

LegendAmd-3-1-1--
yorkm

Recorded at the Request of:

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| WHEN RECORDED, MAIL TO: Beth Mulcahy Mulcahy Law Firm, P.C. 3001 E. Camelback Road, Suite 130 Phoenix, Arizona 85016 |
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The Owner's Association for The Legend at Gainey Ranch Community Association

**CERTIFICATE OF SECOND AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE LEGEND AT GAINEY
RANCH**

This Certificate of Amendment to the Declaration of Covenants, Conditions and Restrictions for The Legend at Gainey Ranch is made this 20 day of December, 2021, by The Owner's Association for The Legend at Gainey Ranch ("Association").

RECITALS

A. The Declaration of Covenants, Conditions, Restriction for The Legend at Gainey Ranch was recorded on 02/16/1988 in Document No. 88-069710 and Amended on 05/10/2007 in Document No. 2007-0548865, records of Maricopa County, Arizona ("Declaration"), and subjected the real property described in the 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. In order for the proposed amendments to pass, the Association must obtain the affirmative vote of 75% of the Owners and 50% of the Eligible Mortgagees. Pursuant to the Association's records, there are no current Eligible Mortgagees (as that term is defined within the Declaration).

E. The Association certifies that at least 75% of the Owner voted in favor of this Amendment.

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

1. Article 10, Section 10.9 of the Declaration is hereby amended as follows:

10.9. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered either personally, via email or by mail. If by mail, it shall be deemed to have been delivered 48 hours after it is deposited in the United States mail, first class postage prepaid, addressed as follows: If to the Association, at 7720 Gainey Ranch Rd., Scottsdale, AZ 85258; if to an Owner, to the address on his Lot or to any other address last furnished at any time by an Owner giving notice to the Association or by the Association giving notice to the Owners. Each Owner of a Lot shall file his correct mailing address with the Association, and shall promptly notify the Association in writing of any subsequent change of address. If delivered by email, it shall be deemed to have been delivered immediately after it is electronically delivered to the email address on file for the Owner. Each Owner of a Lot shall file his/her correct email address within the Association, and shall promptly notify the Association in writing of any subsequent change of email address. Furthermore, in the event that Arizona law requires delivery of any notice or other document via mail and/or hand-delivery, Owners shall have the option to opt to receive such notices via email by maintaining a current email address on file with the Association, and in such case, notice shall be considered delivered immediately after it is electronically delivered to the email address on file for the Owner.

- 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.

The Owner's Association for The Legend at Gainey Ranch

Certified by: Michael W. Gregg (Signature)

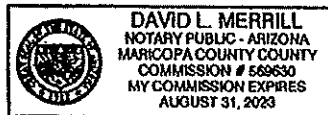
MICHAEL W. GREGG (Print Name)
ITS: President

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 20 day of December, 2021, by Michael W Gregg, the President of The Owner's Association for The Legend at Gainey Ranch, an Arizona non-profit corporation, on behalf of the non-profit corporation.

Notary Public: David L Merrill

My commission Expires: August 31, 2023

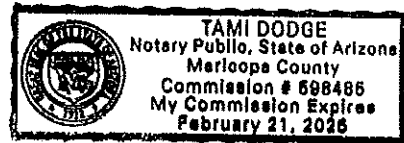


Attested by: Donald E. Zumwalt (Signature)
Donald E. Zumwalt (Print Name)
ITS: Secretary

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 22nd day of December, 2021, by Tami Dodge, the Secretary of The Owner's Association for The Legend at Gainey Ranch, an Arizona non-profit corporation, on behalf of the non-profit corporation.

Notary Public: Tami Dodge
My commission Expires: Feb 21, 2025



Recorded at the Request of:

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yorkm

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| WHEN RECORDED, MAIL TO: Beth Mulcahy Mulcahy Law Firm, P.C. 3001 E. Camelback Road, Suite 130 Phoenix, Arizona 85016 |
|--|

The Owner's Association for The Legend at Gainey Ranch Community Association

**CERTIFICATE OF THIRD AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE LEGEND AT GAINEY
RANCH**

This Certificate of Third Amendment to the Declaration of Covenants, Conditions and Restrictions for The Legend at Gainey Ranch is made this 7TH day of March, 2022, by The Owner's Association for The Legend at Gainey Ranch ("Association").

RECITALS

A. The Declaration of Covenants, Conditions, Restriction for The Legend at Gainey Ranch was recorded on 02/16/1988 in Document No. 88-069710 and Amended on 05/10/2007 in Document No. 2007-0548865 and on 12/23/2021 in Document No. 2021-1361585, records of Maricopa County, Arizona ("Declaration"), and subjected the real property described in the 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. In order for the proposed amendments to pass, the Association must obtain the affirmative vote of 75% of the Owners and 50% of the Eligible Mortgagees. Pursuant to the Association's records, there are no current Eligible Mortgagees (as that term is defined within the Declaration).

E. The Association certifies that at least 75% of the Owner voted in favor of this Amendment.

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

1. Article 5, Section 5.18 of the Declaration is hereby amended as follows:

5.18 Limitation on Leasing of Units. No Owner may lease less than his entire Lot (including the Dwelling Unit on it). Subleasing is strictly prohibited. No Lot and Dwelling Unit may be leased for a period of less than 90 days. All leases shall be in writing. Whether or not so stated in the lease, the terms of the lease shall be subject in all respects to the provisions of the Project Documents and any failure by the lessee to comply with the terms of the Project Documents shall be a default under the lease. An Owner who leases his Lot and Dwelling Unit shall promptly notify the Association and provide the Association with the name and contact information for any adults occupying the property, the time period of the lease, including the beginning and ending dates of the tenancy, and a description and the license plate numbers of the tenants' vehicles. The Owner of a Lot shall be responsible for compliance with the Project Documents by any lessee or other occupant of his Lot and Dwelling Unit. No Lot shall be used as a timeshare property as defined by Arizona law, which is currently A.R.S. §32-2197 (29). A Lot may not be marketed, Owned and/or sold as a timeshare property or in fractional shares. No Lot may be subdivided, Owned or marketed/sold as less than the entire interest in the Lot.

The Board of Directors, in its sole discretion, reserves the right to determine whether any particular occupancy of a Unit violates the intent of this provision, in which case such occupancy shall be considered a violation of this provision.

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.

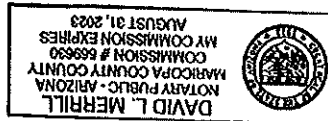
The Owner's Association for The Legend at Gainey Ranch

Certified by: Michael W. Gregg (Signature)
Michael W. Gregg (Print Name)
 ITS: President

STATE OF ARIZONA)
) ss.
 COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 7 day of March, 2022, by Michael W. Gregg, the President of The Owner's Association for The Legend at Gainey Ranch, an Arizona non-profit corporation, on behalf of the non-profit corporation.

Notary Public: David L Merrill
 My commission Expires: Aug 31 2023



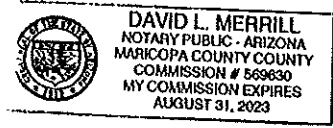
Attested by: Donald E. Zumwalt (Signature)
Donald E. Zumwalt (Print Name)
ITS: Secretary

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 7 day of March, 2022, by Donald E. Zumwalt the Secretary of The Owner's Association for The Legend at Gainey Ranch, an Arizona non-profit corporation, on behalf of the non-profit corporation.

Notary Public: David L. Merrill

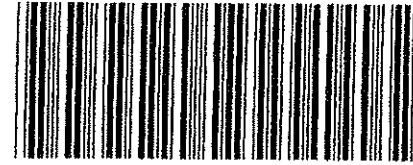
My commission Expires: Aug 31, 2023



RETURN TO
HELP

When Recorded Mail To:

BURTON T. COHEN, P.C.
9915 E. Bell Road
Suite 120
Scottsdale, Arizona 85260



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2007-0548865 05/10/07 04:52 PM
1 OF 1

BRUNN

**CERTIFICATE OF AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS,
FOR
THE LEGEND AT GAINNEY RANCH**

This Certificate of Amendment to Declaration of Covenants, Conditions, And Restrictions for The Legend At Gainney Ranch (this "Certificate of Amendment") is made as of this 18th day of April, 2007, by The Owners Association For The Legend At Gainney Ranch, Inc., an Arizona nonprofit corporation (the "Association").

RECITALS

- A. A Declaration of Covenants, Conditions, And Restrictions for The Legend At Gainney Ranch was recorded on February 16, 1988, as Instrument No. 88-009710, records of Maricopa County, Arizona, (the "Declaration").
- B. Capitalized terms used in this Certificate of Amendment without definition shall have the meanings given to such terms in the Declaration.
- C. Article 10, Section 10.4 of the Declaration provides that the Declaration may be amended by the recording of a Certificate of Amendment, which certifies that at a meeting of the Members duly called seventy-five percent (75%) of the Owners, and 50% of Eligible Mortgagees voted affirmatively for the adoption of the amendment.
- D. The amendment to the Declaration set forth in this Certificate of Amendment was adopted by the affirmative votes of seventy-five percent (75%) of the Owners at an election duly conducted by written ballot, as permitted by the provisions of A.R.S. § 10-3708.
- E. There are no Eligible Mortgagees to vote upon the Amendment set forth in this Certificate of Amendment.

*The Enhancement Fee has been amended on May 2, 2026 to \$4,500

AMENDMENT

NOW, THEREFORE, the Declaration is amended as follows:

1. Article 11 is added to read as follows:

LEGEND ENHANCEMENT FEE

Section 1. Except as provided in Section 3 hereof, any person or entity who, on or after May 1, 2007, becomes the Owner of, or otherwise becomes the Owner of controlling legal interest in, a Lot shall immediately pay to the Association a Legend Enhancement Fee. Subject only to the reasonable discretion of the Board, the transfer of a controlling interest in any entity which owns a Lot shall be deemed a transfer of ownership of such Lot for purposes of this Section, and the purchaser or transferee shall be obligated to pay the Legend Enhancement Fee provided herein.

Section 2. The Legend Enhancement Fee shall be in the amount of \$1,000.00, unless a different amount is hereafter approved at an election duly called and held for such purpose, pursuant to the provisions of the Articles and Bylaws, by seventy-five percent (75%) of the Owners.

Section 3. Subject only to the reasonable discretion of the Board, no Legend 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, 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 signed prior to May 1, 2007.

Section 4. All amounts paid to the Association for the Legend 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 Areas.

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

2. The amendment to the Declaration set forth in this Certificate of Amendment shall become effective on the date of recording hereof.

3. Except as expressly amended by this Certificate of Amendment, the Declaration shall remain in full force and effect. In the event of any conflict or inconsistency between this Certificate of Amendment and the Declaration, this Certificate of Amendment shall control.

4. By executing this Certificate of Amendment, the Association certifies that at an election duly conducted by written ballot, as permitted by the provisions of A.R.S. § 10-3708, seventy-five (75%) of the Owners in the Association voted affirmatively for the adoption of the amendment to the Declaration set forth in this Certificate of Amendment.

THE OWNERS ASSOCIATION FOR THE
LEGEND AT GAINNEY RANCH,
an Arizona nonprofit corporation



Mike Gregg PRES.

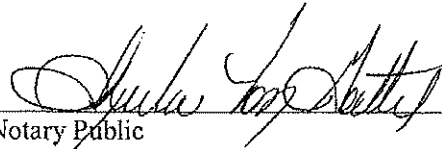
ATTEST:



Secretary of The Owners Association
For The Legend At Gainney Ranch

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 30th day of April, 2007, by Mike Gregg, the President of The Owners Association For The Legend At Gainey Ranch, an Arizona nonprofit corporation, on behalf of the corporation.



Notary Public

My Commission Expires:

2-11-2011



OFFICIAL SEAL
SHEILA VON GOETTEL
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
Commission #272624
Exp: 2/11/2011

459

88 069710

WHEN RECORDED, RETURN TO:

Fennemore Craig
Two North Central Avenue
Phoenix, Arizona 85004-2390
Attn: GTC

PROP RSTR (RS)

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE LEGEND AT GAINNEY RANCH

RECORDED IN OFFICIAL RECORDS
OF MARICOPA COUNTY, ARIZONA
FEB 16 '88 - 2 00
KEITH POLETIS, County Recorder
FEE 37⁰⁰ PGS 33 L.D.

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE LEGEND AT GAINNEY RANCH

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE LEGEND AT GAINNEY RANCH

This declaration (the "Declaration") is made as of the _____ day of February, 1988, by Metropolitan Service Corporation, a North Dakota Corporation (hereinafter referred to as the "Declarant").

RECITALS

WHEREAS, the Declarant is the owner of the real property located in Maricopa County, Arizona, which is described on Exhibit A attached hereto.

WHEREAS, Declarant intends to construct residences on said real property and desires to impose certain easements, restrictions, covenants and conditions on said real property to protect the value and desirability of said property;

NOW, THEREFORE, the Declarant hereby declares that all of the real property described on Exhibit A attached hereto shall be held, encumbered, sold and conveyed subject to the easements, restrictions, covenants, and conditions contained in this Declaration, which are for the purpose of protecting the value and desirability of, and shall run with, said real property and be binding on all parties having any right, title or interest in said real property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each person owning or otherwise having an interest in all or any part thereof.

DECLARATIONS

ARTICLE 1

DEFINITIONS

1.1. "Architectural Committee" means the committee established by the Board pursuant to Section 2.4 of this Declaration.

1.2. "Architectural Committee Rules" means the rules adopted by the Architectural Committee, as the same may be amended from time to time.

1.3. "Articles" means the Articles of Incorporation of the Association, which have been or will be filed in the office of the Corporation Commission of the State of Arizona, as the same may be amended from time to time.

1.4. "Assessments" means the annual, special, supplemental and/or extraordinary assessments levied and assessed pursuant to Article 4 of this Declaration.

1.5. "Association" means the Arizona nonprofit corporation organized by the Declarant to administer and enforce the Project Documents and to exercise the rights, powers and duties set forth therein, and its successors and assigns. Declarant intends to organize the Association under the name of "The Owners Association for The Legend at Gainey Ranch," but if such name is not available, Declarant may organize the Association under such other name as the Declarant deems appropriate and as may be consistent with the requirements of the Master Association Documents.

1.6. "Association Rules" means the rules and regulations adopted by the Board, as the same may be amended from time to time.

1.7. "Board" means the Board of Directors of the Association.

1.8. "Bylaws" means the Bylaws of the Association, as the same may be amended from time to time.

1.9. "Common Area" means all real property and interests therein (including, but not limited to, easements), and all Improvements located thereon, owned or leased by the Association or otherwise held by the Association for the common use and enjoyment of the Owners including, but not limited to, Tract A shown on the Plat, which shall be utilized for such recreational and common purposes as the Board may specify from time to time including, but not limited to, a swimming pool and common rest room facilities.

1.10. "Declarant" means Metropolitan Service Corporation, a North Dakota corporation, its successors and any person or entity to whom it may expressly assign any or all of its rights under this Declaration and Markland, in the event that Markland elects to become Declarant pursuant to Section 10.17 below.

1.11. "Declaration" means this entire document, as the same may be amended from time to time.

1.12. "Dwelling Unit" means any building and portion of a building situated upon a Lot, designed and intended collectively for use and occupancy as a residence by a Single Family.

1.13. "Eligible Mortgagee" means any Mortgagee who has given the Association written notice that it requires notice of all meetings of the Association, and an opportunity to vote on certain matters presented for a vote to Members as specified in Sections 9.8, 10.3 and 10.4 below.

1.14. "First Mortgage" means any mortgage or deed of trust with first priority over any other mortgage or deed of trust.

1.15. "First Mortgagee" means the mortgagee or beneficiary, as applicable, of any First Mortgage.

1.16. "Improvement" means any buildings, roads, driveways, parking areas, fences, walls, ornamental rocks, hedges, plantings, potted trees and shrubs, and all other structures or landscaping improvements of every type and kind placed upon any Lot or Common Area.

1.17. "Lot" means any parcel of real property designated as a lot on the Plat.

1.18. "Majority of Members" means Members holding more than 50% of the total votes entitled to be cast with respect to a given matter (not just those represented at a meeting), and any specified fraction or percentage of the Members means Members holding that fraction or percentage of the total votes entitled to be cast with respect to a given matter. Unless otherwise specified, any provision herein requiring the approval of the Members means approval by a Majority of Members.

1.19. "Markland" means Markland Properties, Inc., an Arizona corporation, its successors and assigns.

1.20. "Master Association" means The Gainey Ranch Community Association, an Arizona nonprofit corporation organized pursuant to the provisions of the Master Declaration.

1.21. "Master Association Documents" means the Master Declaration and the Articles of Incorporation, Bylaws, architectural committee rules and Gainey Ranch rules of the Master Association, as the same may be amended from time to time.

1.22. "Master Declaration" means the Gainey Ranch Master Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements recorded with the County Recorder of Maricopa County, Arizona, as Instrument No. 84-130211, as such Declaration may be amended from time to time, including, but not limited to, the First Amendment thereto recorded as Instrument No. 84-553071 and the Second Amendment thereto recorded as Instrument No. 87-600774.

1.23. "Member" means any person, corporation, partnership, joint venture or other entity capable of holding title to real property, which is a member of the Association pursuant to Article 3 hereof.

1.24. "Mortgage" means any recorded, filed or otherwise perfected instrument, which is not a fraudulent conveyance under Arizona law, given in good faith and for valuable consideration as security for performance of an obligation including, but not limited to, a deed of trust, but shall not include any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code.

1.25. "Mortgagee" means that mortgagee or beneficiary, as applicable, of any Mortgage.

1.26. "Owner" means the record owner, whether one or more persons or entities, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest in a Lot. Owner shall not include (i) persons or entities having an interest

in a Lot merely as security for the performance of an obligation, or (ii) a lessee or tenant of a Lot. Owner shall include a purchaser under a contract for the conveyance of real property, a contract for deed, a contract to convey, an agreement for sale or any similar contract through which a seller has conveyed to a purchaser equitable title in a Lot and is obligated to convey to the purchaser the remainder of seller's title in the Lot, whether legal or equitable, on payment in full of all monies due under the contract. Owner shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to executory contracts pending the closing of a sale or purchase transaction. When fee simple title to a Lot is vested in a trustee pursuant to Arizona Revised Statutes, Section 33-801, et seq., the trustor under the deed of trust shall be deemed to be the Owner. When fee simple title to a Lot is vested in a trustee pursuant to a subdivision trust agreement or similar single beneficiary agreement, the beneficiary of such trust who is entitled to possession of the trust property shall be deemed to be the Owner.

1.27. "Plat" means the plat of subdivision of Gainey Ranch Parcel IV, recorded with the County Recorder of Maricopa County, Arizona, in Book 317 of Maps, page 48, and all amendments and supplements thereto.

1.28. "Project" or "Property" means the real property described on Exhibit A attached to this Declaration, together with all buildings and other improvements located thereon, and all easements, rights and appurtenances belonging thereto.

1.29. "Project Documents" means this Declaration and the Articles, Bylaws, Association Rules and Architectural Committee Rules.

1.30. "Purchaser" means any person, other than the Declarant, who becomes the Owner of a Lot by means of a voluntary transfer except for (i) an Owner who purchases a Lot and then simultaneously leases it to the Declarant for use as a model in connection with the sale of other Lots, (ii) an Owner who, in addition to purchasing a Lot, is assigned or thereupon acquires any or all of the Declarant's rights under this Declaration or (iii) Markland, if it becomes the Owner of all or any part of the Property by foreclosure, trustee's sale or otherwise by reason of any option or right of first refusal.

1.31. "Single Family" means one person or a group of persons, each related to the other by blood, marriage or legal adoption, or a group of not more than three persons not all so related, together with their domestic servants, who maintain a common household in a dwelling.

1.32. "Single Family Residential Use" means the occupation or use of a Lot by a Single Family in conformity with this Declaration and the requirements imposed by applicable zoning and other laws and state, county and municipal ordinances, rules and regulations.

1.33. "Visible From Neighboring Property" means, with respect to any given object, that the object is or would be visible to a person six feet tall, standing on any part of a neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

ARTICLE 2

THE ASSOCIATION

2.1. Rights, Powers and Duties. The Association shall be a nonprofit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Project Documents together with such rights, powers and duties as may be reasonably necessary to effectuate the objectives and purposes of the Association as set forth in the Project Documents.

2.2. Board of Directors and Officers. The affairs of the Association shall be conducted by a board of directors and such officers and committees as the Board may elect or appoint in accordance with the Articles and the Bylaws.

2.3. Association Rules. Subject to the provisions of this Declaration, the Board may adopt, amend and repeal rules and regulations. The Association Rules may restrict and govern the use of any area by any Owner, by the family of such Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws or the Master Association Documents. A copy of the current Association Rules shall be made available by the Association for inspection by the Members at reasonable times. Upon adoption, the Association Rules and any amendments and supplements thereto shall have the same force and effect as if they were set forth in and were a part of this Declaration.

2.4. Architectural Committee. The Board shall establish an Architectural Committee consisting of not less than three members appointed by the Board to regulate the external design, appearance and use of the Property and to perform such other functions and duties as may be imposed upon it by this Declaration, the Bylaws or the Board. The Architectural Committee may consist in whole or in part of Board members.

2.5. Master Association. The Project is a part of a master planned community known as Gainey Ranch, which is governed by and subject to the Master Association Documents. The Project shall also be subject to the terms and conditions of the Master Association Documents. All Assessments and other amounts payable pursuant to this Declaration shall be in addition to any amounts payable by Owners to the Master Association pursuant to provisions of the Master Association Documents, and all consents required by this Declaration of the Architectural Committee or the Board shall be in addition to any consents required under the terms of the Master Association Documents.

2.6. Management of the Association. In accordance with Article 13, Section 4 of the Master Declaration, the Master Association shall (i) provide administrative and management services to the Association, (ii) act as accountant for the Association, (iii) handle the collection of Assessments levied by the Association and enforce such collection, (iv) assist in the preparation of budgets for the Association, (v) administer use of the Common Area, (vi) negotiate contracts for services to be provided to the Association

or the Members or on their behalf and (vii) enforce the Project Documents. All such duties shall be performed by the Master Association under the direction of the Board and officers of the Association. As provided for in Article 13, Section 1 of the Master Declaration, the Master Association shall have the right to take temporary control of the Association in the event the Association is failing to levy and collect Assessments in an amount sufficient to pay its obligations to the Master Association or otherwise 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 that term is defined in the Master Declaration) in Gainey Ranch or necessary for the maintenance of a high quality residential development envisioned for the residential areas of Gainey Ranch.

ARTICLE 3

MEMBERSHIP AND VOTING RIGHTS

3.1. Identity of Members. Membership in the Association shall be limited to Owners of Lots. An Owner of a Lot shall automatically, upon becoming the Owner, be a Member of the Association and shall remain a Member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

3.2. Classes of Members. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners of Lots, with the exception of the Declarant until the termination of the Class B membership. Each Class A Member shall be entitled to one vote for each Lot owned.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to ten votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when 75% of the Lots have been conveyed to Purchasers.

3.3. Joint Ownership. When more than one person or entity is the Owner of any Lot, all such persons and entities shall be Members. The vote for any such Lot shall be exercised as they determine among themselves, but in no event shall more than one ballot be cast with respect to any Lot. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a ballot representing a certain Lot, it will thereupon be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot unless an objection is made by another joint Owner at the time such vote is cast. In the event more than one ballot is cast for a particular Lot, none of the votes shall be counted and all of the votes shall be deemed void.

3.4. Corporate Ownership. In the event any Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time

of acquisition of the Lot, and may thereafter change from time to time by written notice (but not more frequently than the Board may permit by rule or resolution), an individual who shall have the power to vote said membership and exercise membership rights and privileges, and in the absence of such designation and until such designation is made, the president of the corporation and a general partner of the partnership or association shall have the power to vote the membership.

3.5. Transfer of Membership. Membership in the Association shall be appurtenant to each Lot and a membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of a Lot and then only to the Purchaser, or by intestate succession, testamentary disposition, foreclosure of a Mortgage of record or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association.

3.6. Suspension of Voting Rights. If any Owner fails to pay Assessments or other amounts due under the Project Documents within 15 days from their due date, the Owner's right to vote as a Member of the Association and right to use Common Areas (except as necessary for ingress and egress) shall automatically and without further action by the Board be suspended until all such payment defaults are cured. If any Owner otherwise fails to comply with the provisions of the Project Documents, the Board may, after notice to the Owner and a reasonable opportunity to be heard, suspend the Owner's right to vote as a Member of the Association and right to use Common Areas (except as necessary for ingress and egress) until the violation is cured or for a reasonable period of time, whichever is longer, as the Board may elect.

ARTICLE 4

COVENANT FOR ASSESSMENTS

4.1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it, hereby covenants, and each Owner of a Lot, by becoming the Owner thereof, whether or not it is expressed in the deed or other instrument by which the Owner acquires ownership of the Lot, is deemed to covenant and agree, to pay to the Association: (i) annual assessments, (ii) supplemental assessments, (iii) special assessments for capital improvements and (iv) extraordinary assessments. The Assessments, together with interest, reasonable attorneys' fees and all costs incurred by the Association in collecting, or attempting to collect, such Assessments, whether or not a lawsuit is filed, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with interest, reasonable attorneys' fees and all costs incurred by the Association in collecting, or attempting to collect, such Assessments, whether or not a lawsuit is filed, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass to the Owner's successors in title unless expressly assumed by them. The Association's lien shall have priority over all liens or claims except tax liens for real property taxes on the Lot, assessments on any Lot in favor

of any municipal or other governmental body and the liens which are specifically described in Section 4.10 of this Declaration.

4.2. Purpose of the Assessments. The Assessments levied by the Association shall be used exclusively for the upkeep, maintenance and improvement of the Common Area, for promoting the recreation, health, safety and welfare of the Owners and residents of Lots within the Property and for the performance by the Association of all of its rights, duties and obligations under the Project Documents.

4.3. Annual Assessment. In order to provide for the operation and management of the Association and to provide funds for the Association to perform its duties and obligations under the Project Documents, including the establishment of replacement and maintenance reserves, the Board, for each fiscal year of the Association commencing with the year in which the first Lot is conveyed to a Purchaser, shall prepare a budget to determine the funds needed to operate and maintain the Common Area, pay the expenses of operation and otherwise fund anticipated expenses of the Association. Upon approval of the budget by the Master Association, the Association shall assess against each Lot an annual assessment in an amount intended to meet the expenses and reserves of the Association contemplated by the budget. Subject to the foregoing guidelines, the amount of the annual assessment shall be in the sole discretion of the Board. Notice of the annual assessment shall be given to each Owner.

4.4. Supplemental Assessments. If the Board determines that its funds budgeted or available in any fiscal year are, or will become, inadequate to meet all expenses of the Association for any reason including, but not limited to, nonpayment of Assessments by the Members, it shall immediately determine the approximate amount of the inadequacy for the fiscal year and prepare a supplemental budget and levy a supplemental assessment against each Lot in such amount as the Board deems necessary in order to cover the amount of the inadequacy. Notice of any supplemental assessment shall be given to each Owner.

4.5. Special Assessments. In addition to the annual and supplemental assessments authorized above, the Association may levy, in any fiscal year; a special assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement to the Common Area, including fixtures and personal property related thereto, or for any other lawful Association purpose, provided that any such special assessment shall have the assent of a Majority of Members.

4.6. Extraordinary Assessments. In addition to annual, supplemental and special assessments, the Association may levy an assessment against an Owner, and such Owner's Lot, for the following expenses:

(i) Any expense to the Association which was caused by the misconduct of such Owner or the misconduct of others for whom the Owner is responsible;

(ii) Any expense incurred by the Association pursuant to Section 8.3 of this Declaration as a result of damage or destruction of the

Common Area by an Owner or others for whom the Owner is responsible or as a result of the interference by an Owner or others for whom the Owner is responsible with the activities of the Association in connection therewith;

(iii) Any expense incurred by the Association pursuant to Section 8.4 of this Declaration as a result of the Owner's failure to maintain his Lot, and the Improvements located thereon, in accordance with the terms of this Declaration; and

(iv) All costs incurred by the Association in enforcement of the provisions of the Project Documents against an Owner or others for whom the Owner is responsible including, but not limited to, attorneys' fees and court costs.

4.7. Rate of Assessment. Annual, special and supplemental assessments shall be fixed at a uniform rate for all Lots except that (i) the Declarant shall pay only 10% of the annual, special or supplemental assessments attributable to each of its Lots until a certificate of occupancy or final inspection approval for each such Lot has been issued by the appropriate governmental authority and (ii) each Owner other than the Declarant shall pay only 25% of the annual, special or supplemental assessments attributable to his Lot until a certificate of occupancy or final inspection approval for his Lot has been issued by the appropriate governmental authority or until six months from the date on which title to the Lot was first transferred by the Declarant to an Owner for value, whichever first occurs. In no event, however, shall the limitation on assessments payable by the Declarant described in the preceding sentence reduce or eliminate the obligation of the Declarant as a Satellite Community Builder under Article XIII, Section 2(c) of the Master Declaration to pay to the Association the difference between sums necessary to carry out the functions and perform the obligations of the Association and the sums obtained by the Association from assessments. If a Lot ceases to qualify for a reduced rate of assessment during the period to which an annual, supplemental or special assessment is attributable, the assessment shall be prorated between the applicable rates on the basis of the number of days in the period that the Lot qualified for each rate. Extraordinary assessments shall be levied in accordance with Section 4.6 of this Declaration and need not be uniform.

4.8. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance of the first Lot to a Purchaser. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. Written notice of the annual assessment shall be sent to every Owner. However, the failure to give such notice shall not effect the validity of, or delay the commencement of, the annual assessment. Assessments shall be due upon such dates as the Board may specify from time to time. The Board may permit or require that any Assessment be paid in installments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid.

4.9. Effect of Nonpayment of Assessments; Remedies of the Association. Any Assessment, or any installment of an Assessment, which is not paid within 30 days after it is due shall be delinquent and shall bear interest from the date it becomes delinquent until it is paid at the rate of 18% per annum. In addition, any delinquent Assessment (or installment) shall have added to it a collection charge equal to 20% of the delinquent amount (or such other amount as the Board may from time to time reasonably elect). The collection charge described in the preceding sentence shall be secured by a lien against the Lot(s) for which Assessments are delinquent.

The Board shall have the right to adopt, amend and rescind rules and regulations from time to time setting forth procedures for the purpose of making and collecting the Assessments provided for herein but no such rules and regulations may be inconsistent with the provisions of this Declaration and the Master Association Documents.

The Association shall have the right, at its option, to enforce collection of any delinquent Assessments, together with interest, lien fees, reasonable attorneys' fees and any other sums due to the Association, in any manner allowed by law including, but not limited to, (i) bringing an action at law against the Owner personally obligated to pay the delinquent Assessments and such action may be brought without waiving any lien securing any such delinquent Assessments and (ii) bringing an action to foreclose its lien against the Lot in the manner provided by law for the foreclosure of a realty mortgage. The Association shall have the power to bid in its lien amount or any portion thereof at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots purchased at such sale.

Notwithstanding anything foregoing to the contrary, in no event shall the Association be entitled to commence foreclosure or other enforcement proceedings for collection of delinquent Assessments until at least 30 days following written notice to the affected Owner specifying in reasonable detail the sums then owing. This notice may be given at any time such sums are due whether before or after they become delinquent.

4.10. Subordination of Assessment Lien to Mortgages. The lien of the Assessments provided for in this Declaration shall be subordinate to the lien of any First Mortgage. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such Assessment as to payments which become due prior to such sale or transfer unless the defaulting owner purchases the Lot at such sale or becomes a redemptionor following foreclosure. No sale or transfer upon foreclosure or in lieu thereof shall relieve a Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

4.11. Exemption of Owner. No Owner of a Lot may exempt himself from liability for Assessments levied against his Lot or for other amounts which he may owe to the Association or the Master Association under the Project Documents and the Master Association Documents by waiver of his right to use or by nonuse of any of the Common Area and facilities or by the abandonment of his Lot.

4.12. Maintenance of Reserve Fund. From annual assessments, the Association shall establish and maintain a reserve fund intended to be adequate for the periodic maintenance, repair and replacement of Improvements to the Common Area and such Improvements on Lots as the Association or the Master Association is obligated to maintain, repair or replace under this Declaration or the Master Association Documents.

4.13. No Offsets. All Assessments shall be payable in accordance with the provisions of this Declaration, and no offsets against such Assessments shall be permitted for any reason, including, but not limited to, a claim that the Association or the Declarant (or any officer, agent, committee or representative of either of them) is not properly exercising its duties and powers under the Project Documents or that an Owner makes no use of Common Areas.

ARTICLE 5

PERMITTED USES AND RESTRICTIONS

5.1. Residential Use. All Lots shall be used, improved and devoted exclusively to Single Family Residential Use. No gainful occupation, profession, trade or other nonresidential use shall be conducted on any Lot.

5.2. Animals. No animals, including but not limited to, birds, fowl, poultry, and livestock, other than a reasonable number of commonly recognized house or yard pets, shall be kept on the Property by any Owner and then only if they are kept, bred or raised thereon solely as domestic pets and not for commercial purposes. No animal shall be allowed to make an unreasonable amount of noise, to be otherwise unreasonably annoying or to become a nuisance. No structure for the care, housing or confinement of any animal shall be maintained so as to be Visible from Neighboring Property or to be unreasonably annoying to adjacent Lots or Common Areas because of odor or noise. Upon the written request of any Owner, the Board shall determine whether, for the purposes of this Section, a particular animal or structure is unreasonably annoying or a nuisance. Any such decision rendered by the Board shall be enforceable to the same extent as other restrictions contained in this Declaration.

5.3. Antennas. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any portion of the Property, whether attached to a building or structure or otherwise, unless approved by the Architectural Committee.

5.4. Utility Service. Except as approved in writing by the Architectural Committee, no lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any portion of the Property unless they are contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures as approved by the Architectural Committee. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the

construction of buildings or structures approved by the Architectural Committee.

5.5. Improvements and Alterations. After the conveyance of a Lot by Declarant to a Purchaser, no improvements, alterations, repairs, excavations, landscaping or other work which in any way alters the exterior appearance of the Lot, or the Improvements located thereon, shall be made or done without the prior written approval of the Architectural Committee, except as otherwise expressly provided in this Declaration. All buildings or structures erected upon the Property shall be of new construction and no buildings or structures shall be moved from other locations onto the Property without the prior written approval of the Architectural Committee. No change or deviations in or from plans and specifications approved by the Architectural Committee shall be made without the prior written approval of the Architectural Committee. All decisions of the Architectural Committee shall be final and no Owner or other parties shall have recourse against the Architectural Committee for its good faith refusal to approve any such plans and specifications or disapproval of any other request made pursuant to the Project Documents.

5.6. Temporary Occupancy. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structure of any kind, shall be used at any time on any portion of the Property for a residence, either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling on a Lot shall be removed immediately after the completion of construction.

5.7. Trucks, Trailers, Campers and Boats. No mobile home, motor home, trailer, truck (with a manufacturer's rating in excess of 3/4 ton), camper, truck with a camper shell, boat, boat trailer or similar vehicle or equipment shall be parked, kept, placed, or maintained upon any street (public or private) within the Property, Lot or Common Area provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Architectural Committee. The provisions of this Section shall not preclude storage or parking of any such vehicles and equipment within a garage on a Lot constructed as an integral portion of the Dwelling Unit on the Lot unless such storage or parking prevents use of necessary garage facilities for parking of Owners' vehicles pursuant to Section 5.8 below.

5.8. Motor Vehicles. No automobile, motorcycle, motorbike or other motor vehicle shall be constructed, reconstructed, serviced or repaired on any Lot, Common Area, street (public or private) or other portion of the Property so as to be Visible From Neighboring Property, and no inoperable vehicle may be stored or parked on any Lot, Common Area, street (public or private) or any other portion of the Property, so as to be Visible From Neighboring Property; provided, however, the provisions of this Section shall not apply to emergency repairs. No automobile, motorcycle, motorbike or other motor vehicle shall be parked upon any street (public or private) within the Property except as authorized by the Architectural Committee Rules or as approved in writing by the Architectural Committee. Motor vehicles

belonging to an Owner shall be parked overnight within a garage constituting an integral part of the Owner's Dwelling Unit.

5.9. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any portion of the Property, and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No nuisance or unreasonable annoyance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any portion of the Property.

5.10. Trash Containers and Collection. No garbage or trash shall be placed or kept on any portion of the Property except in covered containers of a type, size and style which are approved by the Architectural Committee. In no event shall such containers be maintained so as to be Visible From Neighboring Property except to make them available for collection and then only for the shortest time reasonably necessary to effect such collection. The Board shall have the right to require all Owners to place their garbage or trash containers at a specific location for collection or to require all Owners to subscribe to a trash collection service. All rubbish, trash and garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any Lot.

5.11. Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any portion of the Property so as to be Visible From Neighboring Property.

5.12. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any portion of the Property except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of a residence, appurtenant structures, or other improvements, and except that which Declarant or the Association may require for the operation and maintenance of the Property.

5.13. Restriction on Further Subdivision and Time Shares. No Lot shall be further subdivided or separated into smaller lots or parcels by any Owner, and no portion less than all of any such Lot shall be conveyed or transferred by any Owner. Neither the ownership nor occupancy of any Lot shall be in time shares. No Owner shall transfer, sell, assign or convey any time share in his Lot, and any such transaction shall be void. "Time Share" as used in this Section shall mean the right to occupy a Lot or any one of several Lots under conditions constituting a time share use or time share estate under Arizona law.

5.14. Signs. No signs whatsoever (including, but not limited to, commercial, advertising, political and similar signs) shall be erected or maintained anywhere on the Property which are Visible From Neighboring

Property including, but not limited to, the inside or outside of windows in any building located on the Property, except:

(i) Such signs as may be required by legal proceedings or the prohibition of which is precluded by law;

(ii) Not more than two identification signs for each residence with a total face area of not more than 72 square inches each;

(iii) Such signs as may be required for traffic control and regulation of Common Areas; and

(iv) If permitted by the Master Association Documents, one "For Sale" or "For Rent" notice in a form approved by the Board in a location specified for that purpose by the Board, which may be in a Common Area rather than on a Lot.

5.15. Lights. No spotlights, floodlights or other high intensity lights shall be placed or utilized on any Lot in any manner which will allow light to be directed or reflected on the Common Area or any other Lot, except as may be expressly authorized by the Board or the Architectural Review Committee.

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

5.17. Diseases and Insects. No Owner shall permit any thing or condition to exist upon any portion of the Property which shall induce, breed or harbor infectious plant diseases or noxious insects.

5.18. Limitation on Leasing of Units. No Owner may lease less than his entire Lot (including the Dwelling Unit on it). No Lot and Dwelling Unit may be leased for a period of less than 30 days. All leases shall be in writing. Whether or not so stated in the lease, the terms of the lease shall be subject in all respects to the provisions of the Project Documents and any failure by the lessee to comply with the terms of the Project Documents shall be a default under the lease. An Owner who leases his Lot and Dwelling Unit shall promptly notify the Association and provide the Association with the term of the lease and the name of each lessee. The Owner of a Lot shall be responsible for compliance with the Project Documents by any lessee or other occupant of his Lot and Dwelling Unit.

5.19. Outdoor Burning. There shall be no outdoor burning of trash or other debris; provided, however, that the foregoing shall not be deemed to prohibit the use of normal residential barbecues or other similar outside cooking grills.

5.20. Fuel Tanks. No fuel tanks of any kind shall be erected, placed or maintained on the Property except for a propane or similar fuel tank with a capacity of ten gallons or less used in connection with a normal residential gas barbecue or grill.

5.21. Window Coverings. No reflective materials, including, but not limited to, aluminum foil, reflective screens or glass, mirrors or similar type items, shall be installed or placed upon the outside or inside of any windows of any Dwelling Unit or other structure so as to be Visible From Neighboring Property without the prior written approval of the Architectural Committee. No enclosures, drapes, blinds, shades, screens or other items affecting the exterior appearance of a Dwelling Unit or other structure shall be constructed or installed in any Dwelling Unit or other structure so as to be Visible From Neighboring Property without the prior written consent of the Architectural Committee.

5.22. HVAC and Solar Panels. Except as initially installed by the Declarant, no heating, air conditioning, evaporative cooling or solar energy collecting unit or panels shall be placed, constructed or maintained upon any Lot without the prior written approval of the Architectural Committee.

5.23. Garages and Driveways. The interior of any garage situated on any Lot shall be maintained in a neat, clean and sightly condition. Garages shall be used only for the parking of vehicles and the storage of normal household supplies and materials and shall not be used or converted for living quarters or recreational activities. Garage doors shall be left open only as needed for ingress and egress.

5.24. Party Walls. Subject to the provisions of the Master Declaration, the rights and duties of Owners of Lots with respect to party walls shall be governed by the following provisions:

(i) Each wall which is placed on the dividing line between Lots (or between a Lot and the Common Area) shall constitute a party wall. With respect to any such wall, each of the adjoining Owners (or, if any such wall lies upon the boundary between a Lot and the Common Area, then the Association and the adjoining Owner) shall assume the burden and be entitled to the benefit of the restrictive covenants contained in this Declaration, and to the extent not inconsistent with this Declaration, the general rules of law regarding party walls shall be applied;

(ii) The cost of reasonable repair and maintenance of a party wall shall be shared by the owners of the portions of the Property adjoining such wall in proportion to the use thereof, without prejudice, however, to the right of any such owner to call for a larger contribution from the other adjoining owner under any rule of law regarding liability for negligent or wilful acts or omissions;

(iii) In the event any such party wall is damaged or destroyed by some cause other than the act of one of the owners of the portion of the Property adjoining the wall, his agents, tenants, licensees, guests or family (including a loss by fire or other casualty or ordinary wear and tear and deterioration from lapse of time) then, in such event, both such owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense;

(iv) Notwithstanding any other provision of this Section, any person who, by his negligent or wilful act, causes any

unfinished surface of a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements;

(v) The right of any person to contribution from any other person under this Section shall be appurtenant to the land owned by such person and shall pass to successors in title;

(vi) In addition to meeting the other requirements of this Declaration and of any other building code or similar regulations or ordinances, any person proposing to modify, make additions to or rebuild a party wall shall first obtain the written consent of the owners of portions of the Property adjoining the wall and the Board;

(vii) In the event of a dispute between Owners (or between Owners and the Association) with respect to the repair or the rebuilding of a party wall or with respect to sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to arbitration under such rules as made from time to time to be adopted by the Association. If no such rules have been adopted, then the matter shall be submitted to three arbitrators, one chosen by each of the parties to the dispute, and the third by the two so chosen, or, if the arbitrators do not agree as to the selection of the third arbitrator within five days, then by any Judge of the Superior Court of Maricopa County, Arizona. A determination of the matter signed by any two of the arbitrators shall be binding upon the parties to the dispute, who shall share the cost of the arbitration equally. In the event one party fails to choose an arbitrator within ten days after personal receipt or request in writing for arbitration from the other party, then initiating party shall have the right and power to choose both arbitrators; and

(viii) The provisions of this Section shall be binding upon the successors and assigns of the Owners and the Association, but no person shall be liable for any act or omission respecting the party wall except such as took place while he was an owner of an affected portion of the Property.

5.25. Entrance Gates. The Association may establish one or more entrance gates for vehicular and pedestrian entrance to the Property. Any gate may be manned or unmanned, and its hours of operation may be reduced to less than 24 hours per day, as the Board elects. Subject to the easements set forth in this Declaration and in the Plat, the Board shall from time to time determine who may have access to the Property through any such gate. Notwithstanding the foregoing, the Declarant reserves the unrestricted right of entry through and use of such gates for itself and its successors in interest, and for the employees, agents, invitees, licensees, contractors and guests of each of them. The Board may make reasonable rules regulating the right of entry through any gate but none unreasonably restricting the right of entry for Owners, their tenants and guests, or for prospective purchasers of Lots invited by Owners.

5.26. Declarant's Exemption. Notwithstanding any other provision of the Project Documents, during the period of construction of Dwelling Units and the sale of Lots it shall be expressly permissible for the Declarant and its duly authorized agents, employees and representatives to maintain such

facilities, structures and signs as are necessary or convenient to the construction of Dwelling Units or the sale of the Lots, including, but not limited to, a business office, storage area, construction yard, model units or homes and sales offices.

ARTICLE 6

EASEMENTS

6.1. Utility Easement. There is hereby created a blanket easement upon, across, over and under the Common Area for ingress and egress for installing, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephone, electricity and a cable television system. By virtue of this easement, it shall be expressly permissible for the providing utility to erect and maintain necessary poles and other facilities and equipment on the Common Area. This easement shall in no way affect any other recorded easements on the Common Area.

6.2. Easement for Encroachments. In the event any Dwelling Unit or other structure or any fence or wall constructed as part of the initial construction of Improvements on a Lot or the Common Area by Declarant encroaches upon another Lot or the Common Area, a valid easement for such encroachment and for the maintenance of same, so long as it stands, shall exist.

6.3. Easements for Ingress and Egress. Easements for ingress and egress are hereby reserved to the Owners, and their family, guests, tenants and invitees for pedestrian traffic over, through and across such sidewalks, paths, walks and lanes as from time to time may exist upon the Common Area; and for vehicular traffic over, through and across such portions of the Common Area as from time to time may be paved and intended for such purposes; and for such other purposes reasonably necessary to the use and enjoyment of a Lot or the Common Area.

6.4. Association's Right of Entry. During reasonable hours, the Association, any member of the Architectural Committee, any member of the Board, and any authorized representative of any of them, shall have the right to enter upon and inspect any Lot, excluding the interior of any Dwelling Unit located thereon after the Dwelling Unit is occupied, for the purpose of making inspections to determine whether the provisions of this Declaration, the Association Rules and the Architectural Committee Rules are being complied with by the Owner of the Lot.

6.5. Association's Easement. The Association shall have an easement upon, across, over and under the Common Area and the Lots for the purpose of repairing, maintaining and replacing the Common Area and for performing all of the Association's other rights, duties and obligations under the Project Documents. Without limiting the generality of the preceding sentence, the Association shall have landscape easements as shown on the Plat for the purposes of installing, maintaining, and replacing or repairing such landscaping and associated Improvements as the Association may elect from time to time.

6.6. Master Association's Easement. The Master Association shall have an easement upon, across, over and under the Common Area and the Lots for the purpose of repairing, maintaining and replacing the Common Area and for performing all of the Master Association's other rights, duties and obligations under the Master Association Documents.

6.7. Wall or Fence Easement. There is hereby created an affirmative easement in favor of the Association and the Master Association, their employees and agents, upon, over and across each perimeter Lot for reasonable ingress, egress, installation, replacement, maintenance and repair of a perimeter wall, fence or other boundary control for the Property as originally constructed and installed by Declarant.

6.8. Development Easement. There is hereby created an affirmative, nonexclusive easement in favor of Declarant (for so long as it owns any portion of the Property) for ingress and egress over the Common Area and Lots (excluding the interior of occupied Dwelling Units) and for the right to go over, under and across, and to enter and remain upon all such portions of the Property for all purposes reasonably related to Declarant's rights and obligations hereunder and to the development, operation, maintenance, advertisement, sale and rental of the Property and every portion thereof.

ARTICLE 7

PROPERTY RIGHTS

7.1. Owners' Easement of Enjoyment. Every Owner, and each person occupying the Owner's Dwelling Unit with the consent of the Owner, shall have a right and easement of enjoyment in and to the Common Area. This easement shall be appurtenant to and shall pass with the title to the Owner's Lot, subject to the following:

(i) the right of the Association to adopt reasonable rules and regulations governing the use of the Common Area and all facilities located thereon;

(ii) the right of the Association to charge reasonable admission and other fees for the use of any clubhouse or recreational facility or equipment situated upon the Common Area;

(iii) the right of the Association to suspend the voting rights and the rights to the use of the recreational facilities of an Owner as provided for herein;

(iv) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by at least 67% of the Members; and

(v) the right of Declarant and its agents and representatives, set forth elsewhere in this Declaration.

7.2. Lessees. If a Lot is leased or occupancy rights are otherwise granted by the Owner thereof, the lessee (or occupant) and the members of his family residing with such lessee (or occupant) shall have the right to use the Common Area during the term of the occupancy, and the Owner of such Lot shall have no right to use the Common Area until the termination or expiration of such occupancy rights, except as may be necessary for ingress to and egress from the Owner's Lot.

7.3. Guests and Invitees. The guests and invitees of any Owner or other person entitled to use the Common Area pursuant to Sections 7.1 and 7.2, above, may use the Common Area only if they are accompanied by an Owner, lessee or other person entitled to use the Common Area pursuant to Section 7.1 or 7.2, above. The Board shall have the right to limit the number of guests and invitees who may use the Common Area at any one time and may restrict the use of the Common Area by guests and invitees to certain specified times.

7.4. Limitations. An Owner's right and easement of enjoyment in and to the Common Area shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Lot. Such right and easement of enjoyment in and to the Common Area shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale or encumbering of the Owner's Lot, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to such right and easement of enjoyment.

ARTICLE 8

MAINTENANCE

8.1. Maintenance by Master Association. In accordance with Article X, Section 4 of the Master Declaration, the Master Association shall be responsible for the maintenance of the Common Area and shall cause the Common Area to be maintained in accordance with the same standards established for the Master Common Areas (as that term is defined in the Master Declaration). In addition, the Master Association shall maintain the landscaping on the Lots, except for the landscaping which is located within any area enclosed by a fence or wall. For performing such maintenance, the Association shall pay the Master Association in accordance with the provisions of the Master Declaration, and all such amounts shall be an expense of the Association and shall be included in the budget of the Association. In the event the Master Declaration is amended in such a manner that the Master Association is not obligated to maintain the Common Area or landscaping on Lots, the Association shall be responsible for the maintenance of such portions of the Common Area and the Lots (not enclosed by a fence or wall) as the Master Association is no longer obligated to maintain.

8.2. Maintenance By Owners. Each Owner shall be solely responsible for the maintenance, repair and replacement of his Lot and all Improvements located thereon, except for the landscaping on his Lot which is to be maintained by the Master Association or the Association pursuant to Section 8.1, above.

8.3. Damage or Destruction of Common Area by Owners. No Owner shall in any way cause or permit damage or destruction to any Common Area or interfere with the activities of the Association or the Master Association in connection therewith. Any expenses incurred by the Association or the Master Association by reason of any such act or default of an Owner shall be paid by said Owner, upon demand, to the Association or the Master Association and such amounts shall be a lien on any Lots owned by said Owner as an extraordinary assessment, and the Association or the Master Association may enforce collection of any such amounts in the same manner as provided elsewhere in this Declaration or the Master Declaration for the collection and enforcement of Assessments.

8.4. Nonperformance by Owners. If any Owner fails to maintain any portion of his Lot, and the Improvements located thereon, which he is obligated to maintain under the provisions of the Project Documents, the Association shall have the right, but not the obligation, to enter upon such Owner's Lot to perform the maintenance and repairs not performed by the Owner, and the cost of any such work performed by or at the request of the Association shall be paid for by the Owner of the Lot, upon demand from the Association, and such amounts shall be a lien upon the Owner's Lot as an extraordinary assessment and the Association may enforce collection of such amounts in the same manner and to the same extent as provided elsewhere in this Declaration for the collection and enforcement of Assessments.

8.5. Payment of Utility Charges. Each Lot shall be separately metered for electrical, water, sewer and other utility service and all charges for such utility services to the Lots shall be the sole obligation and responsibility of the Owner of each Lot. Charges for utility service to the Common Area shall be the obligation of the Association and shall be included in the Association's budget.

ARTICLE 9

INSURANCE

9.1. Types of Coverage. Commencing not later than the time of the first conveyance of a Lot to a Purchaser, the Association shall maintain, to the extent reasonably available, insurance coverage as follows:

(i) property insurance on the Common Area insuring against all risk of direct physical loss, in an amount equal to the maximum insurable replacement value of the Common Area as determined by the Board; provided, however, that the total amount of insurance, when combined with any deductibles, shall not be less than 100% of the current replacement cost of the insured property, exclusive of land, excavations, foundations and other items normally excluded from a property policy;

(ii) comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than \$1,000,000. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Area and all other portions of the Property which the Association is obligated to

maintain or entitled to use under this Declaration, and shall also include hired and non-owned automobile coverages;

(iii) worker's compensation insurance to the extent necessary to meet the requirements of the laws of Arizona;

(iv) if there is a steam boiler used in connection with the Common Area, boiler explosion insurance shall be evidenced by the standard form of boiler machinery insurance policy and shall provide coverage in the minimum amount of \$50,000 per accident per location;

(v) if the Property is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a policy of flood insurance on the Common Area must be maintained in the lesser of 100% of the current replacement cost of the buildings and any other property covered by the required form of policy or the maximum limit of coverage available under the National Insurance Act of 1968, as amended; and

(vi) such other insurance as the Association shall determine from time to time to be appropriate to protect the Association or the Owners.

9.2. Required Provisions. The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions:

(i) the insurer waives any right to claim by way of subrogation against the Master Association, the Association, the Board, the Owners, and any managing agent of the Association, and the agents, employees and guests of each of them, and the members of Owners' households;

(ii) no act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery on the policy;

(iii) the coverage afforded by such policy shall not be brought into contribution or proration with any insurance which may be purchased by the Owners or their mortgagees or beneficiaries under deeds of trust;

(iv) a "severability of interest" endorsement shall preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or other Owners;

(v) the Association shall be named as the insured;

(vi) for policies of hazard insurance, a standard mortgagee clause shall provide that the insurance carrier shall notify the First Mortgagee named in the policy at least ten days in advance of the effective date of any substantial modification, reduction or cancellation of the policy; and

(vii) "Agreed Amount" and "Inflation Guard" endorsements.

9.3. Certificates of Insurance. An insurer that has issued an insurance policy under this Article shall issue a certificate or memorandum of insurance to the Association and, upon request, to any Owner, mortgagee or beneficiary under a deed of trust. Any insurance obtained pursuant to this Article may not be cancelled until 30 days after notice of the proposed cancellation has been given to any holder of such a certificate or memorandum.

9.4. Fidelity Bonds. Except as may be covered by a fidelity bond in effect for the Master Association with the Association named as an additional obligee, the Association shall maintain blanket fidelity bonds for all persons handling or responsible for funds of or administered by the Association, including, without limitation, any management agent to whom the Association has delegated some or all of the responsibility for handling such funds. The total amount of fidelity bond coverage shall be based upon the best business judgment of the Board. Fidelity bonds obtained by the Association must also meet the following requirements:

(i) fidelity bonds shall name the Association as an obligee;

(ii) bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions; and

(iii) bonds shall provide that they may not be cancelled or substantially modified (including cancellation from non-payment of premium) without at least ten days prior written notice to the Association.

9.5. Payment of Premiums. The premiums for any insurance obtained by the Association pursuant to this Article shall be included in the budget of the Association and shall be paid by the Association.

9.6. Insurance Obtained by Owners. Each Owner shall be responsible for obtaining insurance for his own benefit and at his own expense covering his Lot, and all Improvements located thereon, and his personal property and providing personal liability coverage to the extent that he believes insurance obtained by the Association is inapplicable or insufficient.

9.7. Payment of Insurance Proceeds. Any loss to the Common Area covered by property insurance obtained by the Association in accordance with this Article shall be adjusted with the Association and insurance proceeds shall be payable to the Association and not to any secured party under a Mortgage naming an Owner, and not the Association, as the obligor. Subject to the provisions of Section 9.8 of this Declaration, these proceeds shall be disbursed for the repair or restoration of the damage to Common Area. Any loss to a Lot or the Improvements located thereon covered by insurance obtained by the Association shall be adjusted with the Owner of the Lot and proceeds shall be payable to the Owner and any holders of liens on the Lot as their interests may appear.

9.8. Repair and Replacement of Damaged or Destroyed Property. Any portion of the Common Area damaged or destroyed shall be repaired or replaced promptly by the Association unless (i) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (ii) at least 80% of the Owners and two-thirds of the Eligible Mortgagees vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Association and collected from Owners by a special assessment. If the Common Area is not entirely repaired or replaced, insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition which is not in violation of any state or local health or safety statute or ordinance and the remainder of the proceeds shall be distributed to the Owners on the basis of an equal share for each Lot if the Board determines that the funds are not required for the operations or reserves of the Association.

ARTICLE 10

GENERAL PROVISIONS

10.1. Enforcement. The Association and any aggrieved Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by or pursuant to the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant, restriction or other provision herein contained shall in no event be deemed a waiver of the right to do so thereafter.

10.2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

10.3. Term; Method of Termination. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect for a term of 20 years from the date this Declaration is recorded. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten years each, unless this Declaration is terminated by a vote of 90% of the Owners, and 75% of the Eligible Mortgagees. If the necessary votes from the Owners and the Eligible Mortgagees are obtained, the Board shall cause to be recorded with the County Recorder of Maricopa County, Arizona, a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. Thereupon this Declaration shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles.

10.4. Amendments. This Declaration may be amended by recording with the County Recorder of Maricopa County, Arizona, a Certificate of Amendment duly signed by officers of the Association and acknowledged as required for a Certificate of Termination in Section 10.3 of this Declaration. The Certificate of Amendment shall set forth in full the amendment adopted, and, except as provided in Section 10.5 of this Declaration, shall certify that, at a meeting of the Members duly called and

held pursuant to the provisions of the Articles and Bylaws, 75% of the Owners, and 50% of the Eligible Mortgagees voted affirmatively for the adoption of the amendment. No amendment under this Section shall be effective unless the Certificate of Amendment has been signed by the Declarant (so long as the Declarant owns any Lot) and by the Master Association.

10.5. Amendment by Declarant. Notwithstanding anything to the contrary in this Declaration, until all Lots have been conveyed by the Declarant to an Owner the Declarant shall have the right to amend this Declaration by executing and recording a Certificate of Amendment, without obtaining the approval or consent of any Owner or Eligible Mortgagee, in order to conform the Declaration to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration or any federal, state or local governmental agency or financing institution whose approval is required or requested by the Declarant. No amendment under this Section shall be effective unless the Certificate of Amendment has been signed by the Master Association.

10.6. Violations and Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Owner.

10.7. Violation of Law. Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of any Lot is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

10.8. Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

10.9. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered 48 hours after it is deposited in the United States mail, first class postage prepaid, addressed as follows: If to the Association, the Architectural Committee, or the Declarant, at 215 North 5th Street, Fargo, North Dakota, 58102; if to an Owner, to the address of his Lot or to any other address last furnished by the Owner to the Association. Any such address may be changed at any time by an Owner giving notice to the Association or by the Association giving notice to the Owners. Each Owner of a Lot shall file his correct mailing address with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

10.10. Binding Effect. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each person or entity, for himself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by

this Declaration and any amendments thereof. In addition, each such person thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Property and thereby evidences his intent that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

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

10.12. Topic Headings. The marginal or topical headings of the sections contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Sections or this Declaration.

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

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

10.15. Joint and Several Liability. In the case of joint ownership of a Lot, the liabilities and obligations of each of the Owners set forth in or imposed by this Declaration shall be joint and several.

10.16. Declarant's Disclaimer of Representations. Anything to the contrary in this Declaration notwithstanding, and except as otherwise may be expressly set forth on a recorded plat or other instrument recorded in the office of the County Recorder of Maricopa County, Arizona, Declarant makes no warranties or representations whatsoever to the Owners that the plans presently envisioned for the complete development of the Property can or will be carried out, or that any land now owned or hereafter acquired by it is or will be subjected to this Declaration, or that any such land (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect.

10.17. Rights of Markland. If Markland becomes the owner of all or any part of the Property by foreclosure, trustee's sale or otherwise by reason of any option or right of first refusal held by Markland to purchase all or any part of the Property, Markland shall have the right to elect to

SS 009710

STATE OF ARIZONA)
) ss.
County of Maricopa)

Acknowledged before me this 11th day of February, 1988, by Fred B. Thielen, the Executive Director of The Gainey Ranch Community Association, an Arizona nonprofit corporation, on behalf of the corporation.

Marlene S. Kolewa
Notary Public

My Commission Expires:

August 7, 1989

EXHIBIT "A"

That part of the Southwest quarter of Section 26, Township 3 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as and reference herein is a local co-ordinate base using a reference bearing of North 00 degrees 29 minutes 47 seconds West along the West line of the said Southwest quarter Section 26, and using co-ordinates of (10,325.07 N. 4976.57 E.) at the Northwest corner of the said Southwest quarter, Section 26;

From the Northwest corner of the said Southwest quarter Section 26, measure South 89 degrees 53 minutes 33 seconds East along the North line of the said Southwest quarter Section 26, a distance of 1049.95 feet; thence South 00 degrees 06 minutes 27 seconds West 108.87 feet to the point of beginning and having a co-ordinate value of (10,214.23 N. 6026.62 E.); thence South 57 degrees 08 minutes 37 seconds East 103.49 feet to the beginning of a curve to the left having a radius point bearing North 02 degrees 51 minutes 23 seconds East 1015.00 feet; thence Easterly 48.70 feet along the arc of this curve through 02 degrees 44 minutes 56 seconds of central angle; thence South 89 degrees 53 minutes 33 seconds East 261.22 feet to the beginning of a curve to the left having a radius point bearing North 00 degrees 06 minutes 27 seconds East 2015.00 feet; thence Easterly 73.77 feet along the arc of this curve through 02 degrees 05 minutes 51 seconds of central angle; thence North 88 degrees 00 minutes 36 seconds East 169.10 feet; thence South 00 degrees 06 minutes 27 seconds West 86.06 feet; thence South 33 degrees 28 minutes 44 seconds East 285.00 feet; thence South 56 degrees 31 minutes 16 seconds West, 332.91 feet; thence South 08 degrees 29 minutes 16 seconds West 724.94 feet; thence South 23 degrees 21 minutes 51 seconds West 178.96 feet; thence North 36 degrees 32 minutes 44 seconds West 157.13 feet; thence North 30 degrees 24 minutes 08 seconds West, 190.64 feet; thence North 02 degrees 43 minutes 01 seconds West 197.67 feet; thence North 04 degrees 21 minutes 58 seconds East, 194.29 feet; thence North 10 degrees 02 minutes 53 seconds East 328.88 feet; thence North 33 degrees 14 minutes 46 seconds West, 63.15 feet; thence North 64 degrees 25 minutes 55 seconds West, 98.70 feet; thence North 00 degrees 06 minutes 27 seconds East, 143.83 feet to the point of beginning.

The above property now constitutes The Legend at Gainey Ranch according to the Plat dated September, 1967 and recorded on December 8, 1967, in Book 317 of Maps, Page 48, records of Maricopa County, Arizona.