictions set forth in Article 9 of this Declaration if the Board determines in its discretion (a) either (i) that a Restriction would create an unreasonable hardship or burden on an Owner or Occupant, or (ii) that a change of circumstances since the recordation of this Declaration has rendered such Restriction obsolete and (b) that the activity permitted under the variance will not have any substantial adverse effect on the Owners or Occupants of the Condominium and is consistent with the high quality

of life intended for residents of the Condominium and Gainey Ranch and does not conflict with or contradict the Master Declaration.

ARTICLE 10. -- INSURANCE

10.1. Authority to Purchase. Commencing not later than the date a Unit is conveyed to a Person other than Declarant, the Association shall have the authority to and shall obtain and maintain, to the extent reasonably available, the insurance specified in this Article; provided, however, the Association shall always comply with the insurance requirements of the Act.

10.2. Hazard Insurance. To the extent available, the Board shall obtain a master or blanket policy of property insurance on the entire Condominium including the Units and the Common Elements (excluding land and personal property) insuring the Condominium against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and against loss or damage by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage not resulting from poor design or workmanship or lack of routine maintenance. Such master policy of property insurance shall be in a total amount of insurance equal to the greater of (i) 80% of the actual cash value of the insured property at the time insurance is purchased and at each renewal date or (ii) 100% of the current replacement cost, exclusive of land, excavations, foundations and other items normally excluded from such property policies. Such master policy of property insurance shall contain an Agreed Amount Endorsement or its equivalent, if available, or an Inflation Guard Endorsement, together with such endorsements as the Association deems appropriate to protect the Association and the Owners.

10.3. Comprehensive Public Liability Insurance. To the extent available, the Association shall obtain comprehensive general liability insurance insuring the Association, the Declarant, the agents and employees of the Association and the Declarant, the Owners and Occupants and the respective family members, guests and invitees of the Owners and Occupants, against liability incident to the use, ownership, or maintenance of the Common Elements or membership in the Association. The limits of such insurance shall not be less than \$1,000,000.00 covering all claims for death of or injury to any one person and/or property damage in any single occurrence. Such insurance shall contain a Severability of Interest

Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner or Occupant. Such insurance shall also include protection against water damage liability, liability for non-owned and hired automobiles, and liability for the property of others. Such insurance must provide that, despite any provisions giving the carrier the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the approval of the Association. The Board shall adjust the amount of the insurance carried under this Section from time to time.

10.4. Workmen's Compensation Insurance. The Board shall purchase and maintain in effect workmen's compensation insurance for all employees of the Association to the extent that such insurance is required by law.

10.5. Fidelity Insurance. The Board shall obtain fidelity coverage against dishonest acts on the part of directors, officers, employees or volunteers who handle or who are responsible for handling the funds of the Association. Such fidelity bonds shall name the Association as obligee and shall be written in an amount equal to one hundred fifty percent (150%) of the estimated current annual Common Expenses of the Association, including reserves, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

10.6. Premiums. Premiums upon insurance policies purchased by the Board on behalf of the Association shall be paid by the Association as part of the Common Expenses.

10.7. Policy Provisions.

- (a) Any insurer that has issued an insurance policy to the Association under this Article shall also issue a certificate or memoranda of insurance to the Association and, upon request, to any Owner or Lender.
- (b) The named insured under any policy of insurance shall be the Association, as trustee for the Owners, or its authorized representative, including any trustee with which the Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be referred to as the "Insurance Trustee" who shall have exclusive authority to negotiate losses under the policies. The policy shall provide that each Owner shall be an insured person under the policy with respect to liability arising out of his or her interest in the Common Elements or membership in the Association. Each Owner hereby appoints the Association, or any Insurance Trustee, as attorney-in-fact for the purpose of purchasing and maintaining insurance required by this Article, and adjustment of all losses related thereto, including: the collection and appropriate disposition of all insurance

proceeds, the negotiation of all losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to administer such insurance. The Association shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the Owners and their Lenders, as their interests may appear. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors or assigns of an Owner.

- (c) The Association's insurance shall contain the "Special Condominium Endorsement" or its equivalent. Insurance coverage obtained by the Association shall be primary insurance and may not be brought into contribution with insurance purchased by the Owners.
- (d) Coverage must not be limited by (i) any act or neglect by Owners or Occupants which is not within control of the Association; or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Condominium over which the Association has no control.
- (e) Coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premiums) and the insurer may not refuse to renew the policy without at least thirty (30) days prior written notice to the Association and all Lenders, and to any Owner to whom a certificate has been issued.
- (f) All policies must contain a waiver of subrogation by the insurer as to any and all claims against the Association, Owners, Occupants and their respective agents and employees, and any defenses based on co-insurance or on invalidity arising from acts of the insured.

10.8. Supplemental Insurance. The Board may obtain such other policies of insurance in the name of the Association as the Board deems appropriate to protect the Association and Owners, including, without limitation, director's and officer's liability insurance for officers and directors of the Association. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by Federal National Mortgage Association and Government National Mortgage Association, so long as either is a mortgagee or Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

10.9. Annual Insurance Report. Not later than sixty (60) days prior to the beginning of each fiscal year, the Board may obtain a written report by a reputable independent insurance broker or consultant setting forth the existing insurance obtained pursuant to this Article and stating whether, in the opinion of such broker or consultant, the insurance complies

with the requirements of this Article and the Act. Such report may also set forth recommendations regarding current policy provisions and for additional insurance reasonably required for the protection of the Owners and Lenders in light of the insurance then available and the prevailing practice with respect to other similar Condominium projects. The Board shall be fully protected in relying on the written report furnished pursuant to this Section provided reasonable care and prudence were exercised in selecting such independent insurance broker or consultant.

10.10. Insurance Obtained by Owners. An Owner or Occupant shall be permitted to insure his personal property against loss by fire or other casualty and may carry public liability insurance covering his individual liability for damage to persons or property occurring inside his Unit. An Owner may carry additional hazard insurance covering the improvements in his Unit so long as it is limited to the type and nature of coverage commonly known as "tenant improvements" as well as additional liability insurance covering exposure from the ownership or use of the Common Elements. All such policies as may be carried by an Owner shall contain waivers of subrogation of claims against the Association, the Board, other Owners or Occupants, the Declarant and the agents and employees of each of the foregoing. All such policies as may be carried by an Owner shall not adversely affect or diminish any liability under any insurance obtained by the Association, and the Owner shall deposit a duplicate copy or certificate of any such other policy with the Board, except for casualty policies covering personal property and liability policies covering loss within the Unit. Except as provided in this Section 10.10, or as permitted by the Act, no Owner shall separately insure his Unit against loss by fire or other casualty covered by any insurance carried by the Association. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable under policies issued to the Association that results from the existence of such other insurance will be chargeable to the Owner who acquired the other insurance and such Owner will be liable to the Association to the extent of any diminution.

ARTICLE 11. -- DESTRUCTION OF IMPROVEMENTS

11.1. Automatic Reconstruction. In the event of partial or total destruction of a building or buildings or any portion of the Common Elements within the Condominium, the Board shall promptly take the following action:

- (a) The Board shall ascertain the cost of reconstruction by obtaining fixed price bids from at least two (2) reputable contractors, including the obligation to obtain performance and lien payment bonds.
- (b) The Board shall determine the amount of insurance proceeds, if any, payable by contacting the appropriate representative of the insurer carrying the policy covering the Condominium.
- (c) If the Board determines: (i) that insurance proceeds will cover eighty-five percent (85%) or more of the estimated cost of reconstruction, or (ii) that available insurance proceeds together with available reserves and/or a special Assessment equal to twenty-five percent (25%) or less of the then aggregate annual regular Assessments for all Units will completely cover the estimated cost of reconstruction, then the Board shall cause notice to be sent to all Owners and to all Lenders encumbering Units within the Condominium setting forth such findings and informing said Owners and Lenders that the Board intends to commence reconstruction pursuant to this Declaration. In the event that Owners representing at least twenty percent (20%) of the Allocated Interests in the votes of the Association object in writing to such reconstruction as indicated in such notice, the Board shall call a special meeting of the Owners pursuant to Section 11.2. In the event that the foregoing requirements are satisfied and the requisite number of Owners do not object in writing to such reconstruction, the Board shall cause reconstruction to take place as promptly as practicable thereafter. In connection with such reconstruction, the Board shall levy a uniform special Assessment against each Owner at such time and in such amount as the Board shall determine is necessary to cover the costs of reconstruction in excess of insurance proceeds and available reserves.
- (d) If the Board in good faith determines that none of the bids submitted under this Section reasonably reflects the anticipated reconstruction costs, the Board shall continue to attempt to obtain an additional bid which it determines reasonably reflects such costs. Such determination shall be made by the Board as soon as possible. However, if such determination cannot be made within ninety (90) days after the date of such destruction because of the unavailability or unacceptability of an insurance estimate or reconstruction bid, or otherwise, the Board shall immediately call a meeting of the affected Owners and all Lenders pursuant to Section 11.2.
- (e) If the Board determines that any Unit has become uninhabitable by reason of its total or partial destruction, Assessments may abate against the Owner thereof until the Board determines that habitability has been restored. However, if the Board determines that such abatement would adversely and substantially affect the management, maintenance and operation of the Condominium, it may elect to disallow such abatement.

11.2. Reconstruction by Vote. If reconstruction is not to take place pursuant to Section 11.1, as soon as practicable after same has been determined the Board shall call a special meeting of the Owners by mailing a notice of such meeting to each such Owner. Such meeting shall be held not less than ten (10) days and not more than sixty (60) days after the date of such notice. Unless the Owners, by a vote at such meeting or by the written consent

of not less than eighty percent (80%) of the Allocated Interests in the votes of the Association (including every Owner of a Unit or an allocated Limited Common Element which will not be rebuilt) determine not to proceed with such reconstruction, reconstruction must take place and the Board shall levy a uniform special Assessment against each Owner at such time and in such amount as the Board shall determine is necessary to cover the costs of reconstruction in excess of insurance proceeds and available reserves.

11.3. Procedure for Minor Reconstruction. If the cost of reconstruction is equal to or less than ten percent (10%) of the estimated fair market value of all of the Units in the Condominium, then the Board shall contract with a licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of the Condominium in conformance with the original plans and specifications, or if the Board determines that adherence to such original plans and specifications is impracticable or is not in conformance with applicable laws, ordinances, building codes, or other governmental rules or regulations then in effect, then such repairs or rebuilding shall be of a kind and quality substantially equivalent to the original construction of such improvements.

11.4. Procedure for Major Reconstruction. If the cost of reconstruction is greater than ten percent (10%) of the estimated fair market value of all of the Units in the Condominium, all insurance proceeds, together with such amounts from available reserves or special Assessments as are needed to complete the cost of reconstruction, shall be paid directly to a bank or savings and loan association located in Maricopa County, Arizona, whose accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or the successor to either agency, as designated by the Board, as trustee (hereinafter called the "Insurance Trustee") for all Owners and Lenders. Such proceeds shall be received, held and administered by the Insurance Trustee subject to the provisions of an insurance trust agreement which shall be consistent with the provisions of this Declaration and which shall be entered into between the Insurance Trustee and the Board. Disbursement of such funds shall be made only upon the signatures of two members of the Board and upon the terms and conditions provided in this Section. As soon as practicable after notification of the receipt of insurance proceeds by the Insurance Trustee, the Board shall enter into a contract with a licensed contractor or contractors for the repair or rebuilding of all of the damaged or destroyed Units and Common Elements according to the original plans and specifications of

said improvements or, if the Board determines that adherence to such original plans and specifications is impracticable or not in conformity with applicable statutes, ordinances, building codes, or other governmental rules and regulations then in effect, then of a quality and kind substantially equivalent to the original construction of such improvements. The contract with such licensed contractor or contractors shall provide for payment to the contractor or contractors of a specified sum for performance and execution of the work therein described, and shall have provisions for periodic disbursement of funds by the Insurance Trustee, which shall be consistent with procedures then followed by prudent lending institutions doing business in Maricopa County, Arizona. Such periodic disbursements of funds shall be for specific dollar amounts and shall not be paid until the contractor who is engaged by the Board shall furnish to the Board before the commencement of construction a full performance and lien payment bond written by a good and responsible corporate surety. Disbursements to the contractor shall be made subject to the prior presentation of an architect's certificate or other documentation containing such provisions as may be appropriate in the circumstances and deemed suitable by the Board. The Board may employ a licensed architect to supervise the repair and rebuilding to insure that all work, services and supplies are in conformity with the requirements of the construction contract.

11.5. Determination not to Reconstruct Without Termination. If Owners of not less than eighty percent (80%) of the Allocated Interests in the votes of the Association (including every Owner of a Unit or an allocated Limited Common Element which will not be rebuilt after a casualty) vote not to rebuild and the entire Condominium is not repaired or replaced, and the Condominium is not terminated in accordance with the Act, the insurance proceeds shall be distributed as provided by the Act and the Allocated Interests are automatically reallocated as provided by the Act. In such event the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

11.6. Termination. Upon the occurrence of a casualty to the Condominium, the Condominium will be terminated, in accordance with the Act, if Owners of not less than eighty percent (80%) of the Allocated Interests in the votes of the Association agree to such termination and evidence such assent by the execution or ratification of a termination agreement in accordance with the Act.

11.7. Negotiations with Insurer. The Association shall have full authority to negotiate in good faith with representatives of the insurer of any totally or partially destroyed building or any other portion of the Common Elements, and to make settlements with the insurer for less than full insurance coverage on the damage to such building or any other portion of the Common Elements. Any settlement made by the Association in good faith shall be binding upon all Owners and Lenders.

11.8. Repair of Units. Installation of improvements to, and repair of any damage to, the interior of a Unit shall be made by and at the individual expense of the Owner of that Unit and, in the event of a determination to reconstruct after partial or total destruction, shall be completed as promptly as practicable and in a lawful and workmanlike manner.

11.9. Priority. Nothing contained in this Article shall entitle an Owner to priority over any Lender under a lien encumbering his Unit as to any portion of insurance proceeds allocated to such Unit.

ARTICLE 12. -- EMINENT DOMAIN

12.1. Total Taking of a Unit. If a Unit is taken by eminent domain, or sold under threat thereof, or if part of a Unit is taken by eminent domain, or sold under threat thereof, leaving the Owner with a remnant which may not be practically or lawfully used for any purpose permitted by this Declaration, the award must compensate the Owner for his Unit and Allocated Interest in the Common Elements, regardless of whether any Common Elements are taken. Upon such a taking, unless the decree otherwise provides, that Unit's Allocated Interest in the Common Elements shall automatically be reallocated to the remaining Units in proportion to their respective interests immediately before the taking. Upon such a taking, the Association shall prepare, execute, and record an amendment to the Declaration in compliance with the Act. Any remnant of a Unit remaining after part of a Unit is taken becomes a Common Element.

12.2. Partial Taking of a Unit. Except as provided in Section 12.1, if part of a Unit is taken by eminent domain, or sold under threat thereof, so that such Unit may still be practically and lawfully used under this Declaration, the award must compensate the Owner for the reduction in the value of his Unit and Allocated Interest in the Common Elements, regardless of whether any Common Elements are taken. Upon such a taking, unless the decree

otherwise provides, that Unit's Allocated Interest in the Common Elements shall remain the same, but if the decree provides for a reduction of the Allocated Interest for such Unit, the reduced amount shall automatically be reallocated to that Unit and the remaining Units in proportion to their respective Allocated Interests immediately before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Allocated Interest.

12.3. Taking of a Limited Common Element. If the portion of the Condominium taken by eminent domain, or sold under threat thereof, is comprised of or includes any Limited Common Element or portion thereof, the portion of the award attributable to the Limited Common Element so taken shall be divided among the Owners of the Units to which such Limited Common Element was allocated at the time of the acquisition.

12.4. Taking of the Common Elements. If the portion of the Condominium taken by eminent domain, or sold under threat thereof, shall not be comprised of, or include, any Unit or Limited Common Element, the Board shall, as soon as practicable, cause the award to be utilized for the purpose of repairing or restoring the portion of the Condominium so taken, and the portion of the award not used for restoration shall be divided among the Owners in proportion to their Allocated Interest in the Common Elements before the taking.

12.5. Taking of Entire Condominium. In the event the Condominium in its entirety is taken by eminent domain, or sold under threat thereof, the Condominium is terminated and the provisions of the Act apply.

12.6. Priority and Power of Attorney. Nothing contained in this Article shall entitle an Owner to priority over any Lender under a lien encumbering his Unit as to any portion of any condemnation award allocated to such Unit. Each Owner hereby appoints the Association as attorney-in-fact for the purpose of negotiations and settlement with the condemning authority for the acquisition of the Common Elements, or any part thereof. In the event the taking involves all or part of the Common Elements, the award or proceeds shall be payable to the Association for the use and benefit of the Owner and their Lenders as their interests may appear. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors or assigns of an Owner.

ARTICLE 13. -- RIGHTS OF LENDERS

13.1. Notices of Lenders. A Lender shall not be entitled to receive any notice which this Declaration requires the Association to deliver to Lenders for notice, approval or consent regarding a proposed action or otherwise, unless and until such Lender, or its mortgage servicing contractor, has delivered to the Association a written notice stating that such Lender is the holder of a loan encumbering a Unit within the Condominium and setting forth the information described in Section 13.6. Notwithstanding the foregoing, if any right of a Lender under this Declaration is conditioned on a specific written request to the Association, in addition to having delivered the notice provided in this Section a Lender must also make such request in writing delivered to the Association. Except as provided in this Section, a Lender's rights pursuant to this Declaration, including, without limitation, the priority of any mortgage lien over the lien of Assessments levied by the Association hereunder shall not be affected by the failure to deliver a notice or request to the Association.

13.2. Priority of Lenders. No breach of the Restrictions herein contained, nor the enforcement of any lien provision herein, shall affect, impair, defeat or render invalid the lien or charge of any Lender made in good faith and for value encumbering any Unit, but all of said Restrictions shall be binding upon and effective against any Owner whose title to a Unit is derived through foreclosure or trustee's sale, or otherwise.

13.3. Relationship with Assessment Liens.

- (a) The lien provided for in Article 6 for the payment of Assessments shall be subordinate to the lien of any Lender which was recorded prior to the date any such Assessment becomes due.
- (b) If any Unit which is subject to a monetary lien created by this Declaration is also subject to the lien of a Lender, then: (i) the foreclosure of any lien created by this Declaration shall not operate to affect or impair the lien of such Lender; and (ii) the foreclosure of the lien of a Lender or the sale under a power of sale included in a mortgage or deed of trust shall not operate to affect or impair the lien hereof, except that any Person who obtains an interest thereafter shall take title free of any lien created by this Declaration for any Assessments which became due after the recordation of the mortgage or deed of trust, or any personal obligation for such charges, but such Person shall remain subject to the lien hereof for all charges that shall accrue subsequent to such foreclosure.
- (c) Without limiting the provisions of subsection (b) of this Section, any Lender who obtains title to a Unit by reason of any foreclosure, or deed or assignment in lieu of foreclosure, or any Person who obtains title at a private or judicial foreclosure sale, shall take title to such Unit free of any lien or claim for unpaid Assessments against such Unit which accrued prior to the time such Lender or purchaser takes title to such Unit, except for liens

or claims for a share of such Assessments resulting from a pro rata reallocation of such Assessments to all Units within the Condominium.

- (d) Nothing in this Section shall be construed as releasing any Person from his personal obligation to pay for any Assessments levied pursuant to this Declaration during the period such Person is an Owner.

13.4. Required Lender Approval. Except upon the prior written approval of seventy-five percent (75%) of all Lenders which have provided notice to the Association as described in Section 13.1 and Section 13.6, based on one vote for each Unit encumbered by a loan, neither the Association nor the Board shall be entitled by action or inaction to do any of the following:

- (a) Abandon or terminate by any act or omission the legal status of the Condominium, except for abandonment or termination provided by the Act and/or this Declaration in the case of substantial destruction by fire or other casualty or in the case of a taking by eminent domain; or
- (b) Except as specifically provided by this Declaration, amend any of the following provisions: insurance requirements; expansion or annexation; change of an Owner's Allocated Interest in the Common Elements; or any provision for Lenders requiring consent.

Any Lender who receives a written request to approve a change and who does not return a negative response within thirty (30) days shall be deemed to have approved such request.

13.5. Other Rights of Lenders. Any Lender (and such Lender's insurer or guarantor) shall, upon written request to the Association, be entitled:

- (a) To inspect current copies of this Declaration (and any amendments), the Association's Articles, Bylaws, Association Rules, and other books and records of the Association during normal business hours; and
- (b) To receive an annual financial statement of the Association within ninety (90) days following the end of the Association's fiscal year.

13.6. Notices of Action. Upon written request to the Association identifying the name and address of the Lender (and the name and address of the Lender's insurer or guarantor, if desired) and the Unit Number or address, any such Lender (or any such insurer or guarantor) will be entitled to timely written notice of:

- (a) Any condemnation or casualty loss which affects a material portion of the Condominium or any Unit on which there is a first lien held by such Lender;

- (b) Any delinquency in the payment of Assessments or charges owed by an Owner of a Unit subject to the lien of a Lender, which 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; and
- (d) Any proposed action by the Owners or the Association which would amount to a material change in the Declaration as identified in Section 13.4 hereof.

ARTICLE 14. – LIMITATIONS UPON PARTITION AND SEVERANCE

14.1. No Partition. The right to partition the Condominium is hereby suspended, except that the right to partition shall revive and the Condominium may be sold as a whole when the conditions for such action set forth in the Article 11 dealing with Destruction of Improvements, and Article 12 dealing with Eminent Domain have been met; provided, however, nothing contained in this Section shall be construed as limiting partition by joint Owners, upon the prior written approval of an applicable Lender, of one or more Units as to individual ownership of such Units provided the Condominium is not terminated.

14.2. No Severance. The elements of a Unit and other rights appurtenant to the ownership of a Unit, including Limited Common Elements, if any, are inseparable, and each Owner agrees that he shall not, while this Declaration is in effect, make any conveyance of less than an entire Unit and such appurtenances. Any conveyance made in contravention of this Section shall be void.

14.3. Proceeds of Partition Sale. If an action is brought for the partition of the Condominium by sale, whether upon the occurrence of an event of destruction and a decision not to reconstruct or the taking of all or a portion of the Condominium by eminent domain, Owners shall share in the proceeds of such sale in the same proportion as their Allocated Interest in the Common Elements (or as otherwise provided by the Act), but in such event, the liens and provisions of all Lenders or Assessment liens encumbering Units within the Condominium so encumbered shall extend to each applicable Owner's interest in the proceeds of such partition and sale. The interest of an Owner in such proceeds shall not be distributed to such Owner except upon the prior payment in full of any Assessment lien or lien of a Lender encumbering such proceeds.

ARTICLE 15. -- EXPANSION OF THE CONDOMINIUM

15.1. Reservation of Option to Expand. Declarant intends to develop the Additional Parcel on a phased basis by annexing all or part of the Additional Parcel into the Property; however, Declarant may elect not to develop or annex all or any portion of the Additional Parcel. Without the approval of the Owners or the Association or existing Lenders, Declarant shall have the right to annex all or part of the Additional Parcel by Supplemental Declaration, and Declarant hereby reserves the right, privilege, and option to expand the Property under the name of "8989 GAINEY CENTER DRIVE CONDOMINIUM" by adding one or more portions of the Additional Parcel on a phased basis and related buildings and Units, together with improvements and fixtures located thereon, and easements and rights appurtenant thereto, as provided in this Article 15. However, Declarant shall be under no obligation to expand the Property and makes no assurance that the Additional Parcel will be annexed. No part of the Additional Parcel shall become subject to this Declaration unless and until a Supplemental Declaration shall have been executed and recorded in accordance with this Article 15.

15.2. Supplemental Declaration. A Supplemental Declaration shall be a written instrument in recordable form, recorded in the office of the County Recorder of Maricopa County, Arizona which annexes all or part of the Additional Parcel to the Property under this Declaration; and which incorporates by reference all of the Restrictions and other provisions of this Declaration, and which contains such other provisions as are set forth in this Declaration relating to Supplemental Declarations.

15.3. Maximum Number of Additional Units. The Declarant may elect to add seventy-two (72) or less, additional Units to the Property so that the aggregate number of total Units in the Property shall not exceed a maximum of ninety-six (96). All additional Units shall be used exclusively for residential purposes and such additional Units may be added in one or more phases as Declarant may determine consistent with the phased development plan.

15.4. Time Limitation. Declarant shall have the right to add the seventy-two (72), or less, additional Units to the Property by Supplemental Declaration; provided, however, the right and option of Declarant to add all or any part of the Additional Parcel and related Units to the Property shall extend only for a seven (7) year term commencing upon the date this Declaration is originally recorded.

15.5. Reallocation Formula. The Allocated Interest of each Unit (in the Common Elements, the votes of the Association, and the Common Expenses of the Association) shall be reallocated by a complete restatement in any Supplemental Declaration setting forth such Allocated Interest for the then total number of Units and such Allocated Interest shall be based on a fraction of which the numerator is one (1) and a denominator equal to the number of Units then contained in the Property. The maximum Allocated Interest for each Unit shall be 1/24 and the minimum fractional interest shall be 1/96.

15.6. Compatible Construction. Declarant covenants that all buildings and Units added to the Property, if any, shall be comparable in architectural style and quality of construction.

15.7. Voting and Assessments. Class B voting rights for Declarant as provided by Section 5.3 shall remain effective upon the date of recordation of the Supplemental Declaration. Assessments for additional Units shall be handled in the manner prescribed in Section 5.9.

15.8. Insurance During Expansion. During construction of additional Units in any expanded phase, the Declarant must purchase (at Declarant's own expense) a liability insurance policy in an amount to cover any liability to which Owners of existing Units might be exposed.

ARTICLE 16. -- CONTRACTION OF THE CONDOMINIUM

16.1. Reservation of Option to Withdraw Real Estate. Declarant intends to develop the parcel containing the original twenty-four (24) Units in the first construction phase. Declarant may elect to change its plans (including the layout of the Units) with respect to the subsequent phase or phases or perhaps not build all twenty-four (24) Units presently intended to be built by Declarant. Without the approval of the Owners of the Units, the Association, or existing Lenders, Declarant shall have the right, in one or more instances, to de-annex and withdraw all or part of the Withdrawable Parcels by recording a Supplemental Declaration of Withdrawal, in which event such portion of the Withdrawable Parcels legally described in such Supplemental Declaration of Withdrawal, together with any improvements and fixtures located thereon, may be withdrawn and removed from the Parcel constituting the Condominium; provided, however, that a portion of the Withdrawable Parcels shall not be withdrawn from the

Condominium after a Unit in that portion has been conveyed to a purchaser without the written consent of all Owners of Units and existing Lenders.

16.2. Supplemental Declaration. A Supplemental Declaration of Withdrawal shall be a written instrument in recordable form, recorded in the Office of the County Recorder of Maricopa County, Arizona, which de-annexes and withdraws all or a portion of the Withdrawable Parcels under this Declaration. Upon recordation of the Supplemental Declaration of Withdrawal, Declarant shall have the right to designate all or any such portion of the Withdrawable Parcels which has been withdrawn from the Condominium as part of the Additional Parcel which may later be annexed to the Condominium in accordance with the provisions of Article 16 hereof.

16.3. Minimum Number of Units. Declarant may elect to withdraw up to fifteen (15) Units, or less, provided that the aggregate minimum number of total Units in the Condominium shall be not less than nine (9).

16.4. Reallocation Formula. The Allocated Interest of each Unit in the Common Elements, the votes of the Association, and the Common Expenses of the Association shall be reallocated by a complete restatement in any Supplemental Declaration of Withdrawal setting forth such Allocated Interest for the then total number of Units and such Allocated Interest shall be based on a fraction, the numerator of which is one (1), and the denominator of which is equal to the number of Units then contained in the Property.

ARTICLE 17. -- GENERAL PROVISIONS

17.1. Enforcement. The Association or any Owner shall have the right to enforce, by proceedings at law or in equity, all Restrictions and other provisions now or hereafter imposed by this Declaration, or any amendments thereto, including the right to prevent the violation of any such Restrictions, and the right to recover damages and other sums for such violation. The Association or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Bylaws and Association Rules and any respective amendments thereto.

17.2. No Waiver. Failure by the Association or by any Owner to enforce any Restriction or provision herein contained, or contained in the Bylaws or Association Rules, in

any certain instance or on any particular occasion shall not be deemed a waiver of such right of enforcement as to any such future breach of the same or any other Restriction or provision.

17.3. Cumulative Remedies. All rights, options and remedies of Declarant, the Association, the Owners or the Lenders under this Declaration are cumulative, and no one of them shall be exclusive of any other, and Declarant, the Association, the Owners and the Lenders shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

17.4. Severability. Invalidation of any one or a portion of the Restrictions or provisions set forth in this Declaration or in the Bylaws or Association Rules by judgment or court order shall in no way affect any other Restrictions or provisions contained herein or therein which shall remain in full force and effect.

17.5. Covenants to Run with the Land; Term. The Restrictions and other provisions of this Declaration shall run with and bind the Condominium as equitable servitudes and also as covenants running with the land and shall inure to the benefit of and be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time the Restrictions and other provisions shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed and acknowledged by Owners of not less than seventy-five percent (75%) of the Allocated Interests in the votes of the Association and their Lenders, has been recorded prior to the end of any such period agreeing to change or revoke the Restrictions and other provisions of this Declaration in whole or in part.

17.6. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential condominium community and for the maintenance of the Condominium. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

17.7. Gender and Number. Whenever the context of this Declaration requires, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and the neuter, and vice versa.

17.8. Nuisance. The result of every act or omission whereby any provision or Restriction contained in this Declaration or any provision contained in the Bylaws or Association Rules is violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed at law or in equity against a nuisance, either public or private, shall be applicable with respect to the abatement thereof and may be exercised by the Association or any Owner. Such remedy shall be deemed cumulative to all other remedies set forth in this Declaration and shall not be deemed exclusive.

17.9. Attorneys' Fees. In the event any action is instituted to enforce any of the provisions contained in this Declaration, the Bylaws, or Association Rules, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment reasonable attorneys' fees and costs of suit.

17.10. Notices. Any notice to be given to an Owner, a Lender, or the Association under the provisions of this Declaration shall be in writing and shall be delivered as follows:

- (a) Notice to an Owner shall be delivered personally or placed in the first class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Unit. Any notice so deposited in the mail shall be deemed delivered seventy-two (72) hours after such deposit. In the case of co-Owners, any such notice may be delivered or sent to any one of the co-Owners on behalf of all co-Owners and shall be deemed delivered to all such co-Owners.
- (b) Notice to a Lender shall be delivered by first class United States mail, postage prepaid, to the most recent address furnished by such Lender in writing to the Association for the purpose of notice or, if no such address shall have been furnished, to any office of the Lender in Maricopa County, Arizona, or if no such office is located in Maricopa County, to any office of such Lender. Any notice so deposited in the mail shall be deemed delivered seventy-two (72) hours after such deposit.
- (c) The declaration of an officer or authorized agent of the Association declaring under penalty of perjury that a notice has been mailed to any Owner or Owners, or to any Lender or Lenders, to the address or addresses for the giving of notice pursuant to this Section, shall be deemed conclusive proof of such mailing.
- (d) Notice to the Association shall be delivered by registered or certified United States mail, postage prepaid, addressed to the office of the statutory agent of the Association or as follows:

Gainey Ranch Community Association
7720 Gainey Ranch Road

P. O. Box 4364
Scottsdale, Arizona 85261

Any notice so deposited in the mail shall be deemed delivered upon the date of receipt.

17.11. Effect of Declaration. This Declaration is made for the purposes set forth in the recitals in this Declaration and Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances, regulations and the like applicable thereto. Declarant shall have no liability whatsoever if any of the provisions of this Declaration, the Bylaws or Association Rules are determined to be unenforceable in whole or in part or under certain circumstances.

17.12. Personal Covenant. To the extent the acceptance of a conveyance of a Unit creates a personal covenant between the Owner of such Unit and Declarant, other Owners or the Association, such personal covenant shall terminate and be of no further force or effect from and after the date when a Person ceases to be an Owner except to the extent this Declaration provides for personal liability with respect to the Assessments incurred during the period a Person is an Owner.

17.13. Nonliability of Officials. To the fullest extent permitted by law, neither the Board nor any officer of the Association shall be liable to any Owner or the Association for any damage, loss, or prejudice suffered or claimed on account of any decision, approval or disapproval, course of action, act, omission, error, or negligence if such Board member or officer acted in good faith within the scope of his or their duties.

17.14. Unsegregated Real Property Taxes. Until such time as real property taxes have been segregated by the County Assessor of Maricopa County for the Units, the taxes shall be paid by the Association on behalf of the Owners. In connection with such payment, the proportionate share of such tax or installment thereof for a particular Unit shall be determined by multiplying the tax or installment in question by the respective Allocated Interest of such Unit in the Common Elements. The Association may levy a special Assessment against any Owner who fails to pay his share of any real property taxes pursuant to this Section. In the event such special Assessment is not paid within thirty (30) days of its due date, the Board may resort to all remedies of the Association for the collection thereof.

17.15. Use of Funds Collected by the Association. All funds collected by the Association, including Assessments and contributions to the Association paid by Owners, if any, shall be held by the Association in a fiduciary capacity to be expended in their entirety for non-profit purposes of the Association in managing, maintaining, caring for, and preserving the Common Elements and for other permitted purposes as set forth in this Declaration. No part of said funds shall inure to the benefit of any Owner (other than as a result of the Association managing, maintaining, caring for, and preserving the Common Elements and other than as a result of expenditures made for other permitted purposes as set forth in this Declaration).

17.16. Notification of Sale and Transfer Fee. Concurrently with the consummation of the sale or other transfer of any Unit, or within fourteen (14) days after the date of such transfer, the transferee shall notify the Association in writing of such transfer and shall accompany such written notice with any nonrefundable transfer fee payable pursuant to the Association Rules, to cover Association documentation and processing. The Board may establish a transfer fee, from time to time, which shall be no more than the amount of the then current regular monthly assessment. The written notice shall set forth the name of the transferee and his transferor, the street address of the Unit purchased or acquired by the transferee, the transferee's mailing address, the date of the sale or transfer, and the name and address of the transferee's Lender, if any. Prior to the receipt of such written notice, all notices required or permitted to be given by the Association to the Owner shall be deemed to be duly made or given to the transferee if duly and timely made and given to the transferee's predecessor in interest. The transfer fee shall be the personal obligation of the new Owner and shall be secured by the lien in Section 6.1 hereof. Notwithstanding the other provisions hereof, this Section shall not apply to a Lender who becomes an Owner by a foreclosure proceeding or any deed or assignment in lieu of foreclosure.

17.17. Owner Liability and Indemnification. Each Owner shall be liable to the remaining Owners and to the Association for any damage to the Common Elements that may be sustained by reason of the negligence of that Owner or such Owner's family members, tenants, guests or invitees, but only to the extent that any such damage is not covered by casualty insurance in favor of the Association. Each Owner, by acceptance of a deed for a Unit, agrees personally and for family members, tenants, guests and invitees to indemnify each

and every other Owner, and to hold such other Owners harmless from, and to defend such Owners against, any claim of any person for personal injury or property damage occurring within the Unit of that particular Owner, including any Limited Common Elements, if any, except to the extent (a) that such injury or damage is covered by liability insurance in favor of the Association or any other Owner, or (b) the injury or damage occurred by reason of the willful or negligent act or omission of the Association or other Owner or other person temporarily visiting such Unit.

17.18. Conflicting Provisions. In the case of any conflict between this Declaration and the Bylaws, or Association Rules, this Declaration shall control.

17.19. Master Association Documents. The provisions of this Declaration are subject and subordinate to the provisions of the Master Declaration, the documents of the Master Association, the Tract Declaration, and the Town Center Declaration. To the extent that the provisions of this Declaration are inconsistent with or in derogation of any of the provisions of the Master Declaration, the documents of the Master Association, the Tract Declaration, or the Town Center Declaration, the provisions of such documents, articles, bylaws and rules shall control. In the event an Owner violates any of the provisions of the Master Declaration, the documents of the Master Association, the Tract Declaration, or the Town Center Declaration, and the Master Association fails to restrain or enforce the violation for an unreasonable period of time after receipt of a written request to do so by the Association, such violation may be restrained or enforced as provided in Section 17.1 above, in addition to enforcement under the Master Declaration.

ARTICLE 18. -- AMENDMENTS

18.1. Amendments by Declarant Prior to First Sale. Prior to the conveyance of the first Unit to an Owner other than a Declarant, this Declaration and any amendments thereto may be amended or revoked by the execution by Declarant of an instrument amending or revoking the same.

18.2. Amendments by Declarant After First Sale. Declarant (without obtaining the approval of Owners, the Association, or existing Lenders) may unilaterally amend or modify this Declaration in the exercise of its Development Rights set forth in this Declaration. Also, notwithstanding anything herein to the contrary, Declarant shall have the unilateral right

(without obtaining the approval of the Owners, the Association, or existing Lenders) to amend this Declaration until the Turnover Date (as defined in Section 5.3 of the Declaration), if such amendment is required solely: (i) to comply with applicable law or to correct any error or inconsistency of the Declaration and if such amendment does not adversely affect the rights of any Owner or Lender, or (ii) to comply with the rules or guidelines, in effect from time to time, of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments (including, without limitation, the Veterans Administration, Federal Housing Administration, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or any similar agency). If such amendment bears recitation that it is recorded based on such technical error or the requirements of any of the foregoing agencies, such amendment shall not require approval of any Owners or Lenders.

18.3. Amendments by the Association. The Association shall have the right to amend the Declaration as provided by the Act in cases of eminent domain and to terminate this Declaration as provided by the Act.

18.4. General Amendment Requirements. Except as permitted by Article 3, Article 15, Section 18.1, Section 18.2, Section 18.3, or as otherwise permitted or required by the Act, this Declaration may be amended only by vote or agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. Prior to the Turnover Date, this Declaration shall not be amended without Declarant's prior written consent.

18.5. Protection of Declarant Rights. An amendment shall not terminate or decrease any unexpired Development Right, Special Declarant Right, or period of Declarant control unless the Declarant approves or consents in writing.

18.6. Execution of Amendments. An amendment or revocation which only requires the execution of an instrument by Declarant as hereinabove provided shall be effective when executed by Declarant and when recorded in the office of the County Recorder of Maricopa County, Arizona. An amendment which requires the affirmative written assent or vote of the Owners as hereinabove provided shall be effective when executed by the President and Secretary of the Association who shall certify that the amendment has been so approved

EXHIBIT "A"



2828 North 44th Street
Suite 100
Phoenix, AZ 85008
(602) 957-3350
FAX: (602) 956-5468

RICK ENGINEERING COMPANY

December 6, 1993
Rick No 1497
MEC

REAL ESTATE INITIALLY INCLUDED IN CONDOMINIUM

A portion of the north half of Section 35, and the south half of Section 26, Township 3 North, Range 4 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the northwest corner of said Section 35, said point being the intersection of Scottsdale Road and Double Tree Ranch Road monument lines;

THENCE along said monument line of Double Tree Ranch Road the following courses and distances, N89°22'24"E, 330.00 feet to the beginning of a curve with a radius of 1800.00 feet to the right;

THENCE easterly, along the arc of said curve, through a central angle of 37°09'57", for an arc distance of 1167.60 feet;

THENCE S53°27'39"E, 580.93 feet to the beginning of a curve with a radius of 1800.00 feet to the left;

THENCE southeasterly, along the arc of said curve, through a central angle of 15°24'43", for an arc distance of 484.18 feet to the beginning of a non-tangent line;

THENCE N21°07'39"E, 55.00 feet;

THENCE N26°52'29"E, 279.80 feet;

THENCE N79°40'17"E, 35.31 feet to the POINT OF BEGINNING;

THENCE continuing N79°40'17"E, 263.81 feet;

THENCE N23°21'15"E, 388.56 feet;

THENCE S66°38'45"E, 201.52 feet;

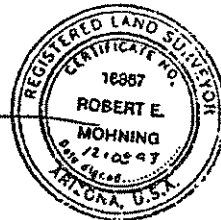
THENCE S42°25'44"E, 110.00 feet;

THENCE N47°34'16"E, 14.92 feet to the beginning of a curve with a radius of 58.00 feet to the right;

THENCE northeasterly, along the arc of said curve, through a central angle of 37°41'33", for an arc distance of 38.16 feet to a point of reverse curvature marking the beginning of a curve with a radius of 15.00 feet to the left;

THENCE easterly, along the arc of said curve, through a central angle of 75°46'04", for an arc distance of 19.84 feet;

THENCE N09°29'45"E, 69.66 feet to the beginning of a curve with a radius of 20.00 feet to the left;



THENCE northerly, along the arc of said curve, through a central angle of 54°35'47", for an arc distance of 19.06 feet;
THENCE N45°06'02"W, 130.56 feet to the beginning of a curve with a radius of 20.00 feet to the left;
THENCE northwesterly, along the arc of said curve, through a central angle of 90°00'00", for an arc distance of 31.42 feet;
THENCE S44°53'58"W, 63.36 feet;
THENCE N45°06'02"W, 19.00 feet to the beginning of a non-tangent curve, the center of which bears N45°06'02"W, 5.00 feet;
THENCE northeasterly, along the arc of said curve to the left, through a central angle of 90°00'00" for an arc distance of 7.85 feet to the beginning of a non-tangent line; THENCE N44°53'58"E, 72.35 feet to the beginning of a curve with a radius of 20.00 feet to the right;
THENCE northeasterly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
THENCE N79°19'30"E, 29.07 feet to the beginning of a curve with a radius of 20.00 feet to the left;
THENCE easterly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
THENCE N44°53'58"E, 14.88 feet to the beginning of a curve with a radius of 20.00 feet to the left;
THENCE northeasterly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
THENCE N10°28'25"E, 29.07 feet to the beginning of a curve with a radius of 20.00 feet to the right;
THENCE northerly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
THENCE N44°53'58"E, 70.88 feet to the beginning of a non-tangent curve, the center of which bears N44°53'58"E, 5.00 feet;
THENCE southeasterly, along the arc of said curve to the left, through a central angle of 90°00'00" for an arc distance of 7.85 feet to the beginning of a non-tangent line; THENCE S45°06'02"E, 19.00 feet;
THENCE S44°53'58"W, 67.21 feet to the beginning of a curve with a radius of 20.00 feet to the left;
THENCE southwesterly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
THENCE S10°28'25"W, 13.01 feet to the beginning of a curve with a radius of 20.00 feet to the left;
THENCE southerly, along the arc of said curve, through a central angle of 55°34'28", for an arc distance of 19.40 feet;
THENCE S45°06'02"E, 97.08 feet to the beginning of a curve with a radius of 60.00 feet to the right;
THENCE southeasterly, along the arc of said curve, through a central angle of 84°23'34", for an arc distance of 88.38 feet to a point of reverse curvature marking the beginning of a curve with a radius of 45.00 feet to the left;

THENCE southwesterly, along the arc of said curve, through a central angle of 29°47'47",
 for an arc distance of 23.40 feet;
 THENCE S09°29'45"W, 63.30 feet to the beginning of a curve with a radius of 20.00 feet
 to the left;
 THENCE southerly, along the arc of said curve, through a central angle of 82°23'55", for
 an arc distance of 28.76 feet;
 THENCE S72°54'10"E, 58.30 feet to the beginning of a curve with a radius of 328.00
 feet to the right;
 THENCE easterly, along the arc of said curve, through a central angle of 01°09'15", for an
 arc distance of 6.61 feet to the beginning of a non-tangent line;
 THENCE N54°29'45"E, 33.89 feet;
 THENCE N09°29'45"E, 63.87 feet;
 THENCE N45°00'00"E, 40.45 feet;
 THENCE North, 77.15 feet;
 THENCE S77°57'58"E, 58.03 feet;
 THENCE S10°00'00"W, 18.07 feet;
 THENCE S13°26'20"W, 44.08 feet;
 THENCE S07°00'00"W, 49.97 feet;
 THENCE S00°19'36"W, 57.99 feet;
 THENCE South, 49.97 feet;
 THENCE S45°00'00"E, 27.67 feet to the beginning of a non-tangent curve, the center of
 which bears N14°16'42"E, 100.00 feet;
 THENCE easterly, along the arc of said curve to the left, through a central angle of
 15°08'11" for an arc distance of 26.42 feet to the beginning of a non-tangent line;
 THENCE N84°49'32"E, 29.99 feet to the beginning of a non-tangent curve, the center of
 which bears N00°51'29"W, 30.00 feet;
 THENCE easterly, along the arc of said curve to the left, through a central angle of
 97°25'59" for an arc distance of 51.02 feet to a point of reverse curvature marking the
 beginning of a curve with a radius of 328.00 feet to the right;
 THENCE northerly, along the arc of said curve, through a central angle of 20°00'00", for
 an arc distance of 114.49 feet;
 THENCE N11°42'33"E, 101.74 feet to the beginning of a curve with a radius of 600.00 feet
 to the left;
 THENCE northerly, along the arc of said curve, through a central angle of 03°40'33", for
 an arc distance of 38.49 feet;
 THENCE N08°02'00"E, 54.88 feet to the beginning of a curve with a radius of 20.00 feet
 to the left;
 THENCE northerly, along the arc of said curve, through a central angle of 81°22'23", for
 an arc distance of 28.40 feet to a point of reverse curvature marking the beginning of a
 curve with a radius of 40.00 feet to the right;
 THENCE westerly, along the arc of said curve, through a central angle of 31°19'32", for an
 arc distance of 21.87 feet to a point of reverse curvature marking the beginning of a curve
 with a radius of 20.00 feet to the left;
 THENCE northwesterly, along the arc of said curve, through a central angle of 80°33'27",

for an arc distance of 28.12 feet;
 THENCE S57°25'42"W, 47.25 feet to the beginning of a curve with a radius of 47.00 feet to the left;
 THENCE southwesterly, along the arc of said curve, through a central angle of 15°13'51", for an arc distance of 12.49 feet to the beginning of a non-tangent line;
 THENCE S42°03'53"W, 65.01 feet;
 THENCE N47°56'08"W, 23.00 feet to the beginning of a non-tangent curve, the center of which bears N47°56'08"W, 5.00 feet;
 THENCE northeasterly, along the arc of said curve to the left, through a central angle of 90°00'00" for an arc distance of 7.85 feet to the beginning of a non-tangent line; THENCE N42°03'52"E, 59.90 feet to the beginning of a curve with a radius of 75.00 feet to the right;
 THENCE northeasterly, along the arc of said curve, through a central angle of 15°21'49", for an arc distance of 20.11 feet;
 THENCE N57°25'42"E, 91.68 feet to the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE northeasterly, along the arc of said curve, through a central angle of 14°14'24", for an arc distance of 4.97 feet to a point of reverse curvature marking the beginning of a curve with a radius of 40.00 feet to the right;
 THENCE northeasterly, along the arc of said curve; through a central angle of 109°48'42", for an arc distance of 76.66 feet to the beginning of a non-tangent line;
 THENCE N63°00'00"E, 13.74 feet;
 THENCE S08°02'00"W, 352.08 feet;
 THENCE S81°58'00"E, 87.42 feet;
 THENCE S58°01'26"E, 68.16 feet to the beginning of a non-tangent curve, the center of which bears N58°01'26"W, 179.50 feet;
 THENCE southwesterly, along the arc of said curve to the right, through a central angle of 57°09'56" for an arc distance of 179.09 feet;
 THENCE S89°08'31"W, 118.81 feet to the beginning of a curve with a radius of 420.50 feet to the left;
 THENCE westerly, along the arc of said curve to the left, through a central angle of 42°19'56" for an arc distance of 310.68 feet;
 THENCE S46°48'34"W, 42.16 feet to the beginning of a curve with a radius of 299.50 feet to the right;
 THENCE southwesterly, along the arc of said curve, through a central angle of 42°48'26", for an arc distance of 223.77 feet;
 THENCE S89°37'00"W, 64.51 feet to the beginning of a curve to the left with a radius of 180.50 feet;
 THENCE westerly, along the arc of said curve to the left, through a central angle of 39°00'00" for an arc distance of 122.86 feet to the beginning of a non-tangent line;
 THENCE N39°23'00"W, 35.00 feet to the beginning of a curve with a radius of 295.38 feet to the left;
 THENCE northwesterly, along the arc of said curve, through a central angle of 35°00'52", for an arc distance of 180.51 feet to the beginning of a non-tangent line;
 THENCE N74°23'52"W, 93.74 feet to the POINT OF BEGINNING, as shown on Exhibit

"A" attached herewith as page 6 of 6. Subject parcel comprising 6.9765 acres, more or less, and subject to all easements of record.

EXHIBIT "A"



2828 North 44th Street
 Suite 100
 Phoenix, AZ 85008
 (602) 957-3350
 FAX: (602) 956-5488

RICK ENGINEERING COMPANY

December 6, 1993
 Rick No 1497
 MEC

REAL ESTATE TO BE ANNEXED INTO CONDOMINIUM

A portion of the north half of Section 35, and the south half of Section 26, Township 3 North, Range 4 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the northwest corner of said Section 35, said point being the intersection of Scottsdale Road and Double Tree Ranch Road monument lines;

THENCE along said-monument line of Double Tree Ranch Road the following courses and distances, N89°22'24"E, 330.00 feet to the beginning of a curve with a radius of 1800.00 feet to the right;

THENCE easterly, along the arc of said curve, through a central angle of 37°09'57", for an arc distance of 1167.60 feet;

THENCE S53°27'39"E, 580.93 feet to the beginning of a curve with a radius of 1800.00 feet to the left;

THENCE southeasterly, along the arc of said curve, through a central angle of 15°24'43", for an arc distance of 484.18 feet to the beginning of a non-tangent line;

THENCE N21°07'39"E, 55.00 feet;

THENCE N26°52'29"E, 279.80 feet;

THENCE N79°40'17"E, 35.31 feet;

THENCE continuing N79°40'17"E, 263.81 feet;

THENCE N23°21'15"E, 388.56 feet to the POINT OF BEGINNING;

THENCE continuing N23°21'15"E, 91.44 feet;

THENCE N27°58'34"E, 281.79 feet;

THENCE S87°18'10"E, 436.38 feet;

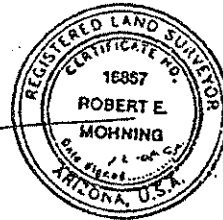
THENCE S81°16'48"E, 125.01 feet;

THENCE S08°02'00"W, 99.24 feet;

THENCE S63°00'00"W, 13.74 feet to the beginning of a non-tangent curve, the center of which bears S63°00'00"W, 40.00 feet;

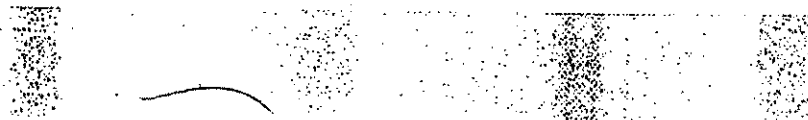
THENCE northwesterly, along the arc of said curve to the left, through a central angle of 109°48'42" for an arc distance of 76.66 feet to a point of reverse curvature marking the beginning of a curve with a radius of 20.00 feet to the right;

THENCE southwesterly, along the arc of said curve, through a central angle of 14°14'24",



THENCE southwesterly, along the arc of said curve, through a central angle of $14^{\circ}14'24''$, for an arc distance of 4.97 feet;
 THENCE $S57^{\circ}25'42''W$, 91.68 feet to the beginning of a curve with a radius of 75.00 feet to the left;
 THENCE southwesterly, along the arc of said curve, through a central angle of $15^{\circ}21'49''$, for an arc distance of 20.11 feet;
 THENCE $S42^{\circ}03'52''W$, 59.90 feet to the beginning of a non-tangent curve, the center of which bears $S42^{\circ}03'52''W$, 5.00 feet;
 THENCE southeasterly, along the arc of said curve to the right, through a central angle of $90^{\circ}00'00''$ for an arc distance of 7.85 feet to the beginning of a non-tangent line;
 THENCE $S47^{\circ}56'08''E$, 23.00 feet;
 THENCE $N42^{\circ}03'53''E$, 65.01 feet to the beginning of a non-tangent curve, the center of which bears $S47^{\circ}48'09''E$, 47.00 feet;
 THENCE northeasterly, along the arc of said curve to the right, through a central angle of $15^{\circ}13'51''$ for an arc distance of 12.49 feet;
 THENCE $N57^{\circ}25'42''E$, 47.25 feet to the beginning of a curve with a radius of 20.00 feet to the right;
 THENCE northeasterly, along the arc of said curve, through a central angle of $80^{\circ}33'27''$, for an arc distance of 28.12 feet to a point of reverse curvature marking the beginning of a curve with a radius of 40.00 feet to the left;
 THENCE southeasterly, along the arc of said curve, through a central angle of $31^{\circ}19'32''$, for an arc distance of 21.87 feet to a point of reverse curvature marking the beginning of a curve with a radius of 20.00 feet to the right;
 THENCE easterly, along the arc of said curve, through a central angle of $81^{\circ}22'23''$, for an arc distance of 28.40 feet;
 THENCE $S08^{\circ}02'00''W$, 54.88 feet to the beginning of a curve with a radius of 600.00 feet to the right;
 THENCE southerly, along the arc of said curve, through a central angle of $03^{\circ}40'33''$, for an arc distance of 38.49 feet;
 THENCE $S11^{\circ}42'33''W$, 101.74 feet to the beginning of a curve with a radius of 328.00 feet to the left;
 THENCE southerly, along the arc of said curve, through a central angle of $20^{\circ}00'00''$, for an arc distance of 114.49 feet to a point of reverse curvature marking the beginning of a curve with a radius of 30.00 feet to the right;
 THENCE southerly, along the arc of said curve, through a central angle of $97^{\circ}25'59''$, for an arc distance of 51.02 feet to the beginning of a non-tangent line;
 THENCE $S84^{\circ}49'32''W$, 29.99 feet to the beginning of a non-tangent curve, the center of which bears $N00^{\circ}51'29''W$, 100.00 feet;
 THENCE westerly, along the arc of said curve to the right, through a central angle of $15^{\circ}08'11''$ for an arc distance of 26.42 feet to the beginning of a non-tangent line;
 THENCE $N45^{\circ}00'00''W$, 27.67 feet;
 THENCE North, 49.97 feet;
 THENCE $N00^{\circ}19'36''E$, 57.99 feet;
 THENCE $N07^{\circ}00'00''E$, 49.97 feet;

EXHIBIT "B"

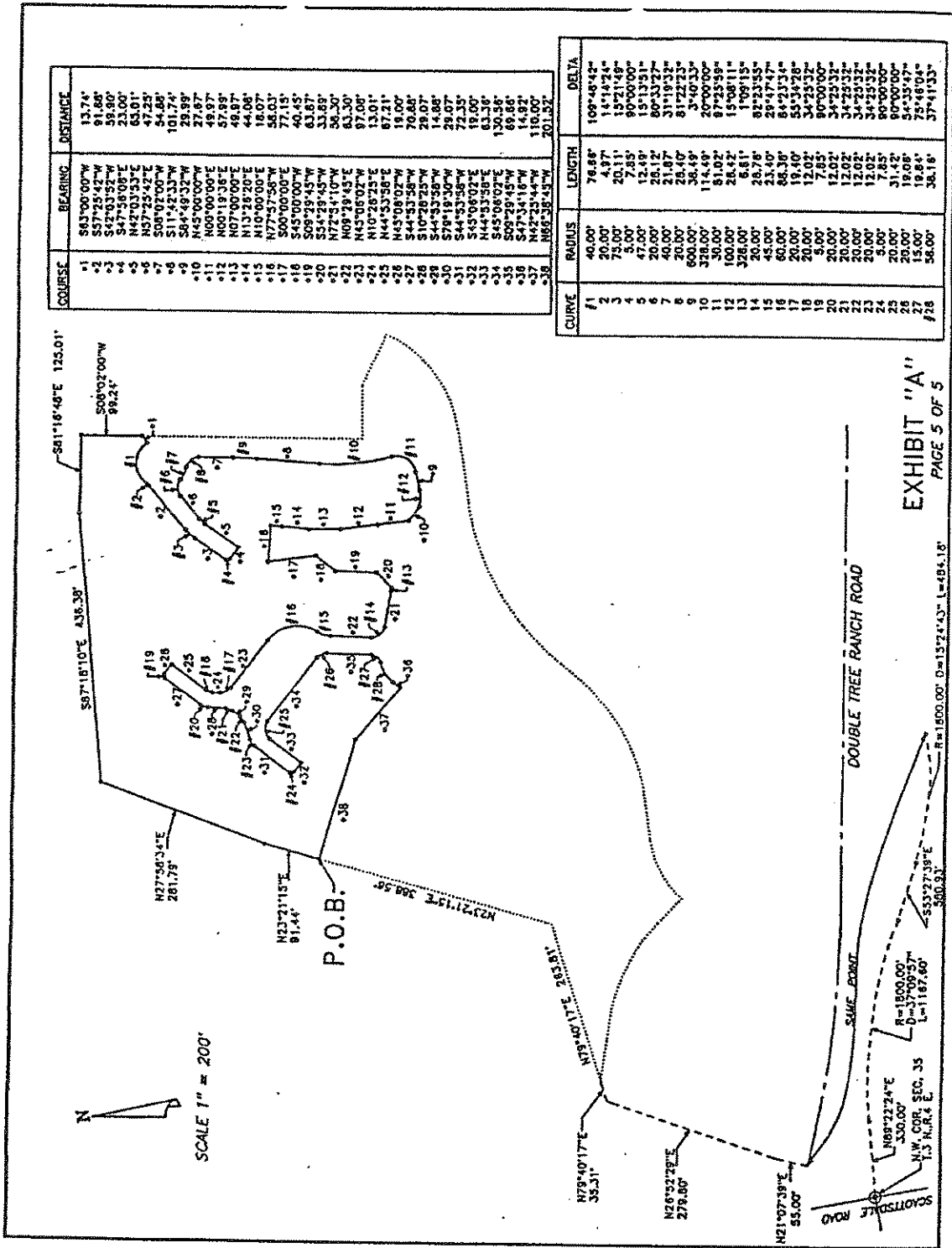


THENCE N13°26'20"E, 44.08 feet;
THENCE N10°00'00"E, 18.07 feet;
THENCE N77°57'58"W, 58.03 feet;
THENCE South, 77.15 feet;
THENCE S45°00'00"W, 40.45 feet;
THENCE S09°29'45"W, 63.87 feet;
THENCE S54°29'45"W, 33.89 feet to the beginning of a non-tangent curve, the center of which bears S18°15'05"W, 328.00 feet;
THENCE westerly, along the arc of said curve to the left, through a central angle of 01°09'15" for an arc distance of 6.61 feet;
THENCE N72°54'10"W, 58.30 feet to the beginning of a curve with a radius of 20.00 feet to the right;
THENCE westerly, along the arc of said curve, through a central angle of 82°23'55", for an arc distance of 28.76 feet;
THENCE N09°29'45"E, 63.30 feet to the beginning of a curve with a radius of 45.00 feet to the right;
THENCE northerly, along the arc of said curve, through a central angle of 29°47'47", for an arc distance of 23.40 feet to a point of reverse curvature marking the beginning of a curve with a radius of 60.00 feet to the left;
THENCE northeasterly, along the arc of said curve, through a central angle of 84°23'34", for an arc distance of 88.38 feet;
THENCE N45°06'02"W, 97.08 feet to the beginning of a curve with a radius of 20.00 feet to the right;
THENCE northwesterly, along the arc of said curve, through a central angle of 55°34'28", for an arc distance of 19.40 feet;
THENCE N10°28'25"E, 13.01 feet to the beginning of a curve with a radius of 20.00 feet to the right;
THENCE northerly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
THENCE N44°53'58"E, 67.21 feet;
THENCE N45°06'02"W, 19.00 feet to the beginning of a non-tangent curve, the center of which bears N45°06'02"W, 5.00 feet;
THENCE southwesterly, along the arc of said curve to the right, through a central angle of 90°00'00" for an arc distance of 7.85 feet to the beginning of a non-tangent line;
THENCE S44°53'58"W, 70.88 feet to the beginning of a curve with a radius of 20.00 feet to the left;
THENCE southwesterly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
THENCE S10°28'25"W, 29.07 feet to the beginning of a curve with a radius of 20.00 feet to the right;
THENCE southerly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
THENCE S44°53'58"W, 14.88 feet to the beginning of a curve with a radius of 20.00 feet to the right;

EXHIBIT "B"

THENCE southwesterly, along the arc of said curve, through a central angle of $34^{\circ}25'32''$, for an arc distance of 12.02 feet;
THENCE $S79^{\circ}19'30''W$, 29.07 feet to the beginning of a curve with a radius of 20.00 feet to the left;
THENCE westerly, along the arc of said curve, through a central angle of $34^{\circ}25'32''$, for an arc distance of 12.02 feet;
THENCE $S44^{\circ}53'58''W$, 72.35 feet to the beginning of a non-tangent curve, the center of which bears $S44^{\circ}53'58''W$, 5.00 feet;
THENCE southeasterly, along the arc of said curve to the right, through a central angle of $90^{\circ}00'00''$ for an arc distance of 7.85 feet to the beginning of a non-tangent line;
THENCE $S45^{\circ}06'02''E$, 19.00 feet;
THENCE $N44^{\circ}53'58''E$, 63.36 feet to the beginning of a curve with a radius of 20.00 feet to the right;
THENCE northeasterly, along the arc of said curve, through a central angle of $90^{\circ}00'00''$, for an arc distance of 31.42 feet;
THENCE $S45^{\circ}06'02''E$, 130.56 feet to the beginning of a curve with a radius of 20.00 feet to the right;
THENCE southeasterly, along the arc of said curve, through a central angle of $54^{\circ}35'47''$, for an arc distance of 19.06 feet;
THENCE $S09^{\circ}29'45''W$, 69.66 feet to the beginning of a curve with a radius of 15.00 feet to the right;
THENCE southerly, along the arc of said curve, through a central angle of $75^{\circ}46'04''$, for an arc distance of 19.84 feet to a point of reverse curvature marking the beginning of a curve with a radius of 58.00 feet to the left;
THENCE westerly, along the arc of said curve, through a central angle of $37^{\circ}41'33''$, for an arc distance of 38.16 feet;
THENCE $S47^{\circ}34'16''W$, 14.92 feet;
THENCE $N42^{\circ}25'44''W$, 110.00 feet;
THENCE $N66^{\circ}38'45''W$, 201.52 feet to the POINT OF BEGINNING, as shown on Exhibit "A" attached herewith as page 5 of 5. Subject parcel comprising 5.4140 acres, more or less, and subject to all easements of record.

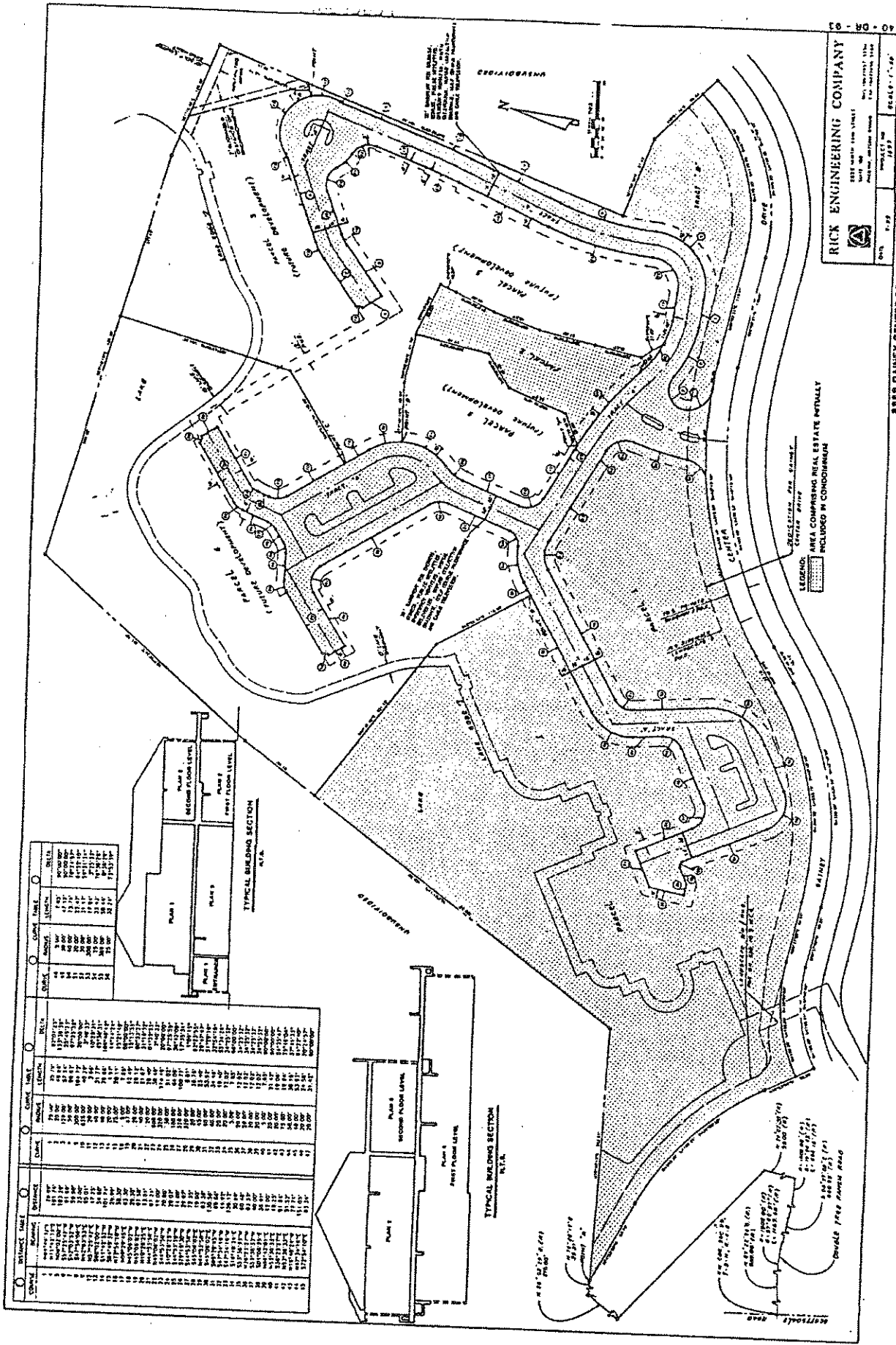
EXHIBIT "B"



CURVE	RADIUS	LENGTH	DELTA
#1	40.00'	78.88'	109°48'43"
#2	20.00'	4.97'	14°14'24"
#3	75.00'	20.11'	137°11'48"
#4	5.00'	7.85'	90°00'00"
#5	47.00'	12.49'	15°13'31"
#6	20.00'	25.12'	80°33'27"
#7	40.00'	21.87'	31°19'33"
#8	20.00'	26.40'	81°22'23"
#9	600.00'	36.49'	3°40'33"
#10	378.00'	114.49'	20°00'00"
#11	30.00'	81.02'	87°25'59"
#12	100.00'	28.42'	19°08'11"
#13	328.00'	6.81'	1°09'13"
#14	45.00'	25.76'	82°23'55"
#15	45.00'	23.50'	29°47'47"
#16	63.00'	68.30'	84°23'34"
#17	28.00'	39.49'	31°28'52"
#18	20.00'	12.09'	7°85'
#19	5.00'	7.85'	90°00'00"
#20	20.00'	12.02'	34°25'33"
#21	20.00'	12.02'	34°25'33"
#22	20.00'	12.02'	34°25'33"
#23	20.00'	12.02'	34°25'33"
#24	20.00'	7.85'	90°00'00"
#25	20.00'	31.42'	90°00'00"
#26	20.00'	19.08'	54°35'47"
#27	5.00'	18.84'	19.84"
#28	58.00'	38.16'	37°41'33"

EXHIBIT "A"
PAGE 5 OF 5

EXHIBIT "B"



40 - OR - 1

RICK ENGINEERING COMPANY

1885 NORTH 100 STREET, SUITE 100
 PORTLAND, OREGON 97227
 PHONE: 503-253-8888
 FAX: 503-253-8889

DATE: 8-28
 PROJECT NO: 1885
 SHEET 2 OF 3

TYPICAL BUILDING SECTION
N.E.A.

CONCRETE	FOUNDATION	GRADE	FINISH	CEILING	FLOOR	ROOF	WALL	WINDSHIELD	WINDSHIELD
1	1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6	6
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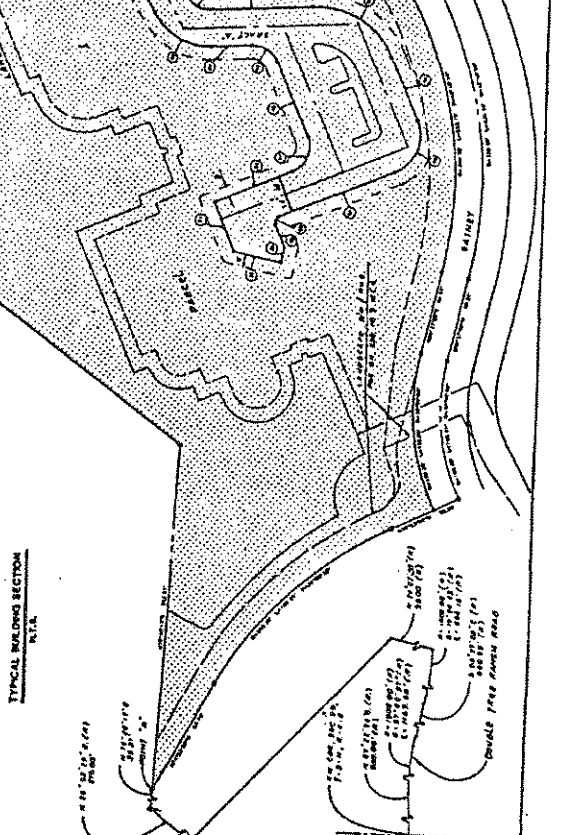
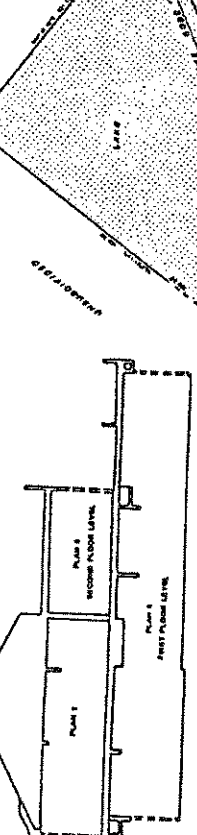
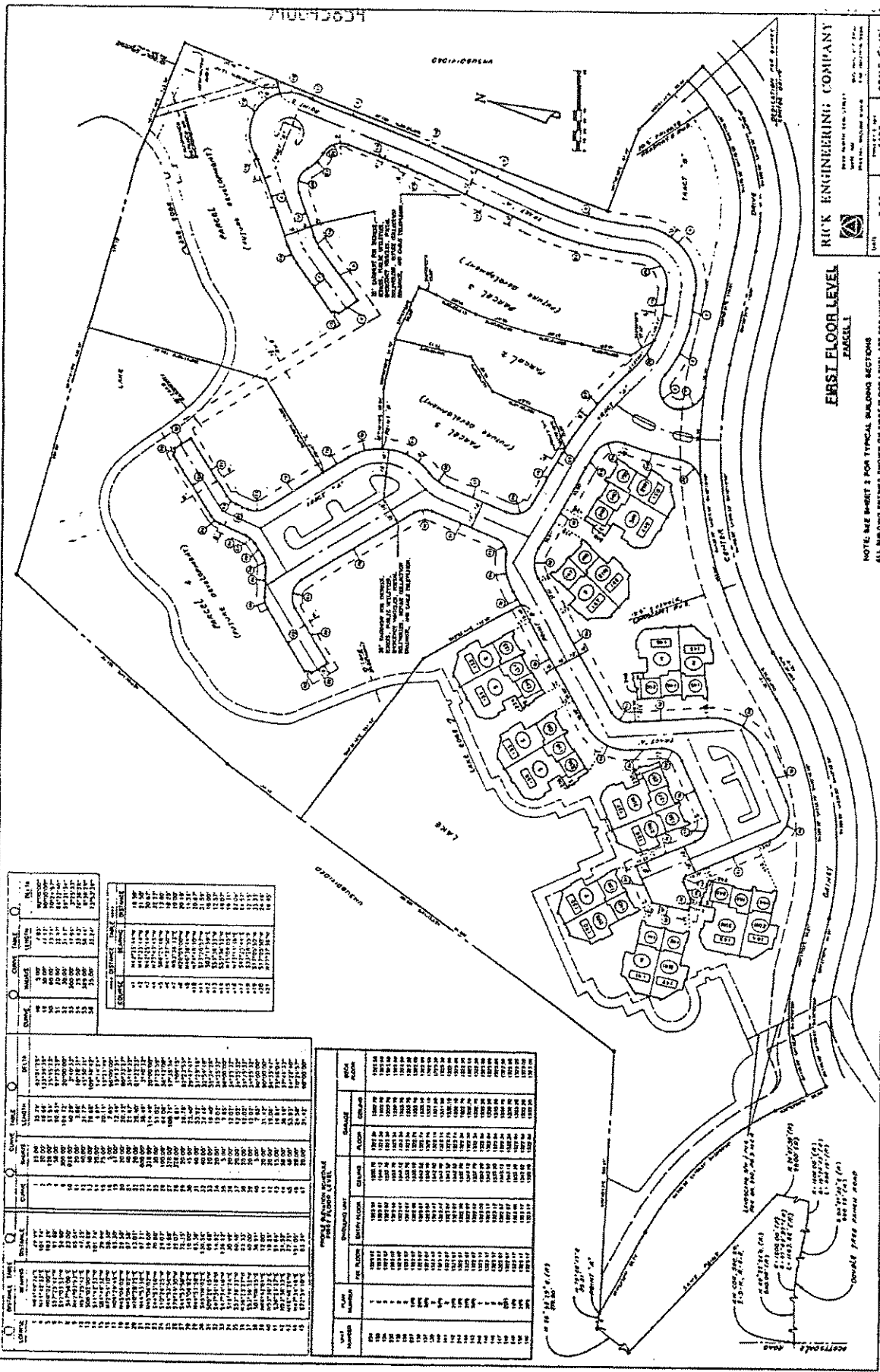


EXHIBIT "C"



NO.	AREA	PERCENTAGE	AREA	PERCENTAGE
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NO.	AREA	PERCENTAGE	AREA	PERCENTAGE
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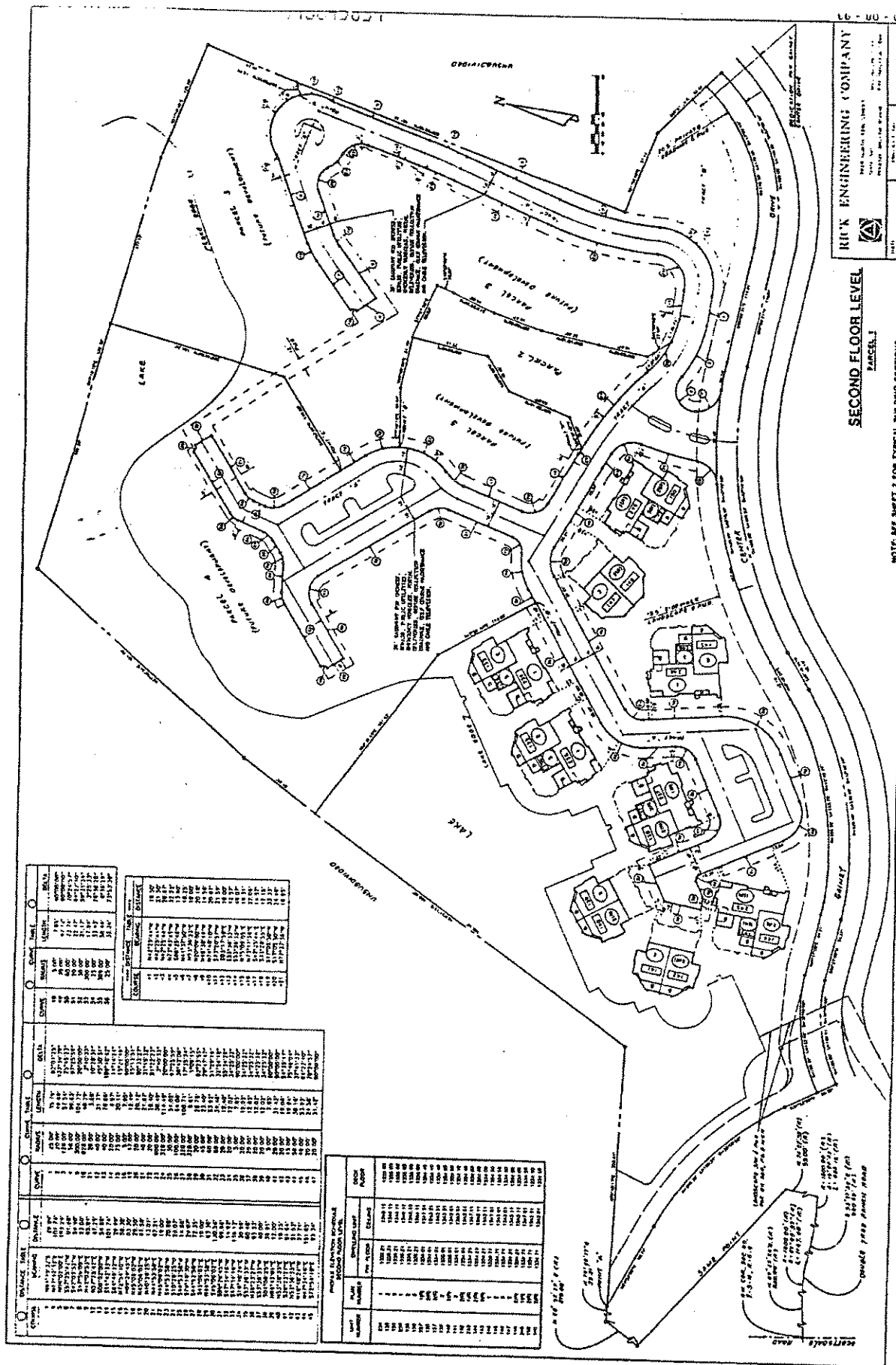
NO.	AREA	PERCENTAGE	AREA	PERCENTAGE
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RICK ENGINEERING COMPANY
 1215 WEST 15TH STREET
 DENVER, COLORADO 80202
 PHONE (303) 733-7377
 FAX (303) 733-7378
 WWW.RICKENGINEERING.COM

FIRST FLOOR LEVEL
 PARCEL 1

NOTE: SEE SHEET 2 FOR TYPICAL BUILDING SECTIONS
 ALL BUILDING SETINGS SHOWN ON FIRST FLOOR LEVEL ARE FOR UNIT TYPE 1

DATE: 7-83
 SCALE: 1" = 10'
 SHEET 3 OF 7



NO.	DESCRIPTION	ELEVATION	AREA	FINISH	REMARKS
1	CEILING	9'-0"	1200	AC	...
2	FLOOR	10'-0"	1200	CON	...
3	WALL	8'-0"	1200	PLT	...
4	DOOR	6'-8"	1200	WD	...
5	WINDOW	4'-0"	1200	GL	...

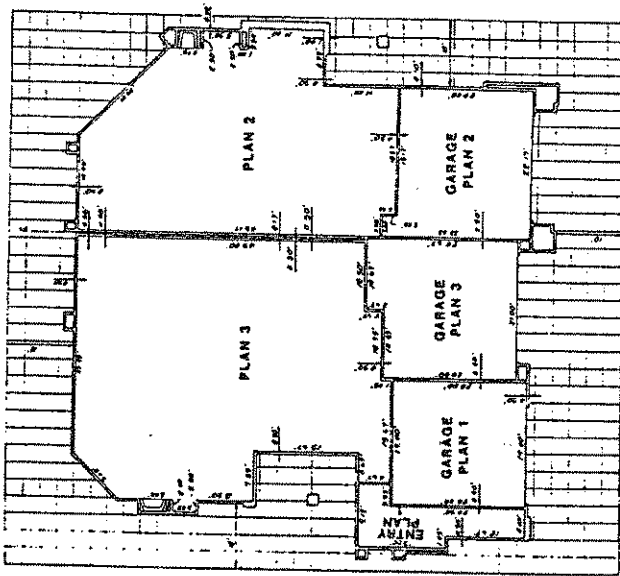
NO.	DESCRIPTION	ELEVATION	AREA	FINISH	REMARKS
6	CEILING	9'-0"	1200	AC	...
7	FLOOR	10'-0"	1200	CON	...
8	WALL	8'-0"	1200	PLT	...
9	DOOR	6'-8"	1200	WD	...
10	WINDOW	4'-0"	1200	GL	...

RICK ENGINEERING COMPANY
 2400 NORTH 10TH STREET
 SUITE 200
 PHOENIX, ARIZONA 85018
 (602) 944-1111
 FAX (602) 944-1112
 SCALE: 1/8" = 1'-0"

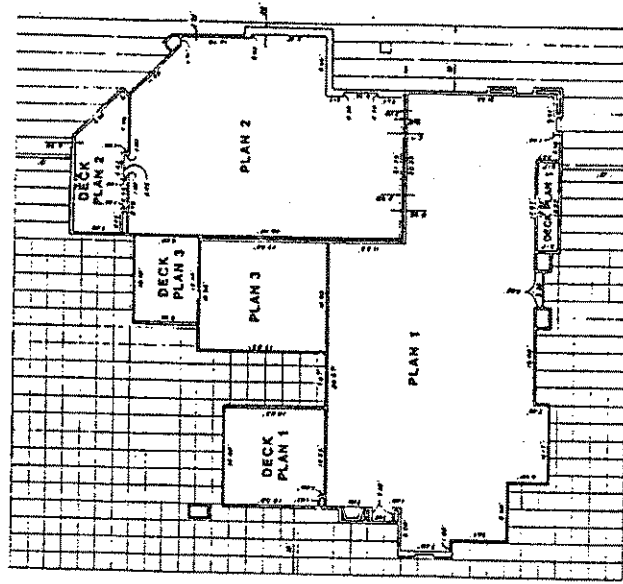
SECOND FLOOR LEVEL
 PARCEL 1

NOTE: SEE SHEET 2 FOR TYPICAL BUILDING SECTIONS
 PARCEL 1

EXHIBIT "C"





FIRST FLOOR

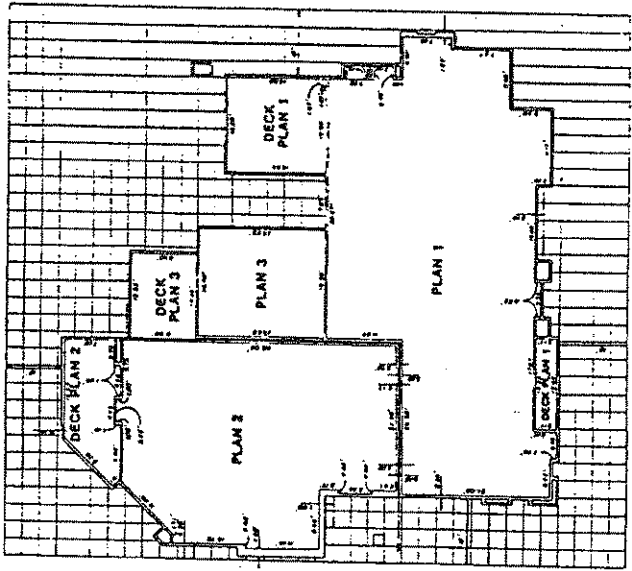


SECOND FLOOR

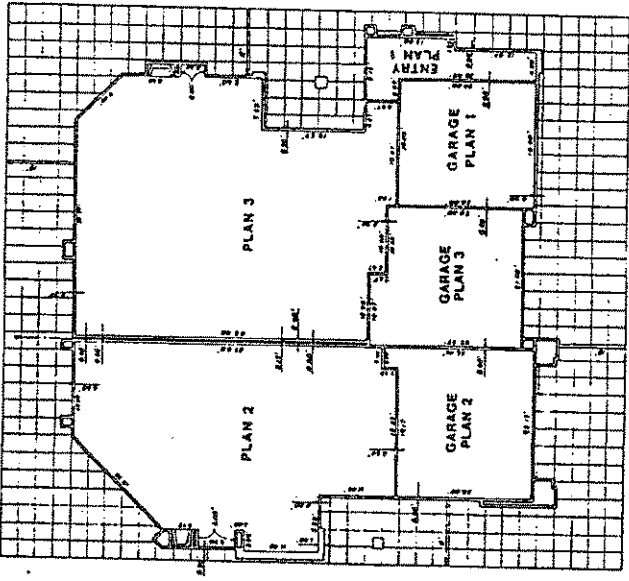
PLAN A

LEGEND:
 DEVELOPMENT RIGHTS RESERVED IN THIS AREA.

 RICK ENGINEERING COMPANY 2825 W. 10th Street Suite 100 Minneapolis, MN 55410 Phone: (612) 833-1100 Fax: (612) 833-1101 E-mail: info@rickeng.com		PROJECT NO. 1507	SCALE: 1/8" = 1'-0" SHEET 5 OF 7
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SECOND FLOOR



FIRST FLOOR

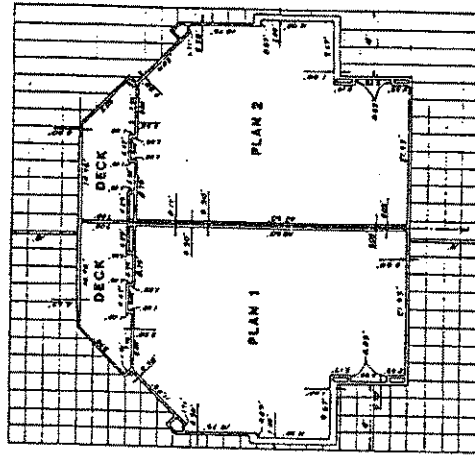
LEGEND:
 (Hatched pattern) DEVELOPMENT RIGHTS RESERVED IN THIS AREA.

PLAN A REVERSED

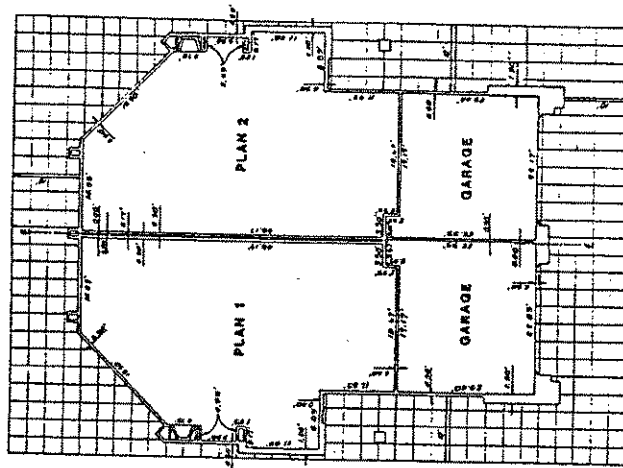
RICK ENGINEERING COMPANY
 16
 10000 Old County Road, Suite 100, San Diego, CA 92126
 (619) 444-1111
 FAX (619) 444-1112
 WWW.RICKENGINEERING.COM

DATE: 1-26-03 PROJECT NO: 1007 SCALE: 1/8" = 1'-0"

8999 GAINES CENTER DRIVE CONDOMINIUM SHEET 8 OF 7




SECOND FLOOR



FIRST FLOOR

LEGEND:
 [Hatched pattern] DEVELOPMENT RIGHTS RESERVED IN THIS AREA

PLAN B

 RICK ENGINEERING COMPANY REGISTERED PROFESSIONAL ENGINEERS STATE OF MISSISSIPPI PROJECT NO. 1017		SCALE: 1/8" = 1'-0" SHEET 7 OF 7
8888 GAMBLE CENTER DRIVE CONDOMINIUM	04	04



2828 North 44th Street
Suite 100
Phoenix, AZ 85008
(602) 957-3350
FAX: (602) 956-5488

RICK ENGINEERING COMPANY

December 6, 1993
Rick No 1497
MEC

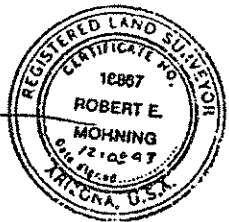
REAL ESTATE INITIALLY INCLUDED IN CONDOMINIUM

A portion of the north half of Section 35, and the south half of Section 26, Township 3 North, Range 4 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the northwest corner of said Section 35, said point being the intersection of Scottsdale Road and Double Tree Ranch Road monument lines;
 THENCE along said monument line of Double Tree Ranch Road the following courses and distances, N89°22'24"E, 330.00 feet to the beginning of a curve with a radius of 1800.00 feet to the right;
 THENCE easterly, along the arc of said curve, through a central angle of 37°09'57", for an arc distance of 1167.60 feet;
 THENCE S53°27'39"E, 580.93 feet to the beginning of a curve with a radius of 1800.00 feet to the left;
 THENCE southeasterly, along the arc of said curve, through a central angle of 15°24'43", for an arc distance of 484.18 feet to the beginning of a non-tangent line;
 THENCE N21°07'39"E, 55.00 feet;
 THENCE N26°52'29"E, 279.80 feet;
 THENCE N79°40'17"E, 35.31 feet to the POINT OF BEGINNING;

THENCE continuing N79°40'17"E, 263.81 feet;
 THENCE N23°21'15"E, 388.56 feet;
 THENCE S66°38'45"E, 201.52 feet;
 THENCE S42°25'44"E, 110.00 feet;
 THENCE N47°34'16"E, 14.92 feet to the beginning of a curve with a radius of 58.00 feet to the right;
 THENCE northeasterly, along the arc of said curve, through a central angle of 37°41'33", for an arc distance of 38.16 feet to a point of reverse curvature marking the beginning of a curve with a radius of 15.00 feet to the left;
 THENCE easterly, along the arc of said curve, through a central angle of 75°46'04", for an arc distance of 19.84 feet;
 THENCE N09°29'45"E, 69.66 feet to the beginning of a curve with a radius of 20.00 feet to the left;

[Handwritten Signature]



THENCE northerly, along the arc of said curve, through a central angle of 54°35'47", for an arc distance of 19.06 feet;
 THENCE N45°06'02"W, 130.56 feet to the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE northwesterly, along the arc of said curve, through a central angle of 90°00'00", for an arc distance of 31.42 feet;
 THENCE S44°53'58"W, 63.36 feet;
 THENCE N45°06'02"W, 19.00 feet to the beginning of a non-tangent curve, the center of which bears N45°06'02"W, 5.00 feet;
 THENCE northeasterly, along the arc of said curve to the left, through a central angle of 90°00'00" for an arc distance of 7.85 feet to the beginning of a non-tangent line; THENCE N44°53'58"E, 72.35 feet to the beginning of a curve with a radius of 20.00 feet to the right;
 THENCE northeasterly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
 THENCE N79°19'30"E, 29.07 feet to the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE easterly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
 THENCE N44°53'58"E, 14.88 feet to the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE northeasterly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
 THENCE N10°28'25"E, 29.07 feet to the beginning of a curve with a radius of 20.00 feet to the right;
 THENCE northerly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
 THENCE N44°53'58"E, 70.88 feet to the beginning of a non-tangent curve, the center of which bears N44°53'58"E, 5.00 feet;
 THENCE southeasterly, along the arc of said curve to the left, through a central angle of 90°00'00" for an arc distance of 7.85 feet to the beginning of a non-tangent line; THENCE S45°06'02"E, 19.00 feet;
 THENCE S44°53'58"W, 67.21 feet to the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE southwesterly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
 THENCE S10°28'25"W, 13.01 feet to the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE southerly, along the arc of said curve, through a central angle of 55°34'28", for an arc distance of 19.40 feet;
 THENCE S45°06'02"E, 97.08 feet to the beginning of a curve with a radius of 60.00 feet to the right;
 THENCE southeasterly, along the arc of said curve, through a central angle of 84°23'34", for an arc distance of 88.38 feet to a point of reverse curvature marking the beginning of a curve with a radius of 45.00 feet to the left;

THENCE southwesterly, along the arc of said curve, through a central angle of $29^{\circ}47'47''$, for an arc distance of 23.40 feet;
 THENCE $S09^{\circ}29'45''W$, 63.30 feet to the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE southerly, along the arc of said curve, through a central angle of $82^{\circ}23'55''$, for an arc distance of 28.76 feet;
 THENCE $S72^{\circ}54'10''E$, 58.30 feet to the beginning of a curve with a radius of 328.00 feet to the right;
 THENCE easterly, along the arc of said curve, through a central angle of $01^{\circ}09'15''$, for an arc distance of 6.61 feet to the beginning of a non-tangent line;
 THENCE $N54^{\circ}29'45''E$, 33.89 feet;
 THENCE $N09^{\circ}29'45''E$, 63.87 feet;
 THENCE $N45^{\circ}00'00''E$, 40.45 feet;
 THENCE North, 77.15 feet;
 THENCE $S77^{\circ}57'58''E$, 58.03 feet;
 THENCE $S10^{\circ}00'00''W$, 18.07 feet;
 THENCE $S13^{\circ}26'20''W$, 44.08 feet;
 THENCE $S07^{\circ}00'00''W$, 49.97 feet;
 THENCE $S00^{\circ}19'36''W$, 57.99 feet;
 THENCE South, 49.97 feet;
 THENCE $S45^{\circ}00'00''E$, 27.67 feet to the beginning of a non-tangent curve, the center of which bears $N14^{\circ}16'42''E$, 100.00 feet;
 THENCE easterly, along the arc of said curve to the left, through a central angle of $15^{\circ}08'11''$ for an arc distance of 26.42 feet to the beginning of a non-tangent line;
 THENCE $N84^{\circ}49'32''E$, 29.99 feet to the beginning of a non-tangent curve, the center of which bears $N00^{\circ}51'29''W$, 30.00 feet;
 THENCE easterly, along the arc of said curve to the left, through a central angle of $97^{\circ}25'59''$ for an arc distance of 51.02 feet to a point of reverse curvature marking the beginning of a curve with a radius of 328.00 feet to the right;
 THENCE northerly, along the arc of said curve, through a central angle of $20^{\circ}00'00''$, for an arc distance of 114.49 feet;
 THENCE $N11^{\circ}42'33''E$, 101.74 feet to the beginning of a curve with a radius of 600.00 feet to the left;
 THENCE northerly, along the arc of said curve, through a central angle of $03^{\circ}40'33''$, for an arc distance of 38.49 feet;
 THENCE $N08^{\circ}02'00''E$, 54.88 feet to the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE northerly, along the arc of said curve, through a central angle of $81^{\circ}22'23''$, for an arc distance of 28.40 feet to a point of reverse curvature marking the beginning of a curve with a radius of 40.00 feet to the right;
 THENCE westerly, along the arc of said curve, through a central angle of $31^{\circ}19'32''$, for an arc distance of 21.87 feet to a point of reverse curvature marking the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE northwesterly, along the arc of said curve, through a central angle of $80^{\circ}33'27''$,

for an arc distance of 28.12 feet;
 THENCE S57°25'42"W, 47.25 feet to the beginning of a curve with a radius of 47.00 feet to the left;
 THENCE southwesterly, along the arc of said curve, through a central angle of 15°13'51", for an arc distance of 12.49 feet to the beginning of a non-tangent line;
 THENCE S42°03'53"W, 65.01 feet;
 THENCE N47°56'08"W, 23.00 feet to the beginning of a non-tangent curve, the center of which bears N47°56'08"W, 5.00 feet;
 THENCE northeasterly, along the arc of said curve to the left, through a central angle of 90°00'00" for an arc distance of 7.85 feet to the beginning of a non-tangent line; THENCE N42°03'52"E, 59.90 feet to the beginning of a curve with a radius of 75.00 feet to the right;
 THENCE northeasterly, along the arc of said curve, through a central angle of 15°21'49", for an arc distance of 20.11 feet;
 THENCE N57°25'42"E, 91.68 feet to the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE northeasterly, along the arc of said curve, through a central angle of 14°14'24", for an arc distance of 4.97 feet to a point of reverse curvature marking the beginning of a curve with a radius of 40.00 feet to the right;
 THENCE northeasterly, along the arc of said curve, through a central angle of 109°48'42", for an arc distance of 76.66 feet to the beginning of a non-tangent line;
 THENCE N63°00'00"E, 13.74 feet;
 THENCE S08°02'00"W, 352.08 feet;
 THENCE S81°58'00"E, 87.42 feet;
 THENCE S58°01'26"E, 68.16 feet to the beginning of a non-tangent curve, the center of which bears N58°01'26"W, 179.50 feet;
 THENCE southwesterly, along the arc of said curve to the right, through a central angle of 57°09'56" for an arc distance of 179.09 feet;
 THENCE S89°08'31"W, 118.81 feet to the beginning of a curve with a radius of 420.50 feet to the left;
 THENCE westerly, along the arc of said curve to the left, through a central angle of 42°19'56" for an arc distance of 310.68 feet;
 THENCE S46°48'34"W, 42.16 feet to the beginning of a curve with a radius of 299.50 feet to the right;
 THENCE southwesterly, along the arc of said curve, through a central angle of 42°48'26", for an arc distance of 223.77 feet;
 THENCE S89°37'00"W, 64.51 feet to the beginning of a curve to the left with a radius of 180.50 feet;
 THENCE westerly, along the arc of said curve to the left, through a central angle of 39°00'00" for an arc distance of 122.86 feet to the beginning of a non-tangent line;
 THENCE N39°23'00"W, 35.00 feet to the beginning of a curve with a radius of 295.38 feet to the left;
 THENCE northwesterly, along the arc of said curve, through a central angle of 35°00'52", for an arc distance of 180.51 feet to the beginning of a non-tangent line;
 THENCE N74°23'52"W, 93.74 feet to the POINT OF BEGINNING, as shown on Exhibit

"A" attached herewith as page 6 of 6. Subject parcel comprising 6.9765 acres, more or less, and subject to all easements of record.

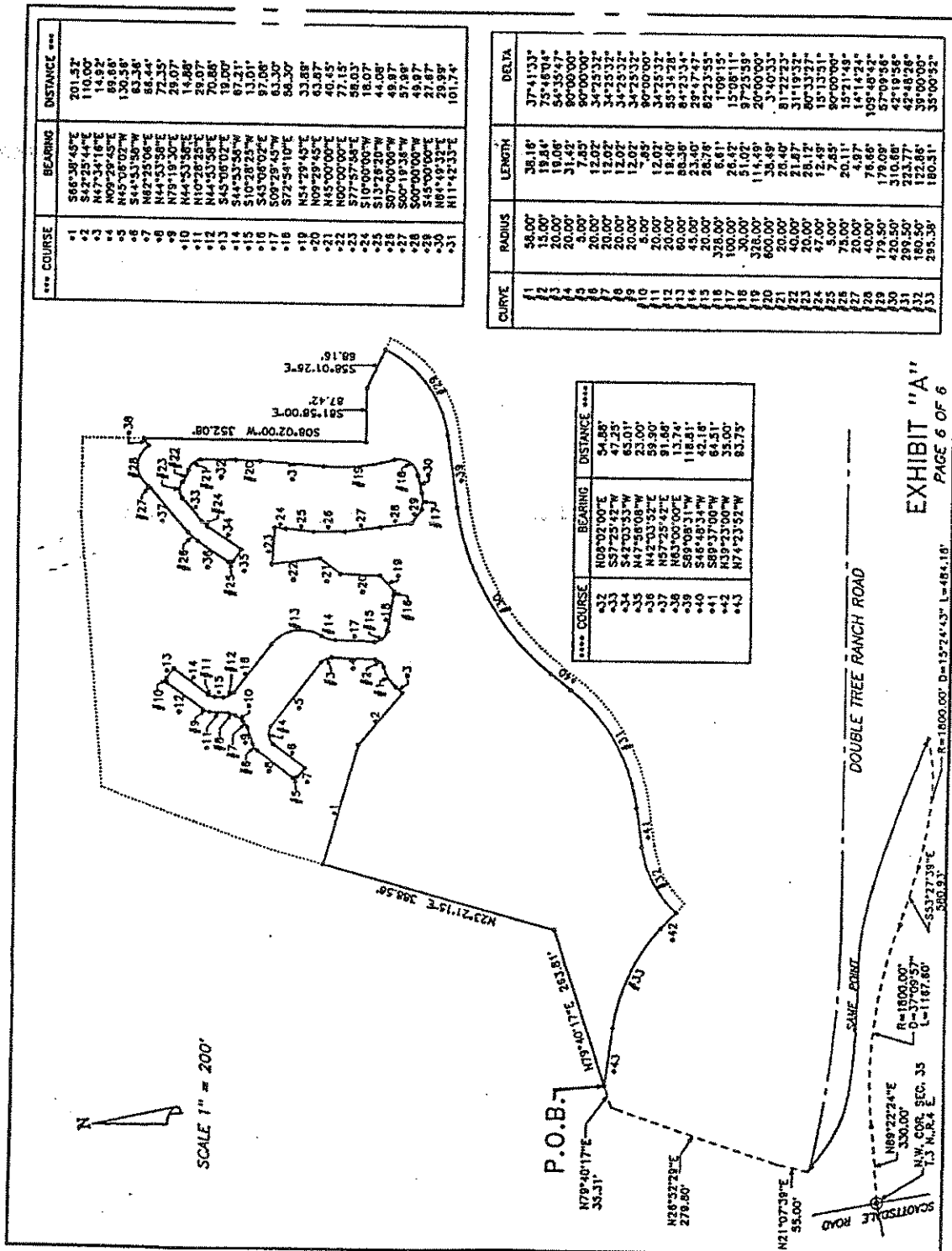


EXHIBIT "D"

CURVE	RADIUS	LENGTH	DELTA
f1	38.00'	38.16'	37°41'33"
f2	13.00'	19.84'	75°48'04"
f3	20.00'	19.08'	56°35'47"
f4	20.00'	31.42'	80°00'00"
f5	3.00'	7.85'	80°00'00"
f6	20.00'	12.02'	34°25'32"
f7	20.00'	12.02'	34°25'32"
f8	20.00'	12.02'	34°25'32"
f9	20.00'	12.02'	34°25'32"
f10	5.00'	7.85'	80°00'00"
f11	20.00'	12.02'	34°25'32"
f12	20.00'	18.40'	55°34'28"
f13	60.00'	88.38'	84°23'34"
f14	45.00'	23.40'	29°47'47"
f15	20.00'	28.78'	82°23'55"
f16	328.00'	6.61'	1°09'15"
f17	100.00'	28.42'	15°08'11"
f18	35.00'	51.02'	97°25'59"
f19	328.00'	114.49'	20°00'00"
f20	80.00'	38.49'	3°40'33"
f21	20.00'	28.97'	91°22'23"
f22	40.00'	28.17'	80°13'32"
f23	70.00'	28.17'	15°13'11"
f24	47.00'	12.48'	15°13'11"
f25	5.00'	7.85'	80°00'00"
f26	75.00'	20.11'	15°21'48"
f27	20.00'	4.97'	14°14'24"
f28	40.00'	78.66'	105°48'43"
f29	179.50'	179.09'	57°09'58"
f30	420.50'	310.88'	42°19'58"
f31	289.50'	223.77'	42°48'28"
f32	180.50'	122.88'	39°00'00"
f33	295.38'	180.51'	35°00'52"

COURSE	BEARING	DISTANCE
*32	N08°02'00"E	54.88'
*33	S57°25'42"W	47.25'
*34	S47°03'33"W	65.01'
*35	N47°58'08"W	23.00'
*36	N42°33'52"E	59.90'
*37	N87°23'42"E	91.66'
*38	N68°00'00"E	13.74'
*39	S48°48'31"W	118.81'
*40	S48°48'31"W	42.16'
*41	S89°03'00"W	55.00'
*42	N39°23'00"W	55.00'
*43	N74°23'52"W	83.75'

EXHIBIT "A"

E=1800.00' D=17°09'53" L=1167.80'



2628 North 44th Street
 Suite 100
 Phoenix, AZ 85008
 (602) 957-3350
 FAX: (602) 956-5488

RICK ENGINEERING COMPANY

December 6, 1993
 Rick No 1497
 MEC

REAL ESTATE TO BE ANNEXED INTO CONDOMINIUM

A portion of the north half of Section 35, and the south half of Section 26, Township 3 North, Range 4 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the northwest corner of said Section 35, said point being the intersection of Scottsdale Road and Double Tree Ranch Road monument lines;
 THENCE along said monument line of Double Tree Ranch Road the following courses and distances, N89°22'24"E, 330.00 feet to the beginning of a curve with a radius of 1800.00 feet to the right;

THENCE easterly, along the arc of said curve, through a central angle of 37°09'57", for an arc distance of 1167.60 feet;

THENCE S53°27'39"E, 580.93 feet to the beginning of a curve with a radius of 1800.00 feet to the left;

THENCE southeasterly, along the arc of said curve, through a central angle of 15°24'43", for an arc distance of 484.18 feet to the beginning of a non-tangent line;

THENCE N21°07'39"E, 55.00 feet;

THENCE N26°52'29"E, 279.80 feet;

THENCE N79°40'17"E, 35.31 feet;

THENCE continuing N79°40'17"E, 263.81 feet;

THENCE N23°21'15"E, 388.56 feet to the POINT OF BEGINNING;

THENCE continuing N23°21'15"E, 91.44 feet;

THENCE N27°58'34"E, 281.79 feet;

THENCE S87°18'10"E, 436.38 feet;

THENCE S81°16'48"E, 125.01 feet;

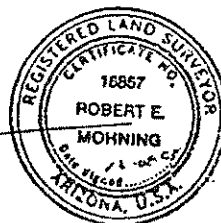
THENCE S08°02'00"W, 99.24 feet;

THENCE S63°00'00"W, 13.74 feet to the beginning of a non-tangent curve, the center of which bears S63°00'00"W, 40.00 feet;

THENCE northwesterly, along the arc of said curve to the left, through a central angle of 109°48'42" for an arc distance of 76.66 feet to a point of reverse curvature marking the beginning of a curve with a radius of 20.00 feet to the right;

THENCE southwesterly, along the arc of said curve, through a central angle of 14°14'24",

Robert E. Mohning



THENCE southwesterly, along the arc of said curve, through a central angle of $14^{\circ}14'24''$,
 for an arc distance of 4.97 feet;
 THENCE $S57^{\circ}25'42''W$, 91.68 feet to the beginning of a curve with a radius of 75.00 feet
 to the left;
 THENCE southwesterly, along the arc of said curve, through a central angle of $15^{\circ}21'49''$,
 for an arc distance of 20.11 feet;
 THENCE $S42^{\circ}03'52''W$, 59.90 feet to the beginning of a non-tangent curve, the center of
 which bears $S42^{\circ}03'52''W$, 5.00 feet;
 THENCE southeasterly, along the arc of said curve to the right, through a central angle
 of $90^{\circ}00'00''$ for an arc distance of 7.85 feet to the beginning of a non-tangent line;
 THENCE $S47^{\circ}56'08''E$, 23.00 feet;
 THENCE $N42^{\circ}03'53''E$, 65.01 feet to the beginning of a non-tangent curve, the center of
 which bears $S47^{\circ}48'09''E$, 47.00 feet;
 THENCE northeasterly, along the arc of said curve to the right, through a central angle
 of $15^{\circ}13'51''$ for an arc distance of 12.49 feet;
 THENCE $N57^{\circ}25'42''E$, 47.25 feet to the beginning of a curve with a radius of 20.00 feet
 to the right;
 THENCE northeasterly, along the arc of said curve, through a central angle of $80^{\circ}33'27''$,
 for an arc distance of 28.12 feet to a point of reverse curvature marking the beginning of
 a curve with a radius of 40.00 feet to the left;
 THENCE southeasterly, along the arc of said curve, through a central angle of $31^{\circ}19'32''$,
 for an arc distance of 21.87 feet to a point of reverse curvature marking the beginning
 of a curve with a radius of 20.00 feet to the right;
 THENCE easterly, along the arc of said curve, through a central angle of $81^{\circ}22'23''$, for an
 arc distance of 28.40 feet;
 THENCE $S08^{\circ}02'00''W$, 54.88 feet to the beginning of a curve with a radius of 600.00 feet
 to the right;
 THENCE southerly, along the arc of said curve, through a central angle of $03^{\circ}40'33''$, for
 an arc distance of 38.49 feet;
 THENCE $S11^{\circ}42'33''W$, 101.74 feet to the beginning of a curve with a radius of 328.00 feet
 to the left;
 THENCE southerly, along the arc of said curve, through a central angle of $20^{\circ}00'00''$, for
 an arc distance of 114.49 feet to a point of reverse curvature marking the beginning of a
 curve with a radius of 30.00 feet to the right;
 THENCE southerly, along the arc of said curve, through a central angle of $97^{\circ}25'59''$, for
 an arc distance of 51.02 feet to the beginning of a non-tangent line;
 THENCE $S84^{\circ}49'32''W$, 29.99 feet to the beginning of a non-tangent curve, the center of
 which bears $N00^{\circ}51'29''W$, 100.00 feet;
 THENCE westerly, along the arc of said curve to the right, through a central angle of
 $15^{\circ}08'11''$ for an arc distance of 26.42 feet to the beginning of a non-tangent line;
 THENCE $N45^{\circ}00'00''W$, 27.67 feet;
 THENCE North, 49.97 feet;
 THENCE $N00^{\circ}19'36''E$, 57.99 feet;
 THENCE $N07^{\circ}00'00''E$, 49.97 feet;

THENCE N13°26'20"E, 44.08 feet;
 THENCE N10°00'00"E, 18.07 feet;
 THENCE N77°57'58"W, 58.03 feet;
 THENCE South, 77.15 feet;
 THENCE S45°00'00"W, 40.45 feet;
 THENCE S09°29'45"W, 63.87 feet;
 THENCE S54°29'45"W, 33.89 feet to the beginning of a non-tangent curve, the center of which bears S18°15'05"W, 328.00 feet;
 THENCE westerly, along the arc of said curve to the left, through a central angle of 01°09'15" for an arc distance of 6.61 feet;
 THENCE N72°54'10"W, 58.30 feet to the beginning of a curve with a radius of 20.00 feet to the right;
 THENCE westerly, along the arc of said curve, through a central angle of 82°23'55", for an arc distance of 28.76 feet;
 THENCE N09°29'45"E, 63.30 feet to the beginning of a curve with a radius of 45.00 feet to the right;
 THENCE northerly, along the arc of said curve, through a central angle of 29°47'47", for an arc distance of 23.40 feet to a point of reverse curvature marking the beginning of a curve with a radius of 60.00 feet to the left;
 THENCE northeasterly, along the arc of said curve, through a central angle of 84°23'34", for an arc distance of 88.38 feet;
 THENCE N45°06'02"W, 97.08 feet to the beginning of a curve with a radius of 20.00 feet to the right;
 THENCE northwesterly, along the arc of said curve, through a central angle of 55°34'28", for an arc distance of 19.40 feet;
 THENCE N10°28'25"E, 13.01 feet to the beginning of a curve with a radius of 20.00 feet to the right;
 THENCE northerly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
 THENCE N44°53'58"E, 67.21 feet;
 THENCE N45°06'02"W, 19.00 feet to the beginning of a non-tangent curve, the center of which bears N45°06'02"W, 5.00 feet;
 THENCE southwesterly, along the arc of said curve to the right, through a central angle of 90°00'00" for an arc distance of 7.85 feet to the beginning of a non-tangent line;
 THENCE S44°53'58"W, 70.88 feet to the beginning of a curve with a radius of 20.00 feet to the left;
 THENCE southwesterly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
 THENCE S10°28'25"W, 29.07 feet to the beginning of a curve with a radius of 20.00 feet to the right;
 THENCE southerly, along the arc of said curve, through a central angle of 34°25'32", for an arc distance of 12.02 feet;
 THENCE S44°53'58"W, 14.88 feet to the beginning of a curve with a radius of 20.00 feet to the right;

THENCE southwesterly, along the arc of said curve, through a central angle of $34^{\circ}25'32''$, for an arc distance of 12.02 feet;
THENCE $S79^{\circ}19'30''W$, 29.07 feet to the beginning of a curve with a radius of 20.00 feet to the left;
THENCE westerly, along the arc of said curve, through a central angle of $34^{\circ}25'32''$, for an arc distance of 12.02 feet;
THENCE $S44^{\circ}53'58''W$, 72.35 feet to the beginning of a non-tangent curve, the center of which bears $S44^{\circ}53'58''W$, 5.00 feet;
THENCE southeasterly, along the arc of said curve to the right, through a central angle of $90^{\circ}00'00''$ for an arc distance of 7.85 feet to the beginning of a non-tangent line;
THENCE $S45^{\circ}06'02''E$, 19.00 feet;
THENCE $N44^{\circ}53'58''E$, 63.36 feet to the beginning of a curve with a radius of 20.00 feet to the right;
THENCE northeasterly, along the arc of said curve, through a central angle of $90^{\circ}00'00''$, for an arc distance of 31.42 feet;
THENCE $S45^{\circ}06'02''E$, 130.56 feet to the beginning of a curve with a radius of 20.00 feet to the right;
THENCE southeasterly, along the arc of said curve, through a central angle of $54^{\circ}35'47''$, for an arc distance of 19.06 feet;
THENCE $S09^{\circ}29'45''W$, 69.66 feet to the beginning of a curve with a radius of 15.00 feet to the right;
THENCE southerly, along the arc of said curve, through a central angle of $75^{\circ}46'04''$, for an arc distance of 19.84 feet to a point of reverse curvature marking the beginning of a curve with a radius of 58.00 feet to the left;
THENCE westerly, along the arc of said curve, through a central angle of $37^{\circ}41'33''$, for an arc distance of 38.16 feet;
THENCE $S47^{\circ}34'16''W$, 14.92 feet;
THENCE $N42^{\circ}25'44''W$, 110.00 feet;
THENCE $N66^{\circ}38'45''W$, 201.52 feet to the POINT OF BEGINNING, as shown on Exhibit "A" attached herewith as page 5 of 5. Subject parcel comprising 5.4140 acres, more or less, and subject to all easements of record.