

AMENDMENT
TO BYLAWS
CROWN POINT HOMEOWNERS ASSOCIATION
ARTICLE III, SECTION 5

At a Special Meeting held on March 3, 1997, by a majority vote of the Membership, it was

RESOLVED, that Article III, Section 5 of the Bylaws are amended in their entirety to read as follows:

Section 5. Quorum. The presence at the meeting of Members entitled to cast, or of the proxies entitled to cast, twenty percent (20%) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcements at the meeting, until a quorum as aforesaid shall be present or be represented.

WHEN RECORDED RETURN TO:
Chicago Title Agency of Arizona, Inc.
3500 North Central Avenue
Phoenix, Arizona 85012

Attention: Subdivision Filings
CHICAGO TITLE AGENCY OF ARIZONA
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
CROWN POINT

PROP RSTR (PR)

RECORDED IN BOOK 111, PAGE 23
APR 20 1984 -2 00
BILL HENRY, COUNTY CLERK
FEE 25.00 REG 25.00

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KNOW ALL MEN BY THESE PRESENTS:

That UNIVERSAL HOMES Inc., an Arizona corporation (hereinafter referred to as "Declarant"), being the owner of the legal title to that certain real property situated within the County of Maricopa, State of Arizona, described on the Plat for CROWN POINT recorded in Book 265 of Maps, page 23, records of Maricopa County, Arizona (hereinafter referred to as the "Plat"), and desiring to establish a general plan for the improvement, development, use and enjoyment of said property, does hereby declare that said property shall be held, sold and conveyed subject to the following express covenants, assessments, liens, conditions, easements, reservations and restrictions (hereinafter collectively sometimes called "Restrictions"), all of which shall run with the land and be binding upon the said property and all parties having or acquiring any right, title or interest in or to said property, or any part thereof, and shall herein be divided into separately designated lots numbered 1 through 87, inclusive, and certain other Common Areas, all as more fully shown and described on the Plat, and further described herein. The foresaid property may hereinafter be referred to as "CROWN POINT."

ARTICLE I

Definitions

Section 1: "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Crown Point Homeowners Association, Inc.

Section 2: "Association" shall mean and refer to Crown Point Homeowners Association, Inc., an Arizona nonprofit corporation, its successors and assigns.

Section 3: "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 4: "Bylaws" shall mean and refer to the Bylaws of Crown Point Homeowners Association, Inc.

Section 5: "Common Areas" shall mean and shall include but not necessarily be limited to Tract "A" and any improvements, landscaping, walls, dividers, streets and roadways, and the like, located thereon or owned by the Association for the benefit and/or use of the Lot Owners.

Section 6: "Developer" shall mean and refer to UNIVERSAL HOMES Inc., an Arizona corporation, its successors and assigns, if such successors or assigns should acquire more than one Lot in Crown Point for developmental purposes and the instrument of acquisition expressly grants such rights.

ACCOMMODATION RECORDING
NO TITLE LIABILITY

ACCOMMODATION RECORDING
NO TITLE LIABILITY

Section 7: "Lot" shall mean and refer to the separately designated lots numbered 1 through 87, inclusive, as identified on the Plat of Crown Point, together with any improvements thereon.

Section 8: "Member" shall mean every person or entity who holds membership in the Association.

Section 9: "Mortgagee" means a person (including fictitious entities) secured by a Mortgage on a Lot, includes" a trustee and Beneficiary under a deed of trust. "Mortgage means any recorded, filed or otherwise perfected instrument given in good faith and for valuable consideration which is not fraudulent under Arizona law as security for the performance of an obligation (including, but not limited to, deeds of trust, contracts for sale and mortgages), but shall not include any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code.

Section 10: "Owner" shall mean the record owner, whether one or more person or entities, of equitable title (or legal title if equitable title has merged) of any Lot. An owner does not include a person or entity who holds an interest in a Lot merely as security for the performance of an obligation.

Section 11: "Plat" shall mean and refer to that certain Plat for Crown Point recorded by Declarant in Book 265 of Maps, at page 23, records of Maricopa County, Arizona.

Section 12: "Properties" or "Premises" or "Development" shall mean all of that certain real property shown on the Plat.

Section 13: "Unit" shall mean and refer to a residential living unit constructed upon a separately designated Lot, without limiting or restricting the definition of Lot referred to in Section 7 above, which also may include any improvements erected on a Lot.

ARTICLE II

Use Restrictions

Section 1: Residential Use. All of the Lots in the Development shall be known and described as, and limited in use to, residential purposes. No improvements or construction whatever other than a private dwelling, patios, patio walls, a garage or carport, a swimming pool and other such customary residential improvements, may be erected or maintained on any of the Lots, and then only as authorized, by the Architectural Control Committee pursuant to Article IV below.

Section 2: Construction. All Units and structures on the Lots shall be of new construction (subject to the provisions of Article IV hereof), and no buildings or structures shall be moved from any other location onto any of the Lots. No Unit shall be erected, permitted or maintained on any Lot having a total floor area (including the second story, if any) of less than one thousand six hundred (1,600) square feet, exclusive of open-roofed areas, pergolas or attached garage or carport.

Section 3: Temporary and Prefabricated Structures. No structures of a temporary character shall be permitted on the Premises, and no trailers (except those permitted to be parked pursuant to Section 8 of this Article), and no tents, shacks, or barns shall be permitted on the Premises, either temporarily or permanently. No prefabricated structures shall be moved onto or erected on the Premises, either temporarily or permanently.

Section 4: Business or Offensive Activities. No noxious or offensive activity may be carried on or permitted on any part of the Properties, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood; nor shall any part of the Premises be used for business, professional, commercial, rest home (including, but not limited to, care or treatment of the physically or mentally sick or disabled), religious or institutional purposes. This Section does not apply to the activities of the Association in furtherance of its powers and purposes as set forth in this Declaration.

Section 5: Signs. No sign (other than a name and address sign to be approved by the Board) of any nature whatsoever shall be displayed or placed upon any Lot or on the outside of any Unit except for one "For Sale" or "For Rent" sign of not more than five (5) square feet in size, referring to the Lot upon which said sign is located and each Lot shall be limited to one such sign. No signs shall be permitted on any of the Common Areas without the prior written consent of the Board.

Section 6: Outside Lighting. Except as may be initially installed by Developer, no spotlights, floodlights or similar type high intensity lighting shall be placed or utilized upon any Lot which in any way will allow light to be reflected on any other Lot or the improvements thereon or upon the Common Areas or any part thereof without the written authorization of the Board. Other types of low intensity lighting which do not disturb the Owners or other occupants of the Properties shall be allowed.

Section 7: Animals; Pets. Only commonly accepted household pets may be kept on a Lot, provided that such commonly accepted household pets are not kept, bred or maintained for any commercial purposes, and provided further, that the Board shall have the right to regulate the number and kind of pets kept on a Lot. Except as stated above, no other animals or birds of any kind shall be raised, bred or kept on the Premises or any part thereof without the written consent of the Board first obtained. Pets shall not be allowed loose or unsupervised on any part of the Properties and walking of pets shall be allowed only on such portions of the Properties as the Board may prescribe by its rules and regulations.

Section 8: Trucks; Boats; Cycles; Campers. Except for trucks, vans or trailers belonging to persons doing work on the Premises during daylight hours (or at other times during emergencies), no trucks, buses, vans, trailers, boats, antique cars, campers and similar type vehicles or equipment shall be kept or parked in the streets or driveways (or any other place except as hereinafter stated), and any such equipment or vehicles shall be kept or parked only in the garages or carports, or in such other areas as the Board may specifically prescribe in writing by its rules and regulations. Except for antique cars, this Section does not apply to passenger automobiles, including

station wagons. If the Board determines that any vehicle (including but not limited to a motorbike or motorcycle) is creating loud or annoying noises by virtue of its operation within the Properties, such determination shall be conclusive and final that the operation of such vehicle is a nuisance and said operation, upon notice by the Board to the owner or operator thereof, shall be prohibited within the Properties. Subject to the above restrictions, all vehicles must be operated in the Development by licensed operators.

Section 9: Garage Doors. Garage doors, if installed, shall be kept closed at all times, except as may be necessary for reasonable ingress and egress.

Section 10: Windows and Awnings. No reflective materials including but not limited to aluminum foil, reflective screens or glass, mirrors or similar type items, shall be permitted to be installed or placed on the outside or inside of any windows or any other part of a Lot which can be seen from the outside of the Development or from other portions of the Development. Further, no metal or rigid plastic awnings of any nature whatsoever shall be permitted to be placed or installed on or attached to the outside of any of the Units, or elsewhere on a Lot, and only canvas or other type awnings that shall have been first approved in accordance with Article IV shall be allowed.

Section 11: Screening Areas; Fences. All screened areas and fences, hedges or walls shall be maintained upon the Premises in accordance with their original construction or installation, except as otherwise approved in accordance with Article IV.

Section 12: Trash; Unsightly Items. All clotheslines, garbage cans, equipment, service areas, woodpiles, storage piles and storage areas shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring property and streets. Rubbish, trash and garbage shall not be burned on or allowed to accumulate on any Lot or on the Premises. No incinerators shall be permitted on the Premises or any part thereof.

Section 13: Underground Utilities. All electric, gas, power, telephone, water and other service and utility lines, pipes and/or other structures and media for transmission thereof shall be placed and maintained underground, except above-ground service pedestals and switch cabinets, and except to the extent (if any) such underground placement may be prohibited by law, and except for such above-ground structures and/or media for transmission as may be originally constructed by Developer or as may be otherwise approved in writing by the Board.

Section 14: Noisy Equipment. Except for emergencies, no equipment which emanates disturbing sounds or loud noises, including but not limited to lawn mowers, power hedge clippers, power chain saws and other similarly noisy equipment, shall be operated in any part of the Properties at such times or in such a manner as to unreasonably disturb the surrounding lot owners.

Section 15: Antennas. Except as may be installed by Developer, no radio, television and other antennas, microwave dishes or other transmission or receiving devices of any kind or nature shall be placed and maintained upon any Lot on the Premises or any part thereof (or on the improvements located thereon) unless approved in writing by the Board.

Section 16: Renting. No portion of the Premises but for an entire Lot, together with the improvements thereon, may be rented, and then only to a single family, unless otherwise approved in writing by the Board.

Section 17: Subdividing. None of the Lots shall be resubdivided into smaller Lots or conveyed or encumbered in less than the full original dimensions as shown on the Plat of this Development. However, this restriction shall not prevent conveyances which combine in common ownership Lots or parts of Lots in such a manner that each of the parcels of land thereby resulting has an area the same as or greater than the area of the smallest Lot within the Development. Such newly created parcel thereafter shall be considered as one Lot, except that an Owner of each Lot as originally shown on the Plat shall be entitled to that number of votes and shall be subject to assessments attributable to each full Lot owned as originally shown on the Plat. Nothing contained in this Section 17 shall prevent the dedication, conveyance, granting or use of any of the easements set forth in Article VII below, or of any easements over, across and under portions of Lots for public or quasi-public uses or for purposes which benefit any Lot Owners.

Section 18: Walls. The walls of any building or improvements and fences constructed on any Lot shall not exceed the height of the original construction unless approved in writing by the Board. Setback lines shall be maintained in accordance with the original construction on each Lot unless otherwise permitted by written approval of the Board.

Section 19: Declarant/Developer Exempt. Notwithstanding anything contained herein to the contrary or otherwise, none of the use restrictions contained in this Article II nor any other restriction contained in this Declaration shall be construed or deemed to limit or prohibit any act of Developer or Declarant, or their employees, agents, and subcontractors or parties designated by them in connection with the construction, completion, sale or leasing of the Units and Lots.

ARTICLE III

The Crown Point Homeowners Association, Inc. and Membership in the Association

Section 1: Purpose. The Crown Point Homeowners Association, Inc., shall be a nonprofit corporation organized under the laws of the State of Arizona for the general welfare and benefit of the property Owners in the Development. The Association, through its Members and Board, shall take the appropriate action to manage and maintain, repair, replace and improve the Common Areas and the additional designated areas as identified in Section 3 of Article V of these Restrictions, together with improvements located thereon, to perform related activities,

and to perform all other functions and duties assigned to the Association by this Declaration, all in accordance with this Declaration and with the Articles of Incorporation and Bylaws.

Section 2: Membership. Membership in the Association shall be limited to the Owners of Lots as hereinabove defined, and such membership shall be subject to all the provisions of this Declaration and to the Association's Articles of Incorporation and Bylaws, as the same may be amended from time to time. Upon becoming the Owner of a Lot, such Owner shall automatically become a Member of the Association. An Owner shall remain a Member of the Association until such time as his ownership of a Lot ceases, at which time his membership in the Association shall cease automatically. Ownership of a Lot shall be the sole qualification and criterion for membership. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment by the Association. A membership in the Association shall not be transferred, pledged or alienated in any way except upon the sale of such Lot and then only to such purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage or record, or other legal process. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the purchasers of such Lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new membership to the purchaser, and thereupon the old membership outstanding in the name of the seller shall be null and void as though the same had been surrendered. The record Owner of a Lot shall be entitled to one membership in the Association for himself and his family residing in a Unit; provided, however, in the event any such Lot is owned by two or more persons, the membership as to each Lot shall be joint, and a single membership for such Lot shall be issued in the names of all Owners, and they shall designate to the Association one of their Members who shall hold the membership and shall have the power to vote said membership. At the discretion of the Board, no certificates of membership need be issued, and if certificates are not issued, membership shall be evidenced by an official list of Members kept by the Secretary of the Association.

Section 3: Voting Rights. Subject to the provisions hereof, each membership representing ownership of one of the Lots in the Development shall be entitled to one vote.

Section 4: Developer's Rights. Notwithstanding anything contained herein to the contrary or otherwise, until such time as all of the Lots within the Development have been conveyed to purchasers thereof (as evidenced by the recordation of deeds thereto) all of the rights and authority granted to the Association, including but not limited to the right to make assessments, as set forth below, shall be and remain in Developer (unless Developer, prior to the time specified above, elects to relinquish and/or delegate all or part of such rights

conditions as may be agreed to by the Board of Directors. No dedication or transfer shall be valid unless such dedication or transfer, and the purposes and conditions agreed to in connection therewith, are expressly approved in writing by the Owners of at least eighty percent (80%) of the Lots.

Section 2: Delegation of Use. Any Owner may delegate, subject to and in accordance with this Declaration, the Articles of Incorporation, the Bylaws, and the rules and regulations of the Board, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3: Title to the Common Areas. Declarant hereby covenants, for itself, its successors and assigns, that it will convey fee simple title to the Common Areas known as Tract "A", CROWN POINT, according to the Plat recorded in Book 265 of Maps, page 21, on the official records of Maricopa County, Arizona, to the Association; provided, however, Declarant shall not be obligated to do so until such time as all of the Lots have been sold and conveyed to bona fide purchasers. Declarant may also elect to convey to the Association, as additional property to be included in the Common Area, certain additional areas relating to such residential Subdivision which shall then be included in the Common Areas from and after the date of such conveyance and the Association shall have the obligation from and after such date to maintain such Lots in accordance with Article VIII hereof. The Association and Lot Owners shall have all rights and privileges accorded Common Area properties respecting such additional properties from and after the date of such conveyance.

Section 4: Further Transfer of Common Areas. The Association shall have the right to abandon, partition, subdivide, encumber, sell or otherwise transfer all or any part of the Common Areas to any third party only upon express written approval of such abandonment, subdivision, encumbrance, sale or transfer, together with such approval of the attendant purposes and conditions, of the then Owners of at least eighty percent (80%) of the Lots. Notwithstanding the foregoing provision and the provision set forth in paragraph 2 of Section 1 of this Article, the Board shall have the right to grant easements for the construction and maintenance of facilities and utilities over, under and across the Common Areas and any portion thereof without approval of the Owners.

ARTICLE VI

Party Walls

Section 1: The rights and duties of the Owners of Units within this Development with respect to party walls shall be governed by the following:

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

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

C. In the event any such party wall is damaged or destroyed due to ordinary wear-and-tear and deterioration from lapse of time, or by any cause other than the act of one of the adjoining Owners, his agents, tenants, licensees, guests or family, then and in such event both such adjoining Owners shall proceed forthwith to rebuild or repair the same as to good condition as formerly at their joint and equal expense.

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

E. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

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

G. In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost 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 may from time to time 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 Owners and the third by the two so chosen, or if the two arbitrators cannot agree as to the selection of the third arbitrator within five (5) days, then by any Judge of the Superior Court of Maricopa County, Arizona. A determination of the matter signed by any two of the three arbitrators shall be binding upon the Owners, who shall share the cost of arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after receipt of a request in writing for arbitration from the other party, then said other party shall have the right and power to choose both arbitrators.

H. These covenants shall be binding upon the heirs and assigns of any Owners, but no person shall be liable for any act or omission respecting any party wall except such as occurred while an Owner.

ARTICLE VII

Easements

Section 1: There is hereby created a blanket easement upon, across, over and under the Properties for ingress, egress, installation, replacing, repairing and maintaining all utilities including, but not limited to, water, sewers, gas, telephones and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary facilities and equipment on the Development and to affix and maintain wires, circuits, conduits and related facilities and equipment on, above, across and under the roofs and exterior walls of the Units. Notwithstanding anything to the contrary contained in this Section, no easements shall be created nor shall any sewers, electrical lines, water lines, or other facilities for utilities be installed or relocated on the Properties except as initially created, programmed and approved by Developer or thereafter created or approved by Developer or the Board. This provision shall in no way affect any other recorded easements on the Properties.

Section 2: Each Lot, Unit and the Common Areas shall be subject to an easement for encroachments including but not limited to encroachments of balconies, ledges, roofs, walls, fences and trellises, created by construction, settling and overhangs, as designed or constructed by Developer. A valid easement for said encroachments and for the maintenance of same, so long as they stand, shall and does exist. In the event any Unit or structure is partially or totally destroyed and then rebuilt, the Owners of Units agree that similar encroachments of parts of the adjacent Units or Common Areas due to construction, settling and overhangs shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist.

Section 3: Except as may be constructed by Developer or as specifically allowed by this Declaration and the Plat, no building or other structures shall be placed or erected on any easements nor interference made with the free use thereof for the purposes intended.

ARTICLE VIII

Maintenance

Section 1: The Board, acting for and on behalf of the Association shall have the obligation to maintain, repair and replace the Common Areas and all landscaping and other improvements located thereon, in accordance with the terms and conditions hereof. Any cooperative action necessary or appropriate for the proper maintenance and upkeep of the Common Areas shall be taken by the Board, acting for and on behalf of the Association. The Board shall also maintain, replace and repair the landscaping, decorative additions, and other improvements of the following identified items, even though such items may be located on one or more Lots, or on Property which has been dedicated to public use:

- (A) The northerly exterior surface of the fence or wall situated on and running the full length of the

northern boundary of the Plat adjacent to the dedicated roadway known as Thunderbird Road;

(B) Any landscaping or other improvements situated in one or more median planters situated in the center of the dedicated roadway referred to as 69th Drive;

(C) The decorative treatment and landscaping as may be located on the northern exposure of the wall described in paragraph (A) of this Section;

(D) That certain decorative treatment and/or landscaping located at the northwest corner of Lot 1 and the northwest corner of Lot 87, being the decorative entrance way to the Development; and

(E) [Maintenance of proposed special street lights and street improvements which are not maintained by the City.]

Without limiting the generality of the foregoing, the Association shall have the right at any and all times to promulgate reasonable rules and regulations concerning the landscaping, color scheme and other related matters affecting the outside appearance of the Development as a whole, and the individual Unit Owners shall be bound thereby.

Section 2: In the event that the need for any maintenance or repairs to the Common Areas (or otherwise which the Association have undertaken or are responsible for) is caused through the willful or negligent act of the Owner of a Lot, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

Section 3: Each Lot Owner shall be responsible for all maintenance and repair of his individual Unit and Lot, and all improvements and landscaping situated thereon. Termite and pest control shall be the responsibility of the Unit Owners.

Section 4: The Association shall have the right at any time to maintain and repair utility lines, pipes, wires, conduits, or similar systems or facilities up to the point where they enter the improvements situated on a Lot. No Owner shall do or allow any act or work that will impair the structural soundness or integrity of the Development or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Units or their Owners.

ARTICLE IX

Covenant for Assessments

Section 1: Creation of the Lien and Personal Obligation of Assessments. The Owner of each Lot, by acceptance of a deed or other instrument therefor, whether or not it should be so expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association: (a) annual or periodic assessments or charges, (b) special assessments for capital improvements, and (c) individual assessments as provided for under Section 8 of this Article. The annual or periodic, special and individual assessments, together with

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such interest thereon and costs of collection thereof (including reasonable attorney's fees) as hereinafter provided, shall be a charge on the land and shall be a continuing lien (hereinafter sometimes called an "assessment lien") upon the Lot against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall be the personal obligation of the person who is the Owner of such Lot at the time when the assessment became due, but such personal obligation or liability of the Owner shall not be deemed to limit or discharge the charge on the land and the continuing lien upon the Lot against which such assessment is made. No Owner may exempt himself from liability for the assessment which becomes due while he is the Owner by failure or waiver of the use or enjoyment of any of the Common Areas or by the abandonment of his Lot, or otherwise.

Section 2: Purpose of Assessments. The assessments levied by the Association shall be used for the purpose of promoting the general benefit, recreation, health, safety and welfare of the Owners of the Properties. Such purposes shall include, but shall not be limited to, and the Association's rights and powers shall include (in addition to the rights and powers set forth in this Declaration and in the Articles of Incorporation and Bylaws) provision for the improvement, construction, repair, maintenance, care, upkeep and management of the Common Areas and the improvements and facilities thereon; and shall include provision for the payment of all taxes and assessments, which may properly be levied or assessed against and upon any property owned by the Association and all premiums for hazard and public liability insurance, together with all other costs and expenses related to the management and maintenance of the Common Areas. Nothing contained herein shall limit the Association's rights and powers granted in this Article or granted elsewhere in this Declaration and the Articles of Incorporation and Bylaws of the Association.

Section 3: Annual Assessments or Charges.

A. The Board, on behalf of the Association, shall determine and establish a budget and make assessments upon the Owners of Lots on the basis of costs and expenses incurred or estimated to be incurred by the Association. The Owner of each Lot for said Owner and for said Owner's heirs, executors, administrators, personal representatives, successors and assigns, covenants and agrees that each Lot shall be subject to an assessment in an amount to be determined, which amount shall be the said Lot's pro rata share of the following:

(1) The actual cost to the Association of all taxes and improvement assessments, water, utilities, insurance, repairs, construction, replacement and maintenance of the Common Areas and the improvements and facilities located thereon, and shall include but not be limited to charges in connection with the sprinkler systems, street paving (except to the extent covered by municipal obligations), pathways, security guard service (if any) and other services benefiting the Owners, and all other charges necessary or appropriate to carry out the purposes of the Association as set forth in this Declaration, the Articles of Incorporation and Bylaws of the Association, its rules and regulations; and

(2) Such sums as the Board shall determine to be fair and prudent for the establishment and maintenance of a reserve for repair, maintenance, taxes, insurance,

management and administrative costs and other charges as specified herein.

B. Subject to Section 9 below, each Lot's pro rata share shall be that portion of the total cost determined pursuant to subsections 3A(1) and (2) above, which is in the ratio that one (1) bears to the total number of Lots within the Development which are then subject to assessment. The Lots subject to assessment shall be all eighty-seven (87) Lots in the Development, less the number of Lots (and Property) which are exempt from assessment pursuant to Section 9 of this Article.

C. The amounts to be prorated pursuant to subsection 3B above shall be established annually by the Board. The Association shall establish a fiscal year and shall collect each Lot's share of the annual assessments at regular intervals as stated in Section 6 below.

D. Notwithstanding the foregoing, the Developer shall be responsible for payment of costs and expenses relating to those items identified in Section 3A(1) of this Article respecting the Development, to the extent such costs and expenses exceed a monthly assessment of Fifteen Dollars (\$15.00) per assessable unit, which responsibility shall commence on the date these Restrictions are recorded, and shall continue until the date that eighty percent (80%) of the Lots in the Development have been conveyed by the Developer to Lot Owners. Until such date, the Developer shall assess and collect such assessments as reimbursement for the obligations hereunder, and shall be entitled to retain any excess of such assessment, if any, over the actual costs and expenses hereby incurred. Thereafter, the Association shall assume full responsibility for all such costs and expenses, relating to the designated responsibilities, whether or not the cause or reason for the costs and expenses arose prior to or after the date the Association becomes obligated for such costs and expenses, which amounts shall be the basis for Assessments against the assessable Lots as defined herein. Developer shall not be obligated to establish or pay any reserves or additional funds for any costs and expenses relating to such items incurred or arising after the date that Developer notified the Association that the designated number of Lots have been conveyed to Lot Owners. From and after such date Developer shall be released from any further liability or obligations respecting the functions assumed by the Association.

Section 4: Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair, or replacement of a capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the consent of two-thirds (2/3) of the votes of the Members who are voting at any meeting duly called for such purpose.

Section 5: Quorum for Any Action Authorized Under Section

4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 above shall be sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first meeting called, as provided in Section 4 above, the presence at

the meeting of Members or of proxies entitled to cast fifty-percent (50%) of all the votes shall constitute a quorum. If the required quorum is not forthcoming at the first meeting, another meeting may be called, subject to the same notice requirement, and the required quorum at such subsequent meeting shall also be fifty percent (50%) of all the votes.

Section 6: Uniform Mode of Assessments. Subject to the provisions contained in this Declaration, both annual and special assessments shall be fixed at a uniform rate for the Lots obligated to pay the particular assessment, and may be collected on a monthly or other periodic basis as determined by the Board.

Section 7: Due Date of Annual Assessment. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board. The Association shall, upon demand of any Member at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8: Individual Assessment for Restoration of Owner's Lot.

A. In the event the Owner of a Lot fails to maintain his Lot (including the exterior of the improvements thereon and the yard and landscaping) in a first-class, neat and clean condition, and generally in a manner satisfactory to the Board, the Association or the Board, through its agents, employees and/or independent contractors shall have the right, and each Owner expressly grants and assigns the Association the right (subject to prior notice as hereinbelow set forth), to enter upon such Owner's Lot and repair, maintain, rehabilitate and restore the Lot, yard, patio and exterior of any and all buildings and/or other structures located thereon to the condition deemed satisfactory to the Board. The cost thereof shall be charged against and collected from the Owner of the Lot, the amount thereof to be paid by the Owner within thirty (30) days from the date of the invoice sent to the Owner, and further, said amount shall be secured by and subject to all provisions regarding the assessment lien as provided in this Article.

B. Prior to exercising the aforesaid right of restoration, the Board shall give written notice to the Owner of said Lot specifying the necessary repairs, maintenance, rehabilitation or restoration to be undertaken, and granting the Owner thirty (30) days to accomplish the same. If, at the end of said period, the work required to be performed has not been completed (or has been completed in a manner not satisfactory to the Board), or if, in the opinion of the Board, sufficient action has not been taken to effect same, then the Association or the Board shall have the right, as above set forth, to make such repairs, maintenance, rehabilitation or restoration.

C. Nothing herein contained shall be construed as granting to the Association or the Board any right to enter into or inside of any building or buildings located on a Lot without the consent of the Owner thereof.

Section 9: Exempt Property. The following property, subject to this Declaration, shall be exempt from the assessments created herein: (a) all property dedicated to and accepted by a local public authority; (b) all property owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Arizona; and (c) all Property and Lots owned by or held for the benefit of Declarant or Developer.

Section 10: Effect of Nonpayment of Assessments and Remedies of the Association. Each Owner, for himself, his heirs, executors, administrators, successors and assigns, covenants and agrees that with respect to assessments determined during the period that he is an Owner, he will remit those assessments directly to the management corporation or to such other party or parties as directed by the Board; and further agrees that any assessments which are not paid when due shall be deemed delinquent and shall bear interest at the rate of twelve percent (12%) per annum, and the Owner shall be obligated for the assessment and interest thereon, together with all costs incurred by the Association in collecting the same, including reasonable attorney's fees. The assessment shall immediately become a lien upon said Owner's Lot from the date the assessment is made and/or levied, and shall continue to be such lien until fully paid, which lien shall secure the amount of the assessment, together with interest, costs and attorney's fees as hereinabove stated. The Association is hereby authorized to record the lien in the office of the County Recorder for Maricopa County, Arizona. In the event the Owner of any Lot fails to pay an assessment due, the Association, by and through its Board, may enforce the payment of the assessment by foreclosure of the lien or by taking any or all of the following actions concurrently or separately (and by exercising any of the remedies hereinafter set forth the Association does not prejudice or waive its right to exercise any other remedies):

A. Bring an action at law against the Owner personally obligated to pay the assessment.

B. Foreclose the assessment lien against the Lot in accordance with the then prevailing Arizona law relating to the foreclosure of realty mortgages (including the right to recover any deficiency), and the Lot may be redeemed after foreclosure sale as provided by law. The Association, acting on behalf of the Owners, shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

C. Foreclose such lien or liens in the manner provided by the statutes of the State of Arizona for the foreclosure of materialmen's liens.

Anything hereinabove to the contrary notwithstanding, the remedies above set forth for the Association are not exclusive, and the Association, acting by and through the Board, may take any and all other remedies available to it at law or in equity.

Section 11: Amendment. The method and procedures for determining the obligations, assessments, dues or other charges which are assessable against the Owners may be changed, modified or altered from the methods and procedures set forth herein only by amendment of the Restrictions pursuant to the provisions of Section 3, Article XIV hereof.

Section 12: Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be junior and subordinate to the lien of any first mortgage or first deed of trust against any Lot. Sale or transfer of any Lot shall not affect the assessment lien; provided, however, the sale or transfer of any Lot pursuant to mortgage foreclosure, trustee's sale under a deed of trust, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to completion of such sale or transfer including any period of redemption. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof; nor shall it relieve any Owner from the personal obligation for any assessment (together with interest, costs and attorney's fees) becoming due during the period of his ownership.

Section 13: Notice to Mortgagee. Upon written request of any Mortgagee, the Association (or the Developer, prior to the time Developer relinquishes his rights as set forth in Article III, Section IV hereof) shall give notice to such Mortgagee of any default by the Lot Owner under the terms of these Restrictions or related documents and instruments which has remained uncured for sixty (60) days.

Section 14: Mortgagee's Right to Cure. In the event the Association fails to pay the real estate taxes assessed on the Common Areas or premiums relating to the casualty insurance policy or policies on the Common Areas (or fails to obtain said casualty insurance policies), each Mortgagee of any Lot shall have the right (individually or jointly with mortgagees of other Lots) to pay or obtain same and then claim immediate reimbursement from the Association for such cost, if such right has been further granted and confirmed by separate written agreement signed on behalf of the Association to said Mortgagee. By acceptance of the deed to a Lot, the Owner will have consented to the Developer execution of such agreement or agreements on behalf of the Association. Such claim for reimbursement shall be payable by the Association, together with interest thereon at the rate of twelve percent (12%) per annum accruing from and after the date of payment by Mortgagee(s).

ARTICLE X

Discretion of Board and Developer

Section 1: Pursuant to the terms of this document, and under the Articles of Incorporation and the Bylaws, the Board and the Developer each are granted broad discretion relating to the interpretation, implementation, administration and enforcement of the provisions thereof. The Board and the Developer must exercise such discretion in good faith.

Section 2: In any threatened, pending or completed action, suit or proceeding to which the Developer was or is a party or is threatened to be made a party by reason of the fact that the Developer, or the Board, or any Member thereof, attempts to enforce, or elects not to enforce the provisions of these Restrictions, or the Articles of Incorporation, or the Bylaws, on behalf of or in the name of the Association, the Lot Owners or otherwise, then the Association (by, through, and on behalf of the Lot Owners) shall indemnify the Developer, the Board or any Member thereof against expenses, including attorney's fees, judgments and amounts paid in settlement actually and reasonably incurred by the said party in connection with such action, suit or proceeding if the said party acted in good faith and in a manner that said party reasonably believed to be in or not opposed to the best interests of the Association, and provided that the conduct of the said party does not constitute gross negligence, or willful or wanton misconduct. The termination or outcome of any action, suit or proceeding by judgment, order or settlement shall not, of itself, create a presumption that the said party did not act in good faith and in a manner which the said party reasonably believed to be in or not opposed to the best interests of the Developer. To the extent that said party has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any claim, issue or matter therein, there shall exist a conclusive presumption that the said party has met the standards giving it the right to indemnification as set forth above. Affiliates, officers, directors, employees and contractors of the Developer shall be defended, held harmless and indemnified to the same extent as the Developer to the extent acting as management or agents on behalf of the Developer.

ARTICLE XI

Insurance and Destruction of Units

Section 1: The Association (or the Developer, prior to the date specified above) shall obtain and maintain casualty insurance covering the Common Areas and improvements located thereon, which casualty insurance shall be in amounts not less than the then full insurance replacement cost of the Common Areas and improvements and shall obtain and maintain comprehensive public liability and property damage insurance covering bodily injury liability, property damage liability and automobile bodily injury and property damage liability arising out of or relating to ownership, maintenance, repair or operation of the Common Areas. Limits of liability for the comprehensive liability insurance policy or policies shall be not less than \$1,000,000 per injury and \$5,000,000 for each occurrence with respect to bodily injury liability and \$250,000 for each occurrence with respect to property damage liability. The cost of all such insurance shall be assessed to the Owners as an annual assessment or charge pursuant to Article IX, Section 3, paragraph A hereof. Any proceeds of such policies shall name the Association as the insured.

Section 2: Notwithstanding anything contained herein to the contrary or otherwise, neither the Board or the Association nor Declarant or Developer shall be liable to any party whomsoever for a failure to procure any insurance, nor shall the

above mentioned parties be liable in any manner whatsoever for the risks covered by such insurance or for the failure of such insurance to cover any risk.

Section 3: Each Owner of a Lot and Unit shall be responsible for determining the amount and type of insurance protection in force and for obtaining additional insurance protection at his own cost as he may see fit respecting said Owner's Lot and improvements thereon.

Section 4: Without limiting any of the provisions of this Declaration, each Owner of a Unit for himself, his heirs, personal representatives, successors and assigns, covenants and agrees as follows:

A. In the event his Unit is wholly or partially destroyed, said Owner will be obligated to rebuild same in accordance and in compliance with these Restrictions within one (1) year from the date of destruction thereof, irrespective of whether or not said destruction is covered by any insurance.

B. Without limiting the obligation of each Owner under subsection 4A above, within sixty (60) days after whole or partial destruction of an Owner's Unit, said Owner will remove all debris and waste from the Lot upon which said Unit was located, and shall correct and improve the unsightly appearance of any partial destruction. In the event that said Lot is not so corrected and improved, and the debris and waste removed therefrom, the Board shall have the right (but not the obligation) to correct and improve same and remove the debris and waste therefrom after the sixty-day period has expired. The proceeds of the insurance provided for in Section 1 above may be used to defray the cost of removing the debris and waste, and to correct and improve the unsightly appearance of any partial destruction, and to landscape said Lot to the satisfaction of the Board. In addition to the foregoing, the Board may also charge the Lot Owner with the cost of such corrections, improvements and removal, and in the event of any such charge, all costs and charges shall be a lien against the Lot in accordance with the provisions of this Declaration for assessment liens.

Section 5: The Association, by and through its Board of Directors shall use any proceeds from the casualty insurance policy or policies described in Section 2 of this Article for the restoration and replacement of any damaged or destroyed Common Areas or improvements located thereon, unless an alternative use of such proceeds is approved by written consent of not less than eighty percent (80%) of the Owners.

Section 6: All such insurance shall be obtained, to the extent possible, from responsible companies duly authorized to do insurance business in the State of Arizona with a rating in Best's Insurance Guide (or any comparable publication) of at least A-AAAA (or any comparable rating). The Board of Directors shall review all such insurance at least annually and shall be responsible to increase the amounts thereof as it deems necessary or appropriate.

Section 7: The Association shall also have the power or authority to obtain and maintain other and additional insurance coverage as the Board of Directors may from time to time deem necessary or appropriate, including but not limited to casualty insurance covering personal property of the Association, fidelity bonds or insurance covering employees and agents of the Association. The cost of such additional insurance shall be assessed against the Owners according to the provisions of Article IX.

ARTICLE XII

Condemnation

Section 1: Common Areas. If a part or portion of the Common Areas is taken by exercise of the power of eminent domain or is transferred and conveyed to a condemning authority in anticipation of such exercise and such part or portion does not materially reduce the value or worth of the Development, the entire award (less the costs and expenses of recovering same) shall be paid to and used by the Association and it shall be used to improve the Common Areas and mitigate any harmful or depreciating effects of such taking. In that respect, improvement to the remaining Common Areas shall be made so as to assist and prevent depreciation and harmful effect to those Units most directly affected by the taking. Should all or substantially all of the Common Areas be so taken, then any award shall be used to rehabilitate and repair any remaining Common Areas, and the balance shall be used for the benefit of the Development (such as, by agreement with the condemning authority, establishing a trust fund to contribute to, and ensure, the continued maintenance and repair of the facilities so taken by the condemning authorities in a better condition). In the event of such a whole or substantially whole taking, a majority of the Members and all of the First Mortgagees shall agree upon use of the proceeds of any award.

Section 2: Units. Should any Unit be taken by exercise of the power of eminent domain or is transferred and conveyed to a condemning authority in anticipation thereof, and notwithstanding the provisions hereof, such Unit ceases to be subject to assessment, then the fractional amount of the common expenses to be assessed against Units shall automatically be altered to reflect the actual number of Units subject to assessments.

Section 3: First Mortgagee. Nothing herein shall be deemed to impair or affect the right of priority of any First Mortgagee or First Mortgage in or to any proceeds.

ARTICLE XIII

General Provisions

Section 1: These Restrictions shall run with, bind and burden the Properties, and said Restrictions shall be binding upon each Owner and his heirs, executors, administrators, successors and assigns and all other persons claiming an interest in and to said Properties until December 31, 1999. After said date these Restrictions, as amended from time to time (unless terminated as provided in Section 3 hereof), shall be automatically extended for successive periods of ten (10) years each.

Section 2: All instruments of conveyance or transfer of any interest of all or any part of the Properties may contain the Restrictions herein set forth by reference to this Declaration. However, the Restrictions contained herein shall be binding in accordance with their provisions upon all persons affected by the terms and conditions of this Declaration, regardless of whether any reference is made to this instrument in the deed or other instrument of conveyance.

Section 3: These Restrictions may be amended at any time during the initial term (up to and including December 31, 1999), or during any extensions thereof, by recording in the office of the County Recorder of Maricopa County, Arizona, an instrument in writing reciting said amendments bearing the signed and acknowledged concurrence of the then Owners of seventy-five percent (75%) of the Lots in the Development; provided, however, that during the initial term (up to and including December 31, 1999), such written instrument reciting said amendments, to be valid and effective, shall include the signed and acknowledged concurrence of Declarant, if Declarant then holds any interest whatsoever in all or any portion of the Properties, and Developer, if Developer is still building Units in the Properties. These Restrictions may be terminated under the same conditions above set forth except that the Owners of ninety percent (90%) of the Lots must sign such instrument, and provided a public authority has agreed to maintain (or cause to be maintained) the Common Areas. Notwithstanding anything contained herein to the contrary or otherwise, without the signed and acknowledged concurrence of (i) Developer, (ii) Declarant, and (iii) the first mortgagee(s) or the beneficiary(s), under mortgages or first deeds of trust then encumbering seventy-five percent (75%) of the Lots, none of the terms and conditions contained in this Declaration shall be subject to amendment or termination, which directly or indirectly relate to any of the following matters: (1) rights and privileges accorded to Developer and/or Declarant; (2) rights and privileges accorded to any mortgagee under a first mortgage or any beneficiary and trustee under a first deed of trust; and (3) the granting, reserving, creation, existence or other rights in connection with any easements created herein or otherwise.

Section 4: These Restrictions may be enforced by the Association through its Board, the Declarant, the Developer, any owner of any Lot within the Properties, and the holder of any encumbrance upon any portion of the Properties; provided, however, that nothing herein or in the Articles of Incorporation or Bylaws shall be interpreted so as to require the Board or the Developer, or any Owner of any Lot to enforce these Restrictions. Violation of any one or more of the restrictions may be restrained or enforced by any court of competent jurisdiction and/or damages may be awarded against any such violator. Nothing herein shall be construed as meaning that damages are an adequate remedy where equitable relief is sought. In the event any such person employs an attorney or attorneys to enforce compliance with or specific performance of the terms and conditions of this Declaration, then the Owner or Owners against whom such action is taken shall pay all attorney's fees and costs incurred in conjunction therewith.

Section 5: The waiver of, or failure to enforce any breach or violation of any restriction herein contained shall not be deemed to be a permanent waiver of the right to enforce or be deemed an abandonment of the particular restriction or any of the restrictions, nor shall it be deemed to be a waiver of the right to enforce any subsequent breach or violation of such restriction or any of the restrictions. The foregoing shall apply regardless of whether any person affected hereby (or having the right to enforce these Restrictions) had knowledge of the breach or violation. No restrictions contained herein shall be deemed to have been abandoned or the right to enforce waived, unless this Declaration is amended to delete such restriction.

Section 6: The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this instrument or any part thereof, all of which are inserted conditionally on their being held valid in law and, in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained herein should be invalid or should operate to render this agreement invalid, this agreement shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, or section or sections had not been inserted. In the event that any provision or provisions of this instrument appear to be violative of the rule against perpetuities, such provision or provisions shall be construed as being void and of no effect as of twenty-one (21) years after the death of the last surviving of the following individuals: Ronald Reagan, President of the United States, his wife and children who shall be living at the time this instrument is recorded.

Section 7: Except for judicial construction, the Association shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and Properties benefited or bound by these Restrictions.

Section 8: Reasonable rules and regulations concerning use of the Properties and all portions thereof, and imposing reasonable restrictions upon the Owners in the use of the Units, Lots and Common Areas, may be made and amended from time to time by the Board; provided, however, that all such rules and regulations and amendments thereto promulgated by the Board shall be approved by a Majority of the Owners before such shall become effective. Notwithstanding the foregoing, until all Lots are sold by Declarant, as evidenced by deeds delivered to purchasers, the Board (or Developer, prior to the time Developer relinquishes its rights pursuant to Article III, Section 5) shall be authorized to promulgate the rules and regulations referred to above. Copies of such regulations and amendments thereto shall be furnished by the Association to all Owners and occupants of the Development upon request.

Section 9: Wherever the words "mortgage" or "mortgagee" are used or referred to in this Declaration, the words will also be deemed to include "deed of trust", or "trustee" or "beneficiary" under a deed of trust, which terms may be used interchangeably.

Section 10: Developer shall have the exclusive right to cause the Association to be incorporated, but Developer, in its sole discretion, need not cause the Association to be incorporated until one hundred percent (100%) of the Lots have been conveyed to bona fide purchasers. Until such time as Developer causes the Association to be incorporated, all rights, powers and authority herein granted to the Association shall, at Developer's election, be and remain in Developer. After the Association has been incorporated, the rights, powers and authority granted to the Association shall remain with Developer, to be relinquished and delegated to the Association subject to the provisions of Article III, Section 5.

Section 11: Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders. Words used in the neuter gender shall include masculine and feminine genders, words in the singular shall include the plural, and words in the plural shall include the singular.

Section 12: All captions, titles and headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof, or to be used in determining the intent or contents hereof.

Section 13: All Owners agree that any matter arising under this Declaration may be finally adjudged or determined in any court or courts of the State of Arizona or of the United States of America having jurisdiction in the State of Arizona, and such Owners hereby submit generally and unconditionally to the jurisdiction of such courts and of any of them in respect to any such matter; provided, however, as to those matters to be submitted to arbitration pursuant to any provision hereof, such arbitration provisions shall be controlling and prevail. For the purposes of instituting or defending any action with respect to the Common Areas, or with respect to any matter affecting the Owners with regard to the Common Areas, and further, in connection with enforcing this Declaration, the Articles of Incorporation, the Bylaws and any rules and regulations adopted pursuant to this Declaration or the Bylaws, or in any other instance where the Board or the Members of the Association deem it is necessary for the best interests of the Development as a whole, the Association, acting by and through its Board, shall be deemed the Real Party in interest and is hereby authorized to commence and prosecute any such proceedings, or to defend any such action. Nothing contained in this Section shall be deemed or construed to impose upon the Association, its Members or its Board, any liabilities or obligations nor grant to any third party or parties any rights that any of said above named parties would not otherwise have if this Section were not contained herein.

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Section 14: Wherever the Association is granted rights, privileges or duties in this Declaration, the Board shall have the authority to act for the Association in accordance with the Articles of Incorporation and the Bylaws. Further, unless otherwise specifically restricted by the provisions of this Declaration, wherever the Association is empowered to take any action or do any act, including but not limited to action or acts in connection with the Common Areas, the Owners and each of them hereby constitute and appoint the Board and each of its members as their attorney-in-fact for the purposes of taking such action or doing such acts including but not limited to executing, acknowledging and delivering any instruments or documents necessary, appropriate or helpful for such purposes. It is acknowledged that this power of attorney is irrevocable and coupled with an interest and by accepting a deed to a Lot, or by acquiring any interest in the Properties, each Owner or other person shall be deemed and construed to have ratified and expressly granted the above power of attorney.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Restrictions as of the 20th day of April, 1984.

DECLARANT:

UNIVERSAL HOMES Inc.,
an Arizona Corporation

By James W. Anderson
James W. Anderson, President

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this the 20th day of April, 1984, before me, the undersigned Notary Public, personally appeared JAMES W. ANDERSON, as President of Declarant, UNIVERSAL HOMES Inc., an Arizona corporation, and that he executed the foregoing instrument for the purposes therein contained.

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

Kathy E. Lussom
Notary Public

My commission expires:

1-7-86

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The foregoing Declaration of Covenants, Conditions and Restrictions for CROWN POINT, is hereby ratified and approved by the Beneficiary and Trustee under that certain Deed of Trust recorded in Recording No. 84 082082, records of Maricopa County, Arizona.

FIRST FEDERAL SAVINGS AND LOAN,
a Federal Savings and Loan Association

By *John Ahern*
its *Vice President*
"Beneficiary"

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 17th day of APRIL, 1984, by JOHN AHERN, the VICE PRESIDENT of FIRST FEDERAL SAVINGS AND LOAN, a Federal Savings and Loan Association.

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

Susan B. Cline
Notary Public

My commission expires:

11-13-87