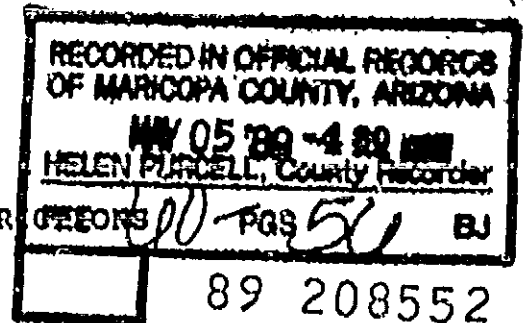


15/19

270340



FIDELITY TITLE

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR ANCALA

TABLE OF CONTENTS

89 208552

PROP RSTR (RS)

1. Definitions	2
2. Property Rights of Common Elements	4
2.1 Owner's Easements of Enjoyment	
2.1.1 Suspension of Rights	
2.1.2 Dedication or Transfer	
2.1.3 Easements and Prior Recorded Instruments	
2.1.4 Rules and Regulations	
2.2. Delegation of Use	
3. The Association; Membership and Voting Rights	5
3.1 Membership	
3.2 Voting Rights	
3.3 Relative Voting Rights	
3.4 The Association	
3.5 Board of Directors	
3.6 Qualifications of Directors	
3.7 Declarant's Rights	
3.8 Additional Provisions in Articles of Incorporation and Bylaws of the Association	
3.9 Indemnification	
3.10 Non-Liability of Officials	
3.11 Managing Agent	
4. Common Expenses	10
4.1 Covenant to Pay Common Expenses	
4.2 Allocation of Common Expenses Among Members	
4.3 Lien for Unpaid Common Expenses	
5. Maintenance and Service Obligations	12
5.1 Common Elements	
5.2 Landscaping	
5.3 Maintenance of Entrances	
5.4 Maintenance of Fencing	
5.5 Road and Driveway Maintenance.	
5.6 Security Services	
5.7 Trash Removal	
5.8 Necessitated by Owner	
5.9 Maintenance of Lots	
6. Insurance Requirements Generally.	13
6.1 Casualty Insurance	
6.2 Public Liability and Property Damage	
6.3 Workmen's Compensation and Employer's Liability Insurance	
6.4 Insurance by Owners	
6.5 Receipt and Application of Insurance Proceeds	
6.6 Fidelity Bonding	
6.7 Other Insurance by the Association	
7. Destruction, Condemnation or Obsolescence of the Common Elements	17

7.1	Definitions	17
7.1.1	Substantial Destruction	
7.1.2	Substantial Condemnation	
7.1.3	Substantial Obsolescence	
7.1.4	Restoration	
7.1.5	Restored Value of the Common Elements	
7.1.6	Available Funds	
7.2	Restoration of the Common Elements	89 208552
7.3	Sale of the Property	
7.4	Authority of Association to Restore or Sell	
7.5	Special Assessments for Restoration	
7.6	Receipt and Application of Condemnation Funds	
8.	Allocation of Distributions.	21
9.	Architectural Control	21
9.1	Architectural Control Committee Membership	
9.2	Action by Architectural Control Committee	
9.3	Power to Employ Consultants	
9.4	Association Payment of Compensation and Costs	
9.5	Change in the Existing State of Property	
9.6	Approval of Changes Required	
9.7	Architectural Standards	
	a. Time limitations	
	b. Building Footprint	
	c. Conformity with Approved Plans	
	d. Height Limitations	
	e. Other Restrictions	
9.8	Fee for Architectural Review	
9.9	General Criteria For Committee	
9.10	Completion of Work After Approval	
9.11	Estoppel Certificate	
9.12	Non-Liability for Approval of Plans	
10.	Use Restrictions	28
10.1	Residential Use	
10.2	Occupancy Limitation	
10.3	Limitation on Improvements	
10.4	Minimum Floor Area	
10.5	Height Limitations	
10.6	Setback Requirements	
10.7	Garages Required	
10.8	Landscaping Requirement	
10.9	Utilities	
10.10	No Noxious or Offensive Activity	
10.11	No Hazardous Activities	
10.12	No Unsightliness	
10.13	No Annoying Lights, Sounds or Odors	
10.14	Restriction on Animals	
10.15	Restriction on Signs and Exterior Lighting	
10.16	Address Signs and Associated Lighting	
10.17	No Subdivision of Lots	
10.18	No Mining or Drilling	
10.19	No Temporary Structures	
10.20	Repairs	
10.21	Change in Intended Use	
10.22	Violation of Statutes, Ordinances and regulations	
10.23	Businesses	
10.24	Leases	
10.25	Additional Rules and Regulations	
10.26	Construction Period Exception	
10.27	Damage or Destruction of Improvements	

11. Variances by Architectural Control Committee	36
12. Easements	36
12.1 Blanket Utilities on Common elements	
12.2 Common Driveways	
12.3 Encroachments	
12.4 Drainage	
12.5 Utilities as Installed by Declarant on Property	89 208552
13. Mortgage of Common Elements	38
14. Remedies	38
15. Nature of Declaration	40
16. Amendment.	40
17. Notices	41
18. Severability	42
19. Perpetuities and Restraints on Alienation	42
20. Protection of First Mortgagees and Certain Other Persons . . .	42
21. Annexation of Additional Property	44
21.1 Additional Property	
21.2 No Obligation to Expand	
21.3 Requirements for Expansion	
22. Waiver.	45
23. Change of Circumstances	45
24. References to the Restrictions in Deed.	45
25. Gender and Number	46
26. Captions and Titles.	46

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR ANCALA

89 208552

THIS INSTRUMENT, made on the date hereinafter set forth,

WITNESSETH:

WHEREAS, the Declarant (as hereinafter defined) is the owner of certain real property in the City of Scottsdale, Maricopa County, Arizona, as more particularly described on Exhibit "A" and as further depicted on the Plat of ANCALA attached hereto as Exhibit "B" both Exhibits being incorporated fully herein by this reference;

WHEREAS, this instrument is intended to provide a means for equitably maintaining certain private roadways, open space and other common improvements for the benefit of Declarant and all future Owners of the Property (as hereinafter defined) or any portion thereof; and

WHEREAS, this instrument is further intended to provide a means for maintaining, controlling and preserving the Property as a singlefamily residential community of the highest possible quality, value, desirability and attractiveness adjacent to a golf course also of the highest possible quality, value, desirability and attractiveness for the benefit of all present and future Owners.

NOW, THEREFORE, Declarant hereby declares that all of the Property, together with any properties hereafter added or annexed as provided herein, shall be acquired, held, sold and conveyed subject to the provisions of this Declaration, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and be binding on all parties having or hereafter acquiring any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner, Mortgagee, Occupant

and other persons now or hereafter acquiring any interest in the Property or any part thereof.

1. Definitions. As used herein, unless the context otherwise requires:

1.1 "Architootural Control Committee" means the Architectural Control Committee appointed as provided in Section 9.1 of this Declaration. 89 208552

1.2 "Association" means Ancala Homeowners Association, an Arizona nonprofit corporation, its successors and assigns, formed or to be formed by the Declarant, and, unless otherwise provided, shall mean and include its Board of Directors, officers and other authorized agents.

1.3 "Board of Directors" or "Board" means the Board of Directors of the Association as constituted pursuant to Sections 3.6 and 3.7.

1.4 "Common Elements" means the real property owned or to be owned by the Association for the common use and enjoyment of the Owners, including without limitation certain private Roadways depicted on the Plat attached hereto as Exhibit "B", and Tracts "A", "D" and "E" depicted on such Plat together with all improvements now or hereafter constructed on any such Common Elements, including, but not limited to, pavement, curbs, sidewalks, walls, lights, landscaped areas, entry gates and any recreational facilities.

1.5 "Declarant" means Glenmoor of Cherry Hills, Ltd., a Texas limited partnership, its successors and assigns in the ownership of the Property for the purpose of the original development and sale thereof.

1.6 "Declaration" means this Declaration of Covenants, Conditions and Restrictions, as amended from time to time.

1.7 "Lot" means any of the subdivided residential lots numbered 1 through 246, inclusive, as depicted on the Plat attached hereto as Exhibit "B" and shall not include any of the

private Roadways or Tracts " A," " D," or "E " or any portion of the other Common Elements.

89 208552

1.8 "Majority" or "Majority of Members" means the Members holding more than fifty percent (50%) of the total voting rights of all of the Members, irrespective of the total number of Members. Likewise, any specified fraction or percentage of the Members means the Members holding that fraction or percentage of the voting rights.

1.9 "Member" means Owner, as hereinafter defined. Further provisions respecting the Members are contained in paragraph 3 hereof.

1.10 "Mortgage" means any recorded, filed or otherwise perfected instrument covering any Lot given in good faith and for valuable consideration which is not a fraudulent conveyance under Arizona law as security for the performances of an obligation, including without limitation deeds of trust, but shall not include any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code. "Mortgagee" means a person secured by a Mortgage, including the trustee and beneficiary under any deed of trusts and "Mortgagor" means the party executing a Mortgage. "First Mortgage" means a Mortgage which is the first and most senior of all Mortgages upon the same Lot.

1.11 "Occupant" means a person or persons, other than an Owner, in rightful possession of any Lot.

1.12 "Owner" means the record owner, whether one or more persons or entities, of fee simple title, whether or not subject to any Mortgage, of any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. In the case of a Lot the fee simple title to which is vested of record in a trustee pursuant to Arizona Revised Statutes, Section 33-801 et seq., legal title shall be deemed to be in the trustor.

1.13 "Person" means a natural individual, corporation, partnership, trustee or other entity capable of holding title to real property.

89 208552

1.14 "Plat" means the plat of the Property attached hereto as Exhibit "A", and incorporated fully herein by this reference, as recorded at Book 331 of Maps, page 21, records of Maricopa County, Arizona.

1.15 "Property" means the parcel of real property legally described in Exhibit "A" and further depicted in the Plat attached hereto as Exhibit "B" together with any additional real property made subject to this Declaration by annexation pursuant to Section 21.

1.16 "Record" or "Recording" refers to record or recording in the office of the County Recorder of Maricopa County, Arizona.

1.17 "Roadway" or "Private Roadway" means the private roadways or streets depicted on the Plat and further described as (street names) and all paving or other improvements now or hereafter constructed thereon.

2. Property Rights in Common Elements.

2.1 Owner's Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement of use and enjoyment in and to the Common Elements, which shall be appurtenant to and shall pass with the title to any Lot, subject to the following:

2.1.1 Suspension of Rights. The Association shall have power to suspend the rights of any Owner to vote or to use the Common Elements or any designated portion thereof during any time in which any Common Expenses assessed against such Owner remain unpaid and delinquent, or for a period of up to sixty (60) days for any single infraction of the rules and regulations promulgated by the Association or any breach of any obligations hereunder, and up to one year for any subsequent infraction or breach of the same or a similar nature;

2.1.2 Dedication or Transfer. The Association shall have power to dedicate or transfer all or any part of any Roadway or easements thereon or sidewalk easement to any public agency, authority or utility for such purposes and subject to such conditions as the Association may deem appropriate, if and only if such transfer or dedication is approved by not less than two-thirds (2/3) of the Members and fifty-one percent (51%) all First Mortgagees of all or any portion of the Property;

2.1.3 Easements and Prior Recorded Instruments. The rights of all Persons hereunder shall be subject to all easements reserved or created herein or in any and all prior recorded instruments; and

2.1.4 Rules and Regulations. The Association Shall have power to promulgate reasonable and uniformly applicable Rules and Regulations governing the use of, and conduct of all persons upon, the Common Elements.

2.2 Delegation of Use. Any Owner may delegate his right of use and enjoyment of the Common Elements to the members of his family and guests and to his tenants, lessees or tract purchasers who reside on his Lot; provided, however, that any Owner who has delegated all of his rights to any tenant, lessee or tract purchaser shall not be entitled to further delegate or exercise the same rights himself until the term of such lease or other agreement has expired.

3. The Association; Membership and Voting Rights.

3.1 Membership. Membership shall be appurtenant to and may not be separated from ownership of the Lot giving rise thereto. When any Lot is owned by more than one Person, all such Persons shall be Members, but they shall be entitled to cast only one undivided vote on any matter, as hereinafter provided. When any Member ceases for any reason to be an Owner, his membership shall automatically terminate, and the new Owner shall automatically succeed to such membership in the Association. A membership in the Association shall not be transferred, pledged or

alienated in any way, except upon the sale of the Lot to which such membership appertains (and then only to such purchaser) or by intestate succession, testamentary disposition, foreclosure of a Mortgage of record or other legal process transferring fee simple title to such Lot (and then only to the Person to whom such fee simple title is transferred). Notwithstanding the foregoing, in the event that any Member has granted an irrevocable proxy or otherwise pledged or alienated his voting rights to a Mortgagee as additional security, only the vote of such Mortgagee shall be recognized in regard to matters subject to such proxy if a copy of such proxy or other instrument has been filed with the Board of Directors. In the event that more than one such instrument has been filed, the Board of Directors shall recognize the rights of the first Mortgagee to so file, regardless of the priority of the Mortgages themselves. Any attempt to make a prohibited transfer of a membership is void and will not be recognized by or reflected upon the books and records of the Association. In the event that any Member should fail or refuse to transfer the membership registered in his name to a purchaser, the Association shall have the right to record a 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.

3.2 Voting Rights. The Association shall have two classes of Members:

Class A. Class A Members shall be all Members with the exception of the Declarant.

Class B. The Class B Member shall be the Declarant; provided, however, that the Class B membership shall cease and the Declarant shall become a Class A Member with respect to all Lots then owned by the Declarant on the happening of any of the following events, whichever occurs earliest:

(a) When seventy-five percent (75%) of the Lots have been sold and conveyed to Owners other than Declarant;

(b) When Declarant, by a recorded declaration, expressly relinquishes such Class B membership; or

89 208552

(c) On December 31, 1995.

3.3 Relative Voting Rights. So long as there is a Class B Member, the following provisions shall apply:

3.3.1 A Class A Member shall be entitled to one (1) vote for each Lot owned by such Member; and

3.3.2 The Class B Member shall be entitled to three (3) votes for each Lot which it owns.

3.4 The Association. The Association has been or will be formed to serve as the governing body of the Property for the ownership, protection, improvement, maintenance, repair, administration and operation of the Common Elements, the assessment of expenses, payment of losses, disposition of hazard insurance proceeds and other matters as provided in this Declaration, in the Articles of Incorporation of the Association (hereinafter called the "Articles") and in the By-Laws of the Association (hereinafter called the "By-Laws"). The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for its Members in accordance with the provisions of this Declaration, the Articles and the By-Laws.

3.5 Board of Directors. The affairs of the Association shall be managed by a Board of Directors which may, however, by resolution, delegate any portion of its authority to an Executive Committee or an officer, executive manager or director of the Association.

3.6 Qualifications of Directors. Each director of the Association shall be an Owner or the spouse of an Owner (or if an Owner is a corporation, partnership or trust, a director may be an officer, partner or beneficiary of such Owner). If a director shall cease to meet such qualifications during his term, he will thereupon cease to be a director, and his place on the Board shall

be deemed vacant. The requirements of this subparagraph shall not apply to directors elected by the Class B Member. 89 208552

3.7 Declarant's Rights. Notwithstanding anything herein or in the Articles of Incorporation or By-Laws of the Association to the contrary, so long as Declarant owns ten or more Lots, Declarant shall have the right to elect a majority of the members of the Board of Directors until December 31, 1995 or until Declarant relinquishes all or part of such right in writing, whichever is earlier.

3.8 Additional Provisions in Articles of Incorporation and By-Laws of the Association. The Articles of Incorporation and By-Laws of the Association may contain any provision not inconsistent with law, or with this Declaration relating to the conduct of the affairs of the Association and the rights and powers of its directors, officers, employees, agents and Members.

3.9 Indemnification. To the fullest extent permitted by law, every Director and every officer of the Association, and the members of the Architectural Control Committee, and the Declarant (to the extent a claim may be brought against the Declarant by reason of its appointment, removal or control over members of the Board of Directors or the Architectural Control Committee) shall be indemnified by the Association, and every other person serving as an employee or direct agent of the Association, or on behalf of the Association as a member of a committee or otherwise, may, in the discretion of the Board of Directors, be indemnified by the Association, against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having served in such capacity on behalf of the Association (or in the case of the Declarant, by reason of having appointed, removed or controlled or failed to control members of the Board of Directors or the Architectural Control Committee), or any settlement thereof, whether or not he is a director, officer,

or member of the Architectural Control Committee or serving in such other specified capacity at the time such expenses are incurred, provided that the Board of Directors shall determine, in good faith that such officer, director, member of the Architectural Control Committee or other person, or the Declarant, did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in the performance of his duties. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such persons may be entitled at law or otherwise.

3.10 Non-Liability of Officials. To the fullest extent permitted by law, neither Declarant, the Board of Directors, the Architectural Control Committee or any other committees of the Association nor any member thereof, nor any Directors or officers of the Association, shall be liable to any Member, Owner, Occupant, the Association or any other person for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of any Change in the Existing State of Property (as hereinafter defined) or in any plans or specifications relating thereto (whether or not defective), course of action, act, inaction, omission, error, negligence, or the like made in good faith and which Declarant, the Board of Directors or such committees or persons reasonably believe to be within the scope of their respective duties.

3.11 Managing Agent. All powers, duties and rights of the Association, or the Board of Directors, as provided by law and herein, may be delegated to a managing agent under a management agreement; provided, however, that no such delegation shall relieve the Association of its obligations to perform any such delegated duty. Any agreement for professional management, or any contract providing for services, shall not exceed a term of three (3) years, which term may be renewed by the agreement of the parties for successive one-year periods, and shall further provide

89 208552

Covenant to Pay Common Expenses.

- 10 -

10/1/46

for termination by either party with or without cause and without payment of any termination fee upon ninety (90) days' written notice.

4. Common Expenses.

89 208552

4.1 Covenant to Pay Common Expenses. Each Owner of a Lot shall pay its Proportionate Share (as hereinafter defined in paragraph 4.2) of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with this Declaration, the Articles and the By-Laws (which expenses are herein sometimes referred to as "Common Expenses"), including specifically, but not by way of limitation, operating costs, insurance (including premiums for fidelity bonds), all taxes on and utilities for the Common Elements, Mortgage fees on debts secured by Mortgages of the Common Elements or any part thereof, the maintenance and repair of the Common Elements and any and all replacements and additions thereto, and reasonable reserves for contingencies, replacements and other proper purposes, including an adequate reserve fund for replacement of those Common Elements which must be replaced on a periodic basis, which shall be assessed, as nearly as possible, in regular installments, rather than by special assessments. The foregoing notwithstanding, Declarant shall have the right to provide by separate written agreement that as to certain Owners and certain Lots, that such Owners and such Lots shall not be subject to Assessments for a given period of time. The amount of all assessments and the times for payment thereof shall be fixed by the Board from time to time. In addition to such regular assessments, the Board may levy special assessments only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of any improvement upon the Common Elements and only upon the vote of two-thirds (2/3) of each class of Members voting in person or by proxy at a meeting duly called for this purpose.

4.2 Allocation of Common Expenses Among Members. The amount of Common Expenses assessed against any Lot shall be computed by multiplying the total amount of Common Expenses by a fraction, the numerator of which shall be the number of "Assessment Points" for such Lot and the denominator of which shall be the total number of Assessment Points of all Lots then subject to this Declaration. The "Assessment Points" for any unimproved Lot owned by Declarant shall be 1 and the "Assessment Points" for each improved Lot and each unimproved Lot owned by any person or persons other than Declarant shall be 3. The Common Expenses allocated to any Lot shall not be reduced because the Lot or the Owner thereof does not receive any benefit from any cost or expenses incurred by the Association whether by choice or election of the Owner or otherwise. The Association shall bill the Owners for and shall collect from such Owners the portion of the Common Expenses which are payable by such Owners.

4.3 Lien for Unpaid Common Expenses. The Proportionate Share of the Common Expenses payable by each Owner, together with interest at the rate of eighteen percent (18%) per annum, costs and reasonable attorney's fees, shall constitute the personal obligation of each Person who was an Owner at the time payment of such Common Expenses fell due. The personal obligation for delinquent payments shall not pass to an Owner's successor in title unless expressly assumed by him. If any Owner shall fail or refuse to make any such payment of Common Expenses when due, the amount thereof, together with interest, costs and reasonable attorney's fees, shall constitute a lien on the Lot on account of which such assessment is due and on any rents or proceeds from such Lot; provided, however, that such lien shall be subordinate to the lien of a prior recorded First Mortgage, acquired in good faith and for value, on such Lot, except for the amount of the unpaid Common Expenses which accrues from and after the date on which such first Mortgagee acquires title thereto or comes into possession thereof, and if any lien for unpaid Common Expenses

prior to such date has not been extinguished by the process by which such First Mortgagee acquired such title or possession. Such First Mortgagee shall not be liable for such unpaid Common Expenses and, upon written request to the Board of Directors by such First Mortgagee, such lien shall be released in writing by the Association.

Any person acquiring an interest in any Lot shall be entitled to a statement from the Association setting forth the amount of unpaid assessments thereon, if any, and such Person shall not be liable for, nor shall any lien attach to such Lot in excess of, the amount set forth in such statement, except for Common Expense assessments which accrue or become due after the date thereof. The lien provided for in this paragraph may be foreclosed by the Association in any manner provided or permitted for the foreclosure of realty mortgages or deeds of trust in the State of Arizona.

5. Maintenance and Service Obligations.

5.1 Common Elements. The Association shall be responsible for maintaining the Common Elements in a state of good condition and repair.

5.2 Landscaping. As part of its duty to maintain the Common Elements, the Association shall maintain the grass, trees, shrubs and other landscaping located upon the Common Elements.

5.3 Maintenance of Entrances. The Association shall maintain the entrance areas and improvements thereon which may be installed by Declarant at the entrance to Ancala.

5.4 Maintenance of Fencing. The Association shall repair and maintain and replace as necessary any perimeter fence or pillars which may be installed or constructed by Declarant on the outer boundaries of the Property.

5.5 Road and Driveway Maintenance. The Association shall repair and maintain the Private Roadways within the Property in a state of good condition and repair.

5.6 Security Services. The Association may, if it deems it necessary or desirable, provide for police or security protection for the Property. In addition, the Association may provide access to and require Owners to participate in a security system for the protection of individual residences located on the Property.

5.7 Trash Removal. The Association may, if it deems it desirable, efficient and economical, provide for regular trash collection services to the Property.

5.8 Necessitated by Owner. In the event that the need for maintenance or repairs of any Common Element is caused by the willful or negligent act of any Owner, his family, guests, invitees, tenants or lessees, the cost of such maintenance or repairs shall be charged to the responsible Owner or Owners and secured by a lien as provided in paragraph 4.4.

5.9 Maintenance of Lots. Each Owner shall maintain his Lot in a state of good condition and repair. All exterior surfaces, including but not limited to walls, porches, patios and appurtenances, and parking areas, shall be kept at all times in an attractive, neat and tidy manner. Landscaping shall be kept at all times neatly trimmed, properly cultivated and free of trash, weeds and other unsightly conditions. In the event that any Owner violates this requirement, the Association shall have, in addition to any other remedy herein provided or otherwise available, the right to enter upon the affected Lot and correct such problem and assess all of the costs thereof upon such Member, which assessment, together with interest at the rate of eighteen percent (18%) per annum, costs and reasonable attorney's fees, shall be secured by a lien on the same terms as hereinabove provided in paragraph 4.4.

6. Insurance Requirements Generally. The Association shall obtain and maintain in full force and effect at all times certain casualty, liability and other insurance as hereinafter provided. 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 Class VI or better (or any comparable rating). All such insurance shall be written in the name of, and the proceeds thereof shall be payable to, the Association, as trustee for, and for the benefit of, the Owners and their Mortgagees as their respective interests may appear. 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. To the extent possible, such casualty insurance shall:

(1) Provide for a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees and agents and against each Owner and Owner's employees, agents and invitees, any Mortgagee and any other person for whom the Association or any, Owner or Mortgagee may be responsible;

(2) Provide that the insurance cannot be unreasonably cancelled, invalidated or suspended on account of the conduct of the Association, its officers, directors, employees and agents or invitees or any other person for whom the Association or any Owner may be responsible;

(3) Provide that any "no other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by any Owner or Mortgagee and that the insurance policy shall not be brought into contribution with insurance maintained by any Owner or Mortgagee;

(4) Contain a standard without contribution mortgage clause endorsement in favor of the Mortgagee of any Lot;

(5) Provide that the policy of insurance shall not be terminated, cancelled or substantially modified without at least thirty (30) days' prior written notice to the

Association and to each Owner and Mortgagee covered by any standard mortgage clause endorsement; and

(5) Provide that the insurer shall not have the option to restore the Common Elements if such Common Elements are to be sold in accordance with the destruction, condemnation and obsolescence provisions of this Declaration. To the extent possible, such public liability and property damage insurance shall provide for coverage of any cross liability claims of Owners against the Association or other Owners or of the Association against Owners, without right of subrogation.

Certificates of insurance coverage or copies of insurance policies shall be issued to and at the expense of each Owner or Mortgagee who makes, or on whose behalf written request is made, to the Association for any such certificate or copy.

The cost and expense of all insurance obtained by the Association shall be a Common Expense to be covered by assessments as provided in paragraph 4 of this Declaration.

6.1 Casualty Insurance. The Association shall obtain and maintain casualty insurance upon the Common Elements covering loss or damage by reason of such hazards as institutional lenders commonly require insurance against in the Phoenix, Arizona metropolitan area for similar projects, in each case if reasonably available and in each case for the full insurable replacement cost of all improvements on the Common Elements.

6.2 Public Liability and Property Damage Insurance. The Association 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. Such insurance shall contain a "severability of interest" clause or endorsement which precludes the insurer from denying the claim of any Owner because of negligent acts of the Association or any other Owner. The Association and each Owner shall be insured with respect to any liability arising out of the ownership, maintenance, repair,

condition or operation of the Common Elements and all other risks in kinds and amounts generally required for similar projects by institutional lenders in the Phoenix, Arizona metropolitan area for similar projects. Limits of such coverage shall not be less than \$1,000,000 per injury and occurrence with respect to bodily injury liability and with respect to property damage liability.

6.3 Workmen's Compensation and Employers' Liability Insurance. The Association shall obtain and maintain workmen's compensation and employer's liability insurance on employees of the Association as may be necessary to comply with applicable laws.

6.4 Insurance by Owners. Any insurance policy obtained by an Owner must not diminish or adversely affect or invalidate any insurance or insurance recovery under policies carried by the Association and must, to the extent possible, contain a waiver of the rights of subrogation by the insurer as to any claim against the Association, its officers, directors, agents and employees and against other Owners and their employees, agents and invitees, and any Mortgagee, or person for whom the Association or any such Owner or Mortgagee may be responsible.

6.5 Receipt and Application of Insurance Proceeds. Except as some particular person shall have a legal right to receive insurance proceeds directly, all insurance proceeds and recoveries under policies maintained by the Association shall be paid to and received by the Association. The Association shall have the right, acting alone, to adjust or settle any claim by it under any insurance maintained by it. All insurance proceeds or funds received by the Association shall be applied in accordance with the following priorities: first, as expressly provided in this Declaration, second, to such persons in such amounts as the Association may determine are legally or equitably entitled thereto; and third, the balance, if any, to the Owners and their Mortgagees in the manner elsewhere provided for distributions to the Owners.

6.6 Fidelity Bonding. The Association shall obtain and maintain bonds under which the Association is the named insured covering all persons or entities which handle or are responsible for funds of or administered by the Association, including without limitation officers, directors, trustees and employees of the Association and volunteers and officers, employees or agents of any professional manager of the Association, in amounts not less than the greater of (i) three months' aggregate assessments of Common Expenses on all Owners plus reserve funds or (ii) the estimated maximum of funds, including reserve funds in the custody of the Association at any time during the term of such bond. In addition, such bond shall (i) name the Association as an obligee; (ii) contain waivers by the issuer of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions; and (iii) provide that it may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to the Association.

6.7 Other Insurance by the Association. The Association shall also have the power or authority to obtain and maintain other and additional insurance coverage, including but not limited to casualty insurance covering personal property of the Association or insurance covering and indemnifying officers, directors, employees and agents of the Association.

7. Destruction, Condemnation or Obsolescence of the Common Elements.

7.1 Definitions. The following terms shall have the following definitions:

7.1.1 "Substantial Destruction" shall exist whenever the Board of Directors of the Association determines that, as a result of any casualty, damage or destruction to the Common Elements or any portion thereof, the excess of estimated costs of Restoration (as herein defined) over Available Funds (as herein

defined) is fifty percent (50%) or more of the estimated Restored Value of the Common Elements (as herein defined). "Partial Destruction" shall mean any other casualty, damage or destruction of the Common Elements or any part thereof.

7.1.2 "Substantial Condemnation" shall exist whenever the Board of Directors of the Association determines that a complete taking of the Common Elements has occurred or that a complete taking of the Common Elements by condemnation or eminent domain or by grant of conveyance in lieu of condemnation or eminent domain has occurred, and that the excess of the estimated costs of Restoration over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Common Elements. "Partial Condemnation" shall mean any other such taking by eminent domain or by grant of conveyance in lieu of eminent domain.

7.1.3 "Substantial Obsolescence" shall exist whenever the Board of Directors determines that the Common Elements have reached such a state of obsolescence or disrepair that the excess of estimated costs of Restoration over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Common Elements. "Partial Obsolescence" shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence.

7.1.4 "Restoration" shall mean restoration of the Common Elements to a condition the same or substantially the same as the condition in which it existed prior to the casualty, damage or destruction in accordance with this Declaration and the original plans and specifications therefor, to the extent permitted by then current building codes, except that, in the case of Condemnation or Obsolescence, such additional alterations of the original plans and specifications shall also be permitted as are required as a result of such taking or in order to correct such condition of Obsolescence.

7.1.5 "Restored Value of the Common Elements" shall mean the value of the Common Elements after restoration.

7.1.6 "Available Funds" shall mean any proceeds of insurance or condemnation awards or payment in lieu of condemnation and any uncommitted income or funds of the Association other than the income or funds derived through assessments or special assessments. Available funds shall not include that portion of insurance proceeds legally required to be paid to any party other than the Association, including a Mortgagee of all or any part of the Common Elements, or that portion of any condemnation award or payment in lieu of condemnation payable to any Member or Owner for the condemnation or taking of that Member or Owner's Property. 89 208552

7.2 Restoration of the Common Elements. Restoration of the Common Elements shall be undertaken by the Association without a vote of the Members in the event of Partial Destruction, Partial Condemnation or Partial Obsolescence. In the event of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence, such Restoration shall be undertaken unless the Declarant, if Declarant is then a Member, and of at least two-thirds (2/3) of the Members other than the Declarant have consented in writing to non-restoration and to the use of any such proceeds or awards for a purpose other than Restoration of the Common Elements. Before the vote or consent of any Member who is an Owner of Property subject to a Mortgage is effective, the First Mortgagee of such property shall also have consented in writing to such non-restoration or non-use.

7.3 Sale of the Property. In the event of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence, and if the requisite consent of Members and First Mortgages to non-restoration is obtained, as hereinabove provided, the Common Elements shall be sold except for those portions of the Common Elements which remain desirable and which are independent of the destroyed, condemned or obsolete portion. In the event of such sale, the proceeds of sale and any insurance proceeds, condemnation awards or payments in lieu of condemnation shall be

distributed by the Association to the Members in proportion to their voting powers (without trebling the voting power of the Class B Member, if any), or in the case of Members who are owners of property which has been mortgaged, jointly to such Owner and Mortgagee.

7.4 Authority of Association to Restore or Sell. The Association, as attorney-in-fact for each Member, shall have full power and authority to restore or to sell the Common Elements whenever Restoration or sale, as the case may be, is undertaken as hereinabove provided. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be.

7.5 Special Assessments for Restoration. Whenever Restoration is to be undertaken, the Association may levy and collect assessments pursuant to paragraphs 4.1 through 4.4 hereof to cover the costs and expenses of Restoration to the extent not covered by Available Funds.

7.6 Receipt and Application of Condemnation Funds. Except as herein expressly provided, all compensation, damages or other proceeds constituting awards in condemnation or eminent domain on account of any taking of the Common Elements shall be payable to the Association. The Association shall have the right, acting alone, to adjust or settle any award payable to it. Such award shall be applied to costs and expenses of restoration, if undertaken, and, to the extent not applied, shall be apportioned among all the Members and their Mortgagees in the proportion herein provided for the payment of distributions among the Members. The lien priority of any Mortgagee shall not be disturbed by any condemnation proceeding and shall continue in the proceeds of any condemnation award attributable to the portion of the Property subject to such Mortgage in accordance with the provisions of this paragraph.

8. Allocation of Distributions. Except as may be elsewhere herein expressly provided, in the event that any Owners are entitled to receive any distribution of money, property or other things from the Association for any reason, including without limitation the sale or other disposition of all or any part of the Common Elements, such distribution shall be made to the Owners of the Lots in equal proportions or, in the case of Lots which are subject to a Mortgage, jointly to the Owner and the Mortgagee.

9. Architectural Control.

9.1 Architectural Control Committee Membership. The Architectural Control Committee shall consist of three (3) members, at least one (1) of whom shall be a licensed architect, a licensed contractor, a registered engineer, a professional landscape architect or a professional land planner. Members of the Architectural Control Committee shall be appointed by and shall serve at the pleasure of the Board of Directors of the Association, provided, however, that so long as Declarant, or any successor of Declarant, controls the Association, the Architectural Control Committee shall consist of three members as follows:

9.1.1. One member appointed by The Frank Lloyd Wright Foundation, an Arizona nonprofit corporation.

9.1.2. One member appointed by the Declarant.

9.1.3. An independent third party appointed by the Declarant and approved by The Frank Lloyd Wright Foundation, which approval shall not be unreasonably withheld.

The foregoing notwithstanding, if The Frank Lloyd Wright Foundation fails to appoint a member to the Architectural Control Committee as herein provided, Declarant shall be entitled, upon ten (10) days written notice to The Frank Lloyd Wright Foundation (during which time, The Frank Lloyd Wright Foundation may exercise its right to so appoint one member or approve the

third member), to appoint all three members of the board without the prior approval of The Frank Lloyd Wright Foundation.

9.2 Action by Architectural Control Committee. The vote or written consent of any two (2) members of the Architectural Control Committee shall constitute action by the Architectural Control Committee. The Architectural Control Committee shall report in writing all approvals and disapprovals of any proposed Change in the Existing State of Property (as hereinafter defined) to the Association and the Association shall keep a permanent record of all such reported action.

9.3 Power to Employ Consultants. The Architectural Control Committee shall be empowered to employ consultants and agents as it may deem necessary to assist it in the performance of its duties.

9.4 Association Payment of Compensation and Costs. The Association shall be obligated to pay any reasonable compensation to members for actual services rendered and to reimburse the Architectural Control Committee for actual and reasonable expenses incurred and shall be entitled to utilize for such purposes the fee payable for review of proposed Changes in the Existing State of Property as provided in Section 9.8 hereof, together with other funds of the Association, if necessary.

9.5 Change in the Existing State of Property. "Change in the Existing State of Property" shall mean and include, without limitation: (a) the construction, alteration or expansion of any temporary or permanent building, structure or other improvement, including, but not limited to, homes, utility facilities, fencing or recreational facilities; (b) the destruction by voluntary action or the abandonment of any building, structure or other improvement; (c) the excavation, filling or similar disturbance of the surface of land; (d) the landscaping or planting of trees, shrubs, lawns or plants, including, but not limited to, vegetable or flower gardening, or the clearing, marring, defacing or damaging of trees, shrubs or other growing things; and (e) any

change or alteration, including without limitation, any change of color, texture or exterior appearance, of any previously approved Change in the Existing State of Property.

9.6 Approval of Changes Required. The approval of the Architectural Control Committee shall be required for any Change in the Existing State of Property. No work shall be commenced to accomplish a proposed Change in the Existing State of Property until the Architectural Control Committee shall approve the change. No proposed Change in the Existing State of Property shall be deemed to have been approved by the Architectural Control Committee unless their approval is in writing, provided that approval shall be deemed given if the Architectural Control Committee fails to approve or disapprove the proposed change or to make additional requirements or request additional information within 30 days after a full and complete description of the proposed Change in Existing State of Property has been furnished together with a specific request for such approval. In the event any Owner is dissatisfied with any decision of the Architectural Control Committee with regard to such Owner's Lot, such Owner shall have right to appear before the Architectural Control Committee to seek such variance or relief as he deems appropriate. However, the final decision of the Architectural Control Committee shall be conclusive on all matters within the scope of its authority under this Declaration.

9.7 Architectural Standards. The Architectural Control Committee shall prepare and furnish upon request to any Owner written architectural standards which shall set forth the general purposes of the Architectural Control Committee in reviewing proposed Changes in Existing State of Property, basic building restrictions and requirements, architectural review procedures and requirements and regulations applicable with respect to construction. The Architectural Control Committee, may, from time to time, in its sole discretion, amend, repeal or augment the architectural standards, including:

(a) Time Limitations. Time limitations for the completion of construction, within specified periods after the approval of the improvements by the Architectural Control Committee.

89 208552

(b) Building Footprint. Designation of a Building Footprint thereby establishing the location of improvements for the Lot.

(c) Conformity with Approved Plans. Requirements for the conformity of the improvements with plans and specifications approved by the Architectural Control Committee; provided, however, as to purchasers and encumbrancers in good faith for value, the completed improvements shall be deemed to be in compliance with plans and specifications approved by the Architectural Control Committee and in compliance with the architectural standards of the association and this Declaration unless: (i) notice of non-completion or non-conformance identifying the violating lot and specifying the reason for the notice, executed by the Architectural Control Committee shall be recorded with the Maricopa County Recorder, and be given to the owner of such lot within one year of the expiration of the time limitation described in Section 3.2 above or within one year following completion of the improvements, whichever is later; or (ii) legal proceedings shall have been instituted to enforce compliance or completion of the improvements.

(d) Height Limitations. Adoption of height restrictions for certain lots or portions thereof, and/or adoption of view sight lines to assure that offsite views are not unduly restricted and that the privacy of adjacent lots is not lost.

(e) Other Restrictions. Such other limitations and restrictions as the Architectural Control Committee, in its discretion, shall adopt, including, without limitation, the regulation of all landscaping (including, without limitation, absolute prohibition of certain types of landscaping, trees and plants) construction, reconstruction, exterior addition,

change, alteration of maintenance of any building, structure, wall or fence including, without limitation, the nature, kind, shape, height, materials, exterior color, surface texture and location of such improvements.

89 208552
9.8 Fee For Architectural Review. Each Owner shall be required to pay a fee to the Association as a condition to approval of any Change in the Existing State of Property to cover costs and expenses in reviewing and commenting on proposals for Changes in the Existing State of Property by the Architectural Control Committee. The amount of the fee shall be established by the Association and shall be set forth in the Architectural Standards. Such fee shall not be in excess of \$2,000.00 with respect to any one proposed Change in the Existing State of Property in connection with the original construction or modification of a residential structure nor in excess of \$500.00 for any other type of proposed Change in Existing State of Property, provided said amounts may be increased by a percentage no greater than the percentage increase in the Consumer Price Index for All Urban Consumers, established by the Bureau of Labor Statistics of the United States Department of Labor effective January, 1978 (or, if issuance of such Consumer Price Index is discontinued, as measured by any comparable, recognized cost-of living index). Any such increases shall be established by the Association to reflect the increase in the Consumer Price Index between January, 1987 and January of the year in which the increase is to be effective.

9.9 General Criteria For Committee. The Architectural Control Committee shall have complete discretion to approve or disapprove any Change in the Existing State of Property. The Architectural Control Committee shall exercise such discretion with the following objectives in mind, among others: (a) to carry out the general purposes expressed in this Declaration; (b) to prevent violation of any specific provision of this Declaration or any Supplementary Declaration; (c) to prevent any change which

would be unsafe or hazardous to any persons or properties; (d) to minimize obstruction or diminution of the view of others; (e) to preserve visual continuity and to prevent any marked or unnecessary transition between improved and unimproved areas; (f) to assure that any Change will be of good and attractive design and in harmony with development on other portions of the Property; (g) to assure that materials and workmanship for all improvements are of high quality comparable to other improvements in the area; (h) to assure the first-class quality of the visual impact of any change; and (i) to preserve the high value of the Lots and all other portions of the Property and all improvements thereon.

9.10 Completion of Work After Approval. After approval of the Architectural Control Committee of any proposed Change in the Existing State of Property, the proposed change shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed change and with any plans and specifications therefor given to the Architectural Control Committee. Failure to accomplish the change within one year after the date of approval or to complete the proposed change strictly in accordance with the description thereof and the plans and specifications therefor shall operate automatically to revoke the approval of the proposed change and, upon demand by the Architectural Control Committee, the Property shall be restored as nearly as possible to its state existing prior to any work in connection with the proposed change. The Architectural Control Committee shall have the right and authority to record a notice to show that any particular Change in the Existing State of Property has not been approved or that any approval given has been revoked.

9.11 Estoppel Certificate. The Association shall be authorized to, and shall, upon the reasonable request of any interested person, after confirming necessary facts with the Architectural Control Committee, furnish a certificate with respect to approval or disapproval by the Architectural Control

Committee of any Change in the Existing State of Property and any person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

89 208552

9.12 Non-Liability for Approval of Plans. Any Change in the Existing State of Property and the plans and specifications relating thereto shall be approved by the Architectural Control Committee with respect to the criteria set forth in Section 9.9 above, and are not approved for engineering design or for compliance with applicable zoning and building ordinances, and by approving such Change in the Existing State of Property and such related plans and specifications neither the Architectural Control Committee, the members thereof, the Association, any Member, the Board of Directors or the Declarant assume any liability or responsibility therefor, or for any defect in any structure or improvement constructed therefrom. Neither the Architectural Control Committee, any member thereof, the Association, the Board of Directors, nor Declarant shall be liable to any Owner or other person for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any Change in the Existing State of Property or any plans, drawings and specifications relating thereto, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to any approved Change in the Existing State of Property, (c) the development, or manner of development of any property within Ancala or (d) the execution and filing of an Estoppel Certificate pursuant to Section 9.11, whether or not the facts therein are correct; provided, however, that such action, with actual knowledge, was taken in good faith. Approval of any Change in the Existing State of Property and any plans or specifications relating thereto is not, and shall not be deemed to be, a representation or warranty that said Change in the Existing State of Property or such plans or specifications comply with applicable

governmental ordinances or regulations including, but not limited to, zoning ordinances and building codes.

10. Use Restrictions.

89 208552

10.1 Residential Use. Each Lot shall be used exclusively for single-family residential purposes and such purposes as are customarily incident thereto.

10.2 Occupancy Limitations. No residential structure on any Lot shall be used or occupied by more than a single family, its servants and occasional guests.

10.3 Limitation on Improvements. No Lot shall be improved except with a newly constructed residential structure designed to accommodate no more than a single family, its servants and occasional guests, plus other improvements and structures as are necessary or customarily incident to a single family residence, all as approved by the Architectural Control Committee. No outdoor recreational improvements, facilities or equipment shall be permitted except with the specific written consent of the Architectural Control Committee, which consent shall not be granted unless the Architectural Control Committee determines that such improvements, facilities and equipment will not be unduly visible from other Lots nor constitute an infringement on the use and occupancy of other lots.

10.4 Minimum Floor Area. The residential structure on a Lot shall have a minimum improved living floor area of 2,500 square feet, exclusive of basements, garages, porches, patios and accessory structures.

10.5 Height Limitations. No residential structure and no other structure or above-ground improvement on a Lot shall rise to a height greater than that prescribed by the City of Scottsdale, Arizona.

10.6 Setback Requirements. All improvements on a Lot, except landscaping and necessary crossings by access drives and underground utility lines, shall be set back from the boundaries of the Lot as prescribed by the Architectural Control Committee,

the Plat, or ordinances of the City of Scottsdale, Arizona,
whichever is more restrictive. 89 208552

10.7 Garages Required. The residential structure or Complex on a Lot shall include a garage of a size sufficient to accommodate a minimum of two full-sized automobiles and a maximum as determined in writing for any Lot by the Architectural Control Committee.

10.8 Landscaping Requirement. At the time of or as soon as reasonably possible following construction of the residential structure on a Lot but no later than seven months or one growing season after substantial completion of the residential structure, the Lot shall be suitably landscaped. All such landscaping must be approved by the Architectural Control Committee as described in Section 9. Landscaping shall be consistent with the character of the native desert environment. Except as approved by the Architectural Control Committee, landscaping shall conform to the following conditions:

(a) That portion of a Lot, excluding driveways and walkways, which is outside the Building Footprint shall remain natural desert. Supplemental plants and soil may be placed on a Lot only with the prior, written consent of the Architectural Control Committee and shall be the same as, or similar to, native plants and soil.

(b) Where supplemental planting outside of the Building Footprint has been approved by the Architectural Control Committee, the planting shall be limited to plants which consume modest quantities of water.

(c) Nonindigenous plants which multiply rapidly shall not be permitted outside the Building Footprint.

(d) Nonindigenous plants which are substantially taller than the native plants are prohibited.

(e) Lawns and other grass areas shall be located within the Building Footprint, shall not be permitted outside of the Building Footprint and the aggregate of all grass

areas shall not exceed 1,400 square foot. Landscaping shall comply with the native plant preservation regulations of the City and the State of Arizona. All cactus, and not less than fifty percent of all other native plants which must be removed for construction work, shall be transplanted onto a Lot or the Common Area or be replaced with equivalent plants which have been approved by the Architectural Control Committee. Plants shall be transplanted in accordance with acceptable professional standards. Transplanted or replacement plants shall be maintained and watered as appropriate until reestablished. Each Owner shall be responsible for the maintenance of native, transplanted and supplemental plants on his Lot. All grass, shrubs, trees and other plants shall be kept and maintained in an attractive healthy, live and growing condition. If the plants or soil of any Lot are damaged by construction or any other cause, the damaged plant or soil shall be restored to the condition which existed prior to the damage. Dead trees or shrubs shall promptly be removed and replaced with new plants of the same species of suitable size or approved, substituted plants and soil. Approved, supplemental planting shall be irrigated as necessary to sustain plant life.

10.9 Utilities. All utility lines shall be underground.

10.10 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot or within the Property nor shall anything be done or placed on any Lot or any other portion of the Property which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. No Owner shall permit any thing or condition to exist upon his Lot which might induce, breed or harbor diseases or noxious insects. Habitually barking, howling or yelping dogs shall be deemed a nuisance. Garage doors shall be kept closed when not in use. Patios and balconies shall not be used for storage other than of patio furniture.

10.11 No Hazardous Activities. No activities shall be conducted on the Property and no improvements shall be constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the Property and no open fires shall be lighted or permitted on the Property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well designed interior fireplace.

10.12 No Unsightliness. No unsightliness shall be permitted on any Lot that is visible from any Roadway, sidewalk, or from any other Lot. Without limiting the generality of the foregoing:

10.12.1 all unsightliness, structures, facilities, equipment, objects and conditions shall be enclosed within a structure approved in writing by the Architectural Control Committee for such purposes;

10.12.2 boats, campers, campers not on a truck, mobile or motor homes, trucks other than pick-up trucks, horse trailers and other trailers and other large vehicles shall not be permitted on the Property except within a structure, if any, approved in writing by the Architectural Control Committee for such purposes and except for vehicles of guests and visitors for a period of time not to exceed 24 hours in any one month;

10.12.3 tractors, permitted vehicles other than automobiles, and garden or maintenance equipment shall be kept at all times, except when in actual use, in a structure approved in writing by the Architectural Control Committee for such purposes;

10.12.4 refuse, garbage and trash shall be kept at all times in a covered container which shall be kept within a structure approved in writing by the Architectural Control Committee for such purposes;

10.12.5 service areas and facilities for hanging, drying or airing of clothing or fabrics shall be kept

within a structure approved in writing by the Architectural Control Committee for such purposes;

89 208552

10.12.6 pipes for water, gas, sewer, drainage or other purposes and wires, poles, antenna and other facilities for the transmission or reception of audio or visual signals or electricity, and utility meters or other utility facilities shall be approved in writing by the Architectural Control Committee for such purposes or kept below the surface of the ground; and

10.12.7 no lumber, grass, shrub or tree clippings or plant waste, compost, metals, bulk materials or scrap, refuse or trash shall be kept, stored or allowed to accumulated on the Property except within a structure approved in writing by the Architectural Control Committee for such purposes.

10.13 No Annoying Lights, Sounds or Odors. No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; no sound shall be omitted from any Lot which is unreasonably loud or annoying; and no odor shall be emitted from any Lot which is noxious or offensive to others.

10.14 Restriction on Animals. No animals, including horses, birds and livestock, shall be kept on any Lot, except Owners or tenants of Owners may keep dogs, cats or other animals which are bona fide household pets so long as such pets are not kept for commercial purposes, do not make objectionable noises or otherwise bother or constitute a nuisance to other residents, are kept within the boundary lines of the Lot of the owner of such pet or are under control of the owner of such pet when outside such Lot.

10.15 Restriction on Signs and Exterior Lighting. No Signs or advertising devices of any nature shall be erected or maintained on any Lot except to identify the address and Owner of the Lot or to indicate that the Lot is for sale or lease. All signs and exterior lights shall be erected or maintained on Lots only with the prior written approval of the Architectural Control Committee, which approval shall be given only if such signs or

lights shall be of attractive design and shall be as small in size as is reasonably practicable. Notwithstanding the foregoing, the Declarant or Association may erect signs approved by the Declarant or the Association (a) for Declarant's sales purposes, (b) for identification purposes, (c) to advise of rules and regulations adopted by the Association, (d) to caution or warn of danger, or (e) which are required by law.

10.16 Address Signs and Associated Lighting. At the time of construction of a residential structure on a Lot, the Owner shall be required to construct or install a sign showing the address number of the Lot and associated lighting pursuant to uniform standards prescribed in writing by the Architectural Control Committee.

10.17 No Subdivision of Lots. No Lot may be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership except that adjoining Lot Owners may sell or purchase adjoining property to accomplish relocation of the boundary line between such Lots if approved in writing by the Architectural Control Committee and if such sale and purchase will not cause or result in a violation of law or of any setback, building or other restriction contained herein. In such cases, the new boundary line thus established shall be deemed the new boundary line between the respective Lots but no setback line or easement established with respect to the former boundary line shall be changed or shifted by reason of the change of boundary line.

10.18 No Mining or Drilling. No Lot shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth.

10.19 No Temporary Structures. No temporary building, improvement or structure shall be placed upon any Lot, except by Declarant for use in connection with sales of Lots, or except with the prior written consent of the Architectural Control Committee

obtained in each instance, which consent shall be granted only for a particular social, cultural, entertainment or recreational purpose of a short-term duration.

89 208552

10.20 Repairs. No repairs of any detached machinery, equipment or fixtures, including without limitation motor vehicles, shall be made upon any portion of any Lot within view of other Lots and any Roadway.

10.21 Change in Intended Use. No portion of the Property may be developed or redeveloped otherwise than in accordance with its original intended use as set forth herein.

10.22 Violation of Statutes, Ordinances and Regulations. No Lot shall be maintained or utilized in such manner as to violate any applicable statute, ordinance or regulation of the United States of America, the State of Arizona, the County of Maricopa, the City of Scottsdale, or any other governmental agency, department or subdivision having jurisdiction, or in violation of this Declaration or of any covenants, conditions or restrictions applicable to said Lot.

10.23 Businesses. No trade, business, profession or other commercial activity and no health, religious or educational activities shall be conducted from or on any Lot or portion of the Property. The foregoing notwithstanding, the Declarant or its nominee may use any portion of the Property owned by Declarant for real estate sales and marketing efforts in connection with the sale of the Lots and development of the Property.

10.24 Leases. No Owner shall permit his Lot or dwelling unit to be used for transient or hotel purposes or shall lease less than the entire Lot and dwelling unit constructed thereon. Any lease or occupancy agreement shall be in writing, shall expressly provide that its terms are subject in all respects to the provisions of this Declaration and the Articles of Incorporation, Bylaws and Rules and Regulations of the Association and that a violation of any such provisions shall be a default

under such lease, and a copy of all leases shall be delivered to the Association.

89 208552

10.25 Additional Rules and Regulations. The Board of Directors may, by Rules and Regulations permitted by this Declaration, waive or modify the restrictions contained herein and adopt additional restrictions consistent with maintaining the Property as a desirable residential community.

10.26 Construction Period Exception: Time of Construction. During the course of actual construction of any permitted structure or improvements, and provided construction is proceeding with due diligence, the provisions contained in this Section 10 shall be deemed temporarily suspended as to that Lot to the extent necessary to permit such construction within the time limits provided in Section 9.10 of this Declaration and provided that, during the course of such construction, nothing is done which (a) will result in a violation of any of the provisions of this Declaration upon completion of construction; or (b) will constitute a nuisance or unreasonable interference with the enjoyment by other Owners of their Lots. Notwithstanding anything contained herein to the contrary; no work shall be performed on any Lot prior to 6:00 a.m. or after 6:00 p.m., nor shall any work be performed on any Lot on any Saturday, Sunday or holiday without the prior written approval of the Architectural Control Committee.

10.27 Damage or Destruction of Improvements. In the event of complete or partial damage or destruction of any improvements on a Lot, for any reason whatsoever, the Owner shall promptly proceed to repair and replace such improvements, subject to approval of the Architectural Control Committee as though such repair or replacement involved construction of an original structure, or shall promptly proceed to raze the improvement and to landscape the portion of the Lot formerly occupied by such improvement in a manner approved in writing by the Architectural Control Committee.

89 208552

11. Variances by Architectural Control Committee.

The Architectural Control Committee may authorize variance from compliance with any of the provisions, covenants, conditions and restrictions contained in this Declaration relating to Changes in the Existing State of Property when circumstances such as topography, natural obstructions or hardship may require. Such variances must be evidenced in writing and may be recorded. If such variances are granted, no violation of the provisions, covenants, restrictions and conditions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted, and subsequent Owners may rely on and shall be bound by the provisions set forth in the variance. The granting of such a variance shall not operate to waive any of the provisions, covenants, conditions and restrictions contained in this Declaration for any purpose except as to the particular portion of the Property and the particular provision covered by the variance.

12. Easements.

12.1 Blanket Utilities on Common Elements. There is hereby created a blanket easement upon, across, over and under the Common Elements for ingress, egress, installation, replacing, repairing and maintaining all utilities serving the Property, including, but not limited to, water, sewers, gas, telephone, electricity, television cable and communication lines and systems. By virtue of this easement, it shall be expressly permissible for the providing utility to erect and maintain the necessary equipment on said property and to affix and maintain wires, circuits and conduits under the roofs and exterior walls of any improvements and under the surface of the ground. Notwithstanding anything to the contrary contained in this paragraph, no sewers, systems, electrical lines, water lines, gas lines, telephone lines or other utilities may be installed or relocated except as programmed, approved or marketed by Declarant, so long as it is a

Class B member, or by the Association. This easement shall in no way affect any other recorded easements on said Property.

12.2 Common Driveways. As lots are originally designed and the Improvements are constructed thereon, each Owner is to have vehicular and pedestrian access to his Lot by means of the streets and, as to certain lots, by means of a common driveway located wholly or partially upon an adjacent Lot or upon the Common Areas. Each Owner of a Lot served by a common driveway shall have and hereby is granted a nonexclusive access to his Lot by means of the common driveway. The easement shall be for the benefit of and appurtenant to each Lot served by the common driveway. Neither the Association nor any Owner of any Lot over which any portion of a common driveway traverses shall in any way interfere with the easement or access to the Lot thereby. Except with respect to the foregoing easement, the existence of a common driveway shall not effect ownership or maintenance rights or responsibilities and each Owner (or the Association as to that portion of a common driveway located within the Common Areas) shall own and maintain that portion of the common driveway located within the Owner's Lot with no right of contribution from any other Owner sharing the common driveway.

12.3 Encroachments. All of the Property shall be subject to an easement for encroachments by the Common Elements created by construction, settling and overhangs, as designed, constructed or maintained by Declarant. A valid easement for said encroachments and for the maintenance of same, so long as they remain, or for the repair or restoration thereof, shall and does exist. In the event any portion of the Common Elements is partially or totally destroyed, and then rebuilt, minor encroachments due to construction shall be permitted and a valid easement for said encroachment and the maintenance thereof shall exist.

12.4 Drainage. There is hereby created an easement for drainage across all portions of the Property. Any person

subsequent to the Declarant who changes the natural grade or condition of any portion of the Property or who constructs any improvements thereon shall be solely responsible for any damage caused by the plugging, blocking, diversion or impeding of the natural drainage across the Property.

12.5 Utilities as Installed by Declarant on Property.

All of the Property shall be subject to an easement for utilities as installed by the Declarant or by the providing utility with the consent of the Declarant, including, but not limited to, water, sewers, gas, telephone, electricity and television cable and communications lines and systems.

13. Mortgage of Common Elements. Except for construction liens by the Declarant, or in the case of any Restoration required by this Declaration, the Association shall not mortgage, encumber or allow any lien to attach to the Common Elements in excess of ten percent (10%) of the appraised market value of all of the Lots subject to assessment by the Association.

14. Remedies. In the event that any Owner, guest, tenant or other Person upon any portion of the Property shall fail to comply with the provisions of this Declaration, the Articles, the By-Laws or the Rules and Regulations of the Association, the Association shall have each and all of the rights and remedies provided for in this Declaration, the Articles, the By-Laws or said Rules and Regulations or which may be available at law or in equity and may prosecute any action or other proceeding against such Person for enforcement of such provisions, foreclosure of its lien, if applicable, appointment of a receiver, damages, injunctive relief, specific performance, judgment for payment of money and collection thereof, or to sell the Lot owned by such Person as hereinafter in this paragraph provided, or any combination of such remedies or any other and further relief which may be available at law or in equity, all without notice and without regard to the solvency of such Person or the value of the Lot owned by him. The proceeds of any sale shall first be applied

89 208552

to discharge court costs, other litigation costs, including without limitation reasonable attorney's fees, and all other expenses of the proceeding or sale. The remainder of such proceeds shall be applied first to the payment of any unpaid assessments or other charges and the satisfaction of any other sums or damages, and any balance shall then be paid to the Person or Persons legally entitled thereto. Upon the confirmation of a sale of any Lot, the purchasers thereof shall be entitled to a deed and to immediate possession thereof and may apply to the court for a writ of restitution for the purpose of acquiring such possession. The purchasers at any such sale shall take the Lot sold subject to this Declaration. All expenses of the Association in connection with any such action or proceeding, including court costs and reasonable attorney's fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the rate of eighteen percent (18%) per annum until paid, shall be charged to and assessed against such Person, and if such Person is an Owner shall be added to and deemed part of his Common Expenses, and the Association shall have a lien upon the Lot owned by him for all of the same, as well as for nonpayment of his respective share of the Common Expenses. In the event of any breach by any Owner, the Association shall also have the authority, with or without legal proceedings and with or without notice to such Owner, to correct such default and to do whatever may be necessary for such purpose, and all expenses in connection therewith, including, but not limited to reasonable attorneys' fees, together with interest thereon at the rate of eighteen percent (18%) per annum until paid shall be charged to and assessed against such Owner, and such assessment shall constitute a lien against the Lot owned by such Owner. Any and all rights and remedies of the Association may be exercised at any time and from time to time, cumulatively or otherwise. The lien provided for in this paragraph shall be of the same priority, subject to the same terms and conditions and may be foreclosed in

the same manner as the lien provided for in paragraph 4 of this Declaration. Notwithstanding any provisions of this Declaration to the contrary, any breach of any of the covenants, conditions, restrictions, reservations and servitudes provided for in this Declaration, or any right of re-entry by reason thereof, shall not defeat or adversely affect the lien of any Mortgagee made in good faith and for value upon any Lot, but, except as herein expressly provided, each and all of such covenants, conditions, restrictions, reservations and servitudes shall be binding upon and effective against any Owner whose title is acquired by foreclosure, trustee's sale, sale, deed in lieu of foreclosure or otherwise.

15. Nature of Declaration. The covenants, conditions, restrictions, reservations and servitudes contained herein shall run with the land and shall be binding on all persons owning or acquiring any interest in or occupying any portion of the Property after the date on which this Declaration is recorded. The breach of any of said covenants, conditions, restrictions, reservations or servitudes may be enjoined, abated or remedied by appropriate proceedings by the Association or by any Person owning any interest or estate in any Lot; and after the date hereof, any Person who acquires any interest or estate in all or any part of the Property agrees and shall agree by virtue of and upon the acquisition of such interest or estate that said Person shall look only to the Association or other Owners or other persons hereafter acquiring an interest or estate in said Property for any performance or enforcement of or relief from any violation of any of the covenants, conditions and restrictions contained herein, including the Declarant, if the Declarant is violating any of the covenants, conditions and restrictions contained herein.

16. Amendment. The provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed by at least seventy-five (75%) of the Members and acknowledged;

provided, however, that no such amendment shall be effective to limit or restrict any right, power, exemption, privilege or easement provided to the Declarant herein or to increase any obligation or liability of the Declarant unless such amendment is also approved by the Declarant.

Notwithstanding any other provision of this Section 16, until December 31, 1995, the Declarant reserves the right to amend this Declaration without the approval of the Owners; provided, however, that no such amendment shall have the effect of changing the plat of any Owner's Lot without the consent of such Owner.

Any change, modification or rescission accomplished under any of the provisions of this paragraph shall be effective upon recording of the instrument providing therefor signed and acknowledged by all Persons whose signatures, approval or consent is required by this paragraph.

17. Notices. Notices provided for in this Declaration, the Articles of Incorporation or the By-Laws shall be in writing and shall be mailed postage prepaid, if to the Association, addressed to the address to which payments of assessments are then sent and, if to an Owner to his address as shown in the records of the Association. The Association may designate a different address or addresses for notice to it from time to time by giving written notice of such change of address to all Owners. Any Owner may also designate a different address or addresses for notices to him by giving written notice of his change of address to the Association. Notices addressed as above provided shall be deemed delivered when deposited properly addressed in the United States mail, postage prepaid. Upon written request to the Association, any Mortgagee shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner of any Lot of which such person is a Mortgagee. Such copy shall be deemed given when mailed by regular mail to the address indicated in such request.

18. Severability. If any provision of this Declaration, the Articles or the By-Laws or the rules or regulations, or any section, clause, sentence, phrase or word, or the application thereof in any circumstance is held invalid by a court of competent jurisdiction, the validity of the remainder of this Declaration, the Articles, the By-Laws or the rules and regulations and the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby, and the remainder of this Declaration, the Articles, the By-Laws or the rules and regulations, shall remain in full force and effect as if such invalid part were never included therein, and such invalid part shall be promptly amended as herein provided or reformed by such court so as to implement the intent thereof to the maximum extent permitted by law.

19. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants, interests or rights created by this Declaration would otherwise be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue until twenty-one (21) years after the death of the last survivor of the now living descendants of the president of the United States, Ronald Reagan, or the Governor of Arizona, Bruce Babbitt.

20. Protection of First Mortgagees and Certain Other Persons. In addition to any other requirement of this Declaration pertaining to amendments, unless fifty-one percent (51%) of all First Mortgagees have given their prior written approval, neither the Association nor any Owner or Owners shall be entitled to:

20.1 Change the formulas for determining the pro rata obligations of any Lot for the purposes of levying assessments and charges and determining proceeds to be distributed among the Owners;

20.2 By act or omission seek to abandon, rescind or terminate this Declaration;

18. Severability. If any provision of this Declaration, the Articles or the By-Laws or the rules or regulations, or any section, clause, sentence, phrase or word, or the application thereof in any circumstance is held invalid by a court of competent jurisdiction, the validity of the remainder of this Declaration, the Articles, the By-Laws or the rules and regulations and the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby, and the remainder of this Declaration, the Articles, the By-Laws or the rules and regulations, shall remain in full force and effect as if such invalid part were never included therein, and such invalid part shall be promptly amended as herein provided or reformed by such court so as to implement the intent thereof to the maximum extent permitted by law.

19. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants, interests or rights created by this Declaration would otherwise be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue until twenty-one (21) years after the death of the last survivor of the now living descendants of the president of the United States, Ronald Reagan, or the Governor of Arizona, Bruce Babbitt.

20. Protection of First Mortgagees and Certain Other Persons. In addition to any other requirement of this Declaration pertaining to amendments, unless fifty-one percent (51%) of all First Mortgagees have given their prior written approval, neither the Association nor any Owner or Owners shall be entitled to:

20.1 Change the formulas for determining the pro rata obligations of any Lot for the purposes of levying assessments and charges and determining proceeds to be distributed among the Owners;

20.2 By act or omission seek to abandon, rescind or terminate this Declaration;

20.3 By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements (the granting of easements for public purposes consistent with the intended use of the Common Elements not being a transfer within the meaning of this clause); and

20.4 Use hazard insurance proceeds for losses to any portion of the Property other than for the repair, replacement or reconstruction thereof. Any First Mortgagee or insurer or governmental guarantor of a First Mortgage which has requested in writing to be so notified and has provided the Association with its name and address shall be entitled to written notification from the Association of: (i) any default by the Mortgagor in the performance of any such Mortgagor's obligations under this Declaration which is not cured within thirty (30) days; (ii) the commencement of any condemnation proceedings against all or any part of the Common Elements; (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond which the Association is required to maintain hereunder; and (iv) any proposed action by the Association or the Owners which would require the consent of a specified portion of First Mortgagees, or of First Mortgagees who have requested notice thereof, as above provided, pursuant to any provision of this Declaration. Upon written request, all First Mortgagees shall have the right (i) to examine all books and records of the Association during normal business hours; (ii) to receive annual reports of the Association as soon as available and in any event within ninety (90) days following the end of any fiscal year of the Association; and (iii) if such Mortgagor is a Member, to receive written notice of all meetings of the Members and designate a representative to attend all such meetings. Any one or more First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may have become a lien against the Common Elements and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, covering any

such Common Elements, and the First Mortgagee or First Mortgagees making such payments shall be owed immediate reimbursement therefor by the Association. Any other provision hereof to the contrary notwithstanding, no provision of this Declaration shall give the Owner of any Lot, or any other party, priority over any rights of the First Mortgagee of such Lot in the case of any distribution to such Owner of insurance proceeds or condemnation awards for destruction to or condemnation of any portion of the Property.

21. Annexation of Additional Property.

21.1 Additional Property Subject to compliance with the conditions hereinafter provided and provided that Declarant owns both the Property and the real property to be annexed, Declarant shall be entitled and hereby reserves the right, without a vote of the Owners, by written instrument executed by Declarant and recorded, to add to this Declaration in one or more phases additional real property; provided, however, that the maximum number of Lots which Declarant may add is making the total maximum of Lots; and further provided, that all such property to be annexed shall be contiguous with the real property already within or simultaneously added to this Declaration and shall include all Common Elements, connected with such added land. Any such added property shall, upon its addition hereto, be included for all purposes as part of the "Property" and all the defined terms set forth herein shall have the same meaning with respect to such added property for all purposes as if such property had been subject to this Declaration ab initio, and the Owners of such added Lots shall be Members of the Association. Such added property, and any person at any time acquiring any interest therein, shall be entitled and subject to all the rights, benefits, memberships, easements, covenants, conditions, restrictions, liens, liabilities, and obligations provided for herein, including without limitation the use of the Common Elements and the payment of Common Expenses and liens therefore.

21.2 No Obligation to Expand. Notwithstanding any other provision of this Declaration to the contrary, Declarant shall have no obligation to add any additional property to this Declaration or to commence or complete construction of any subsequent phase of development.

21.3 Requirements for Expansion. In the event that Declarant does add property to this Declaration as hereinabove provided, any development upon such property shall be reasonably compatible with the prior phases with respect to architectural design, location, number of units, quality and type of construction. Existing phases shall not be subject to any lien arising in connection with the Declarant's ownership of or construction of improvements upon the property to be added which would adversely effect the rights of existing Lot Owners and all taxes, assessments, mechanics' liens and other charges affecting such property must be paid or otherwise satisfactorily paid for by Declarant.

22. Waiver. Any right or remedy provided for in this Declaration shall not be deemed to have been waived by any act or omission, including without limitation any acceptance of payment or partial performance or any forbearance, except by an instrument in writing specifying such right or remedy and executed by the Person against whom enforcement of such waiver is sought.

23. Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions hereof.

24. References to the Restrictions in Deed. Whether or not reference is made in any deed to any Lot or other portion of the Property concerning the covenants, conditions and restrictions herein set forth, each and all such covenants, conditions and restrictions shall be binding upon all Owners now or hereafter at any time succeeding in title to any portion of the

Property and their heirs, devisees, personal representatives, successors and assigns.

89 208552

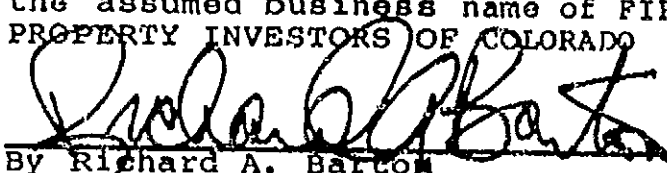
25. Gender and Number. Wherever the content of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders, words used in the neuter gender shall include the masculine and feminine genders, words in the singular shall include the plural and words in the plural shall include the singular.

26. Captions and Titles. All captions, titles or headings in this Declaration are solely for convenience of reference and shall not be deemed to limit, modify or otherwise affect any of the provisions hereof or be used in determining the intent or context thereof.

IN WITNESS WHEREOF, this instrument has been executed as of the 4 day of May, 1989, ~~1988~~.

GLENMOOR OF CHERRY HILLS, LTD., a Texas limited partnership

By: PROPERTY INVESTORS OF COLORADO
a Massachusetts business trust,
conducting business in Arizona under
the assumed business name of FIRST
PROPERTY INVESTORS OF COLORADO


By Richard A. Barton
President


STATE OF ARIZONA)
) ss.
County of Maricopa)

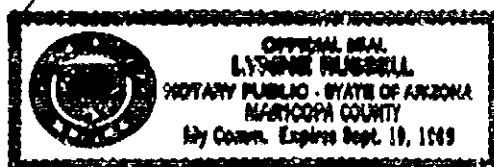
On this the 4 day of May, 1989, before me, the undersigned Notary Public, personally appeared RICHARD A. BARTON, who acknowledged himself to be the President of PROPERTY INVESTORS OF COLORADO, a Massachusetts business trust transacting business in Arizona under the assumed business name of FIRST PROPERTY INVESTORS OF COLORADO, the general partner of GLENMOOR OF CHERRY HILLS, LTD., a Texas limited partnership, whose name is subscribed to the within instrument and acknowledged that being duly authorized so to do, he executed the same for the purposes and in the capacity therein contained.

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

My Commission expires:

9-19-89


Notary Public



The following holders of deeds of trusts against the
Property hereby consent to this Declaration and subordinate their
deeds of trust thereto.

89 208552

THE FRANK LLOYD WRIGHT MEMORIAL
FOUNDATION, an Arizona non-profit
corporation

By Richard Carney
Richard Carney
Its Managing Trustee

STATE OF ARIZONA)
County of Maricopa) ss.

On this 27 day of April, 1988, before me, the
undersigned notary public, personally appeared Richard Carney, as
Managing Trustee of The Frank Lloyd Wright Foundation, an Arizona
non-profit corporation, known to me to be the person whose name is
subscribed to the foregoing instrument and acknowledged that he
executed the same for the purposes therein contained.

Conan J. Trebbart
Notary Public

My Commission Expires:

Oct 27, 1988

Bexar Savings Association, a Texas
chartered savings and loan
association

By Boud Cook
Its President

STATE OF Arizona)
County of Maricopa) ss.

On this 4 day of May, 1989, before me, the
undersigned Notary Public, personally appeared Boud Cook,
known to me to be the person whose name is
subscribed to the foregoing instrument and acknowledged that he
executed the same on behalf of Bexar Savings Association and for
the purposes therein contained, as President

Lyne Russell
Notary Public

My Commission Expires:

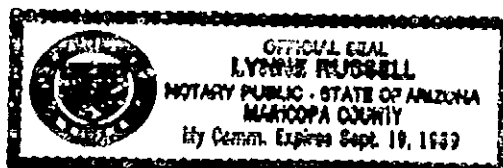


EXHIBIT "A"

89 208552

Lots 1 through 246 inclusive; and Tracts A, B-1, B-2, C-1, C-2, C-3, C-4, C-5, D and E, ANCALA, according to Book 33 of Maps, page 2, records of Maricopa County, Arizona.

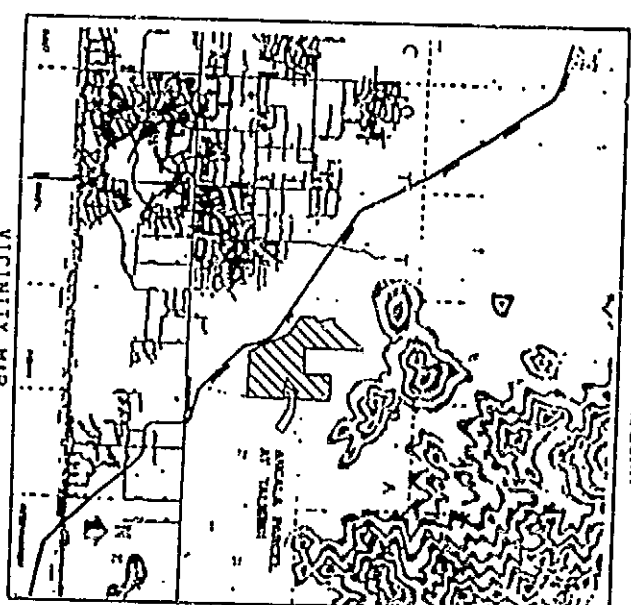
1. **STATE OF ARIZONA**
 2. **COUNTY OF MARICOPA**
 3. **OFFICE OF THE SHERIFF**
 4. **INVESTIGATION**

[illegible]

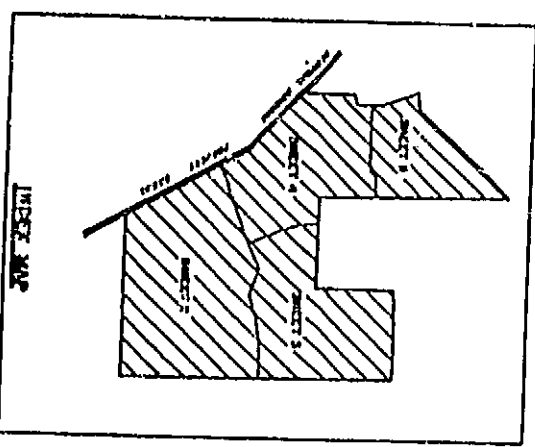
1. DATE OF BIRTH:
 2. DATE OF DEATH:
 3. DATE OF BURIAL:
 4. DATE OF CREMATION:
 5. DATE OF INTERMENT:
 6. DATE OF EXHUMATION:
 7. DATE OF REINTERMENT:
 8. DATE OF REINTERMENT:
 9. DATE OF REINTERMENT:
 10. DATE OF REINTERMENT:
 11. DATE OF REINTERMENT:
 12. DATE OF REINTERMENT:
 13. DATE OF REINTERMENT:
 14. DATE OF REINTERMENT:
 15. DATE OF REINTERMENT:
 16. DATE OF REINTERMENT:
 17. DATE OF REINTERMENT:
 18. DATE OF REINTERMENT:
 19. DATE OF REINTERMENT:
 20. DATE OF REINTERMENT:
 21. DATE OF REINTERMENT:
 22. DATE OF REINTERMENT:
 23. DATE OF REINTERMENT:
 24. DATE OF REINTERMENT:
 25. DATE OF REINTERMENT:
 26. DATE OF REINTERMENT:
 27. DATE OF REINTERMENT:
 28. DATE OF REINTERMENT:
 29. DATE OF REINTERMENT:
 30. DATE OF REINTERMENT:
 31. DATE OF REINTERMENT:
 32. DATE OF REINTERMENT:
 33. DATE OF REINTERMENT:
 34. DATE OF REINTERMENT:
 35. DATE OF REINTERMENT:
 36. DATE OF REINTERMENT:
 37. DATE OF REINTERMENT:
 38. DATE OF REINTERMENT:
 39. DATE OF REINTERMENT:
 40. DATE OF REINTERMENT:
 41. DATE OF REINTERMENT:
 42. DATE OF REINTERMENT:
 43. DATE OF REINTERMENT:
 44. DATE OF REINTERMENT:
 45. DATE OF REINTERMENT:
 46. DATE OF REINTERMENT:
 47. DATE OF REINTERMENT:
 48. DATE OF REINTERMENT:
 49. DATE OF REINTERMENT:
 50. DATE OF REINTERMENT:
 51. DATE OF REINTERMENT:
 52. DATE OF REINTERMENT:
 53. DATE OF REINTERMENT:
 54. DATE OF REINTERMENT:
 55. DATE OF REINTERMENT:
 56. DATE OF REINTERMENT:
 57. DATE OF REINTERMENT:
 58. DATE OF REINTERMENT:
 59. DATE OF REINTERMENT:
 60. DATE OF REINTERMENT:
 61. DATE OF REINTERMENT:
 62. DATE OF REINTERMENT:
 63. DATE OF REINTERMENT:
 64. DATE OF REINTERMENT:
 65. DATE OF REINTERMENT:
 66. DATE OF REINTERMENT:
 67. DATE OF REINTERMENT:
 68. DATE OF REINTERMENT:
 69. DATE OF REINTERMENT:
 70. DATE OF REINTERMENT:
 71. DATE OF REINTERMENT:
 72. DATE OF REINTERMENT:
 73. DATE OF REINTERMENT:
 74. DATE OF REINTERMENT:
 75. DATE OF REINTERMENT:
 76. DATE OF REINTERMENT:
 77. DATE OF REINTERMENT:
 78. DATE OF REINTERMENT:
 79. DATE OF REINTERMENT:
 80. DATE OF REINTERMENT:
 81. DATE OF REINTERMENT:
 82. DATE OF REINTERMENT:
 83. DATE OF REINTERMENT:
 84. DATE OF REINTERMENT:
 85. DATE OF REINTERMENT:
 86. DATE OF REINTERMENT:
 87. DATE OF REINTERMENT:
 88. DATE OF REINTERMENT:
 89. DATE OF REINTERMENT:
 90. DATE OF REINTERMENT:
 91. DATE OF REINTERMENT:
 92. DATE OF REINTERMENT:
 93. DATE OF REINTERMENT:
 94. DATE OF REINTERMENT:
 95. DATE OF REINTERMENT:
 96. DATE OF REINTERMENT:
 97. DATE OF REINTERMENT:
 98. DATE OF REINTERMENT:
 99. DATE OF REINTERMENT:
 100. DATE OF REINTERMENT:

[illegible][illegible]

A SUBDIVISION OF A PORTION OF THE SOUTH HALF OF SECTION 15, AND THE NORTH HALF OF SECTION 22, TOWNSHIP 3 NORTH, RANGE 5 EAST OF THE GILA SALT RIVER BASE AND MERIDIAN
MARICOPA COUNTY, ARIZONA



VICINITY MAP



Letter 2

[illegible]

1. The District Commission, through its various divisions, has been and continues to be actively engaged in the study of the problem of the city of Montreal, with the view of determining the best method of dealing with the various problems which are presented by the city of Montreal.

2. The Commission, through its various divisions, has been and continues to be actively engaged in the study of the problem of the city of Montreal, with the view of determining the best method of dealing with the various problems which are presented by the city of Montreal.

3. The Commission, through its various divisions, has been and continues to be actively engaged in the study of the problem of the city of Montreal, with the view of determining the best method of dealing with the various problems which are presented by the city of Montreal.

4. The Commission, through its various divisions, has been and continues to be actively engaged in the study of the problem of the city of Montreal, with the view of determining the best method of dealing with the various problems which are presented by the city of Montreal.

5. The Commission, through its various divisions, has been and continues to be actively engaged in the study of the problem of the city of Montreal, with the view of determining the best method of dealing with the various problems which are presented by the city of Montreal.

6. The Commission, through its various divisions, has been and continues to be actively engaged in the study of the problem of the city of Montreal, with the view of determining the best method of dealing with the various problems which are presented by the city of Montreal.

7. The Commission, through its various divisions, has been and continues to be actively engaged in the study of the problem of the city of Montreal, with the view of determining the best method of dealing with the various problems which are presented by the city of Montreal.

8. The Commission, through its various divisions, has been and continues to be actively engaged in the study of the problem of the city of Montreal, with the view of determining the best method of dealing with the various problems which are presented by the city of Montreal.

9. The Commission, through its various divisions, has been and continues to be actively engaged in the study of the problem of the city of Montreal, with the view of determining the best method of dealing with the various problems which are presented by the city of Montreal.

10. The Commission, through its various divisions, has been and continues to be actively engaged in the study of the problem of the city of Montreal, with the view of determining the best method of dealing with the various problems which are presented by the city of Montreal.

ATTACHMENT

14-00000-1

71. John Doe

ATTEST: John J. [Signature]

I object strongly that this is an important and sensitive matter.

100-2-87

THE UNIVERSITY OF CHICAGO

7-10-80

100

conclusion

1. **THE 12th OF CHRISTMAS** 2. **A FINEST** 3. **THE 12th OF CHRISTMAS**
 4. **THE 12th OF CHRISTMAS** 5. **THE 12th OF CHRISTMAS** 6. **THE 12th OF CHRISTMAS**
 7. **THE 12th OF CHRISTMAS** 8. **THE 12th OF CHRISTMAS** 9. **THE 12th OF CHRISTMAS**
 10. **THE 12th OF CHRISTMAS** 11. **THE 12th OF CHRISTMAS** 12. **THE 12th OF CHRISTMAS**

三、四、五、六、七、八、九、十、十一、十二、十三、十四、十五、十六、十七、十八、十九、二十、二十一、二十二、二十三、二十四、二十五、二十六、二十七、二十八、二十九、三十、三十一、三十二、三十三、三十四、三十五、三十六、三十七、三十八、三十九、四十、四十一、四十二、四十三、四十四、四十五、四十六、四十七、四十八、四十九、五十、五十一、五十二、五十三、五十四、五十五、五十六、五十七、五十八、五十九、六十、六十一、六十二、六十三、六十四、六十五、六十六、六十七、六十八、六十九、七十、七十一、七十二、七十三、七十四、七十五、七十六、七十七、七十八、七十九、八十、八十一、八十二、八十三、八十四、八十五、八十六、八十七、八十八、八十九、九十、九十一、九十二、九十三、九十四、九十五、九十六、九十七、九十八、九十九、一百。

THE NEW YORK PUBLIC LIBRARY
ASTOR LENOX TILDEN FOUNDATION
500 5TH AVENUE
NEW YORK 17, N.Y.

SECRET

•

ELLIS-MURPHY, INC.

CONSULTING ENGINEERS - LAND SURVEY
705 E. BAYVIEW - ANN ARBOR, MICH.

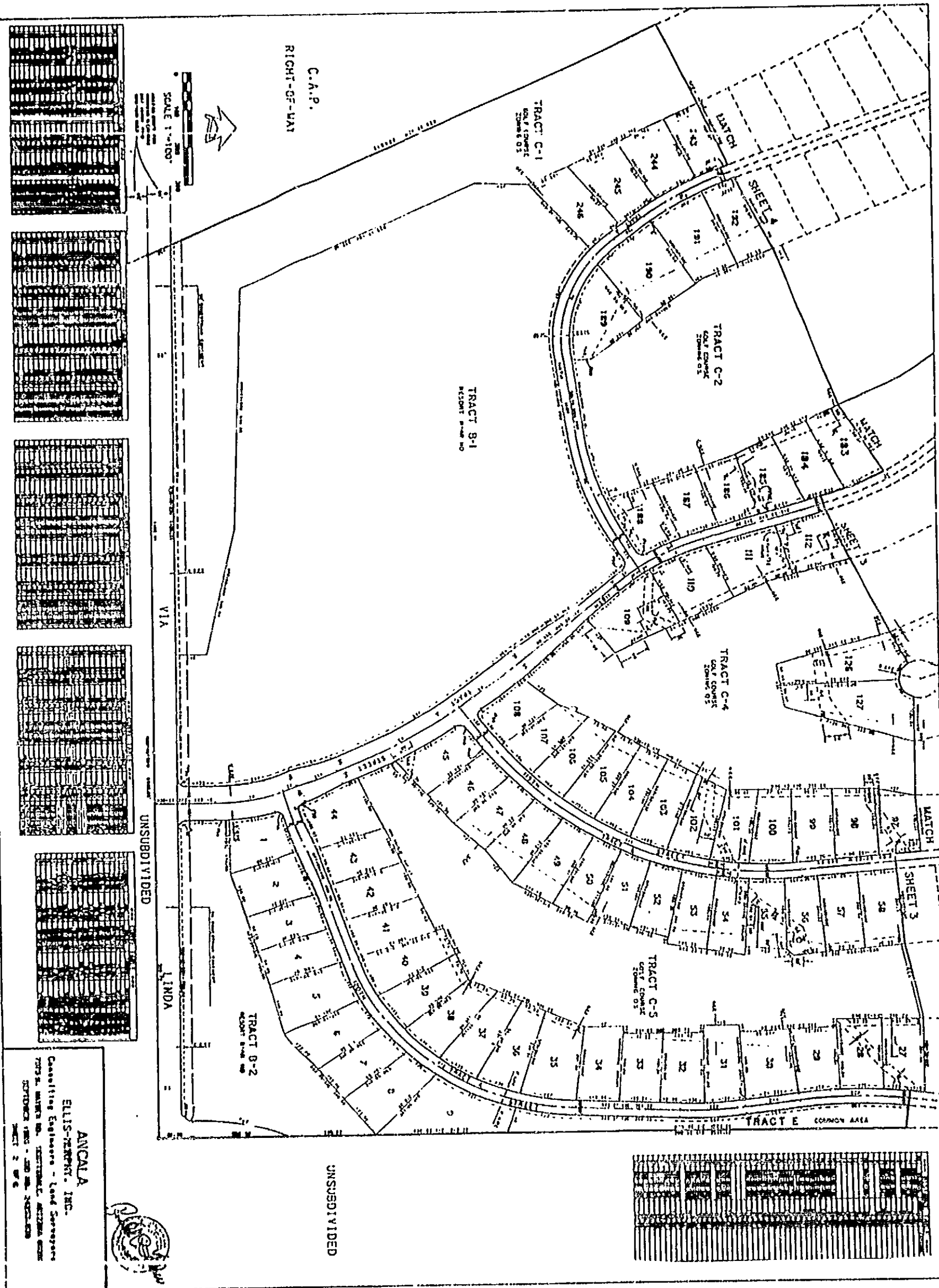
THE
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

CONFIDENTIAL - FOR EYE ONLY

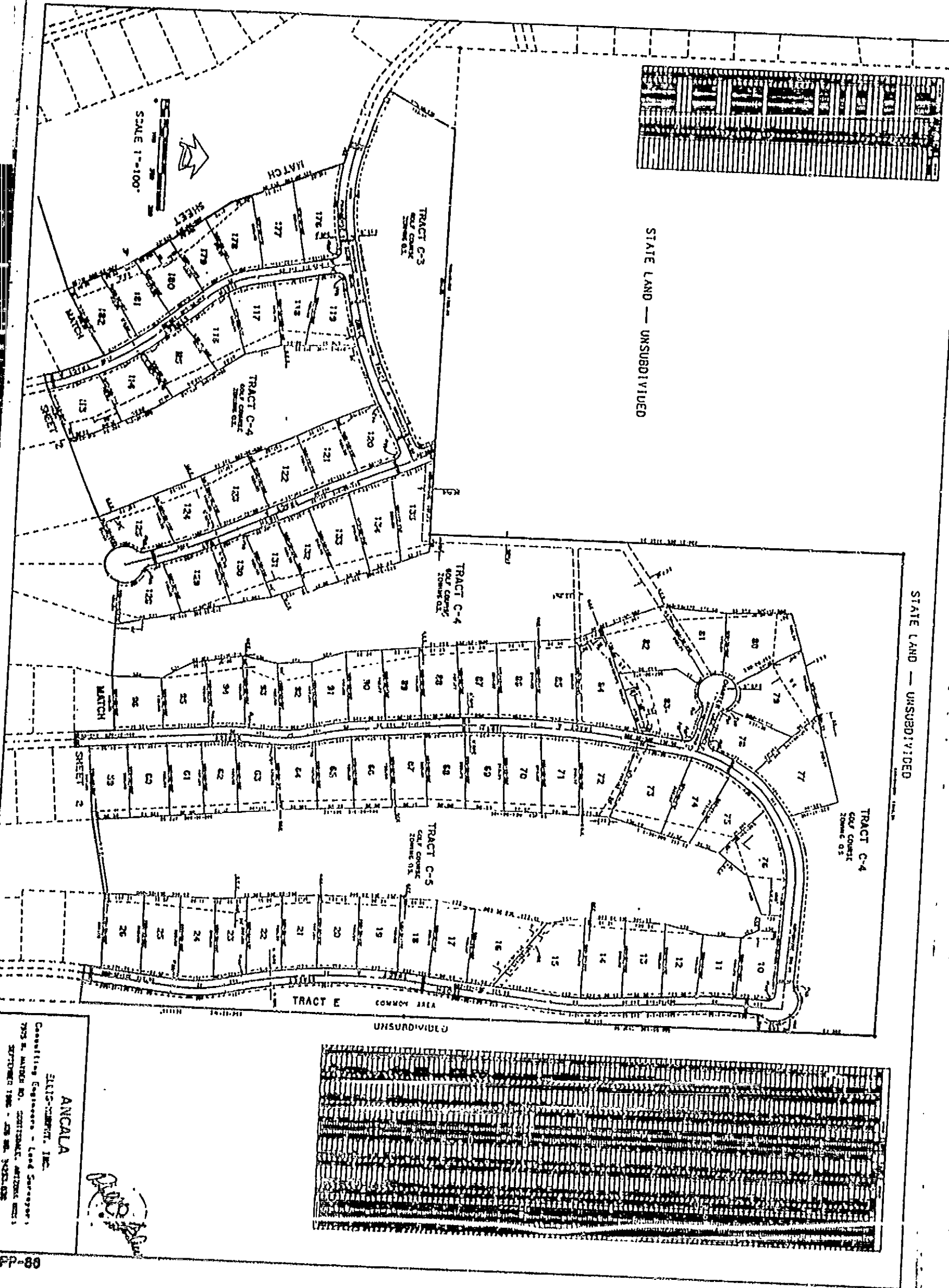
10

000000

EXHIBIT A

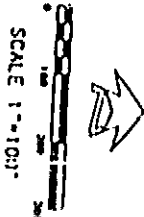


ANCA
ELLIS-RENNETT, INC.
Consulting Engineers - Lead Surveyors
707 S. WILSON ST., TULSA, OKLA. 74106
TELEPHONE (918) 438-1111
FAX (918) 438-1112



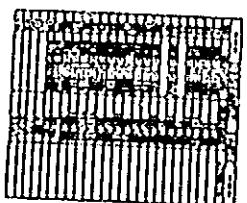
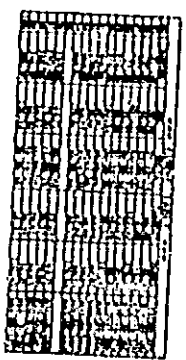
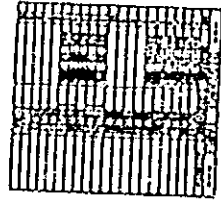
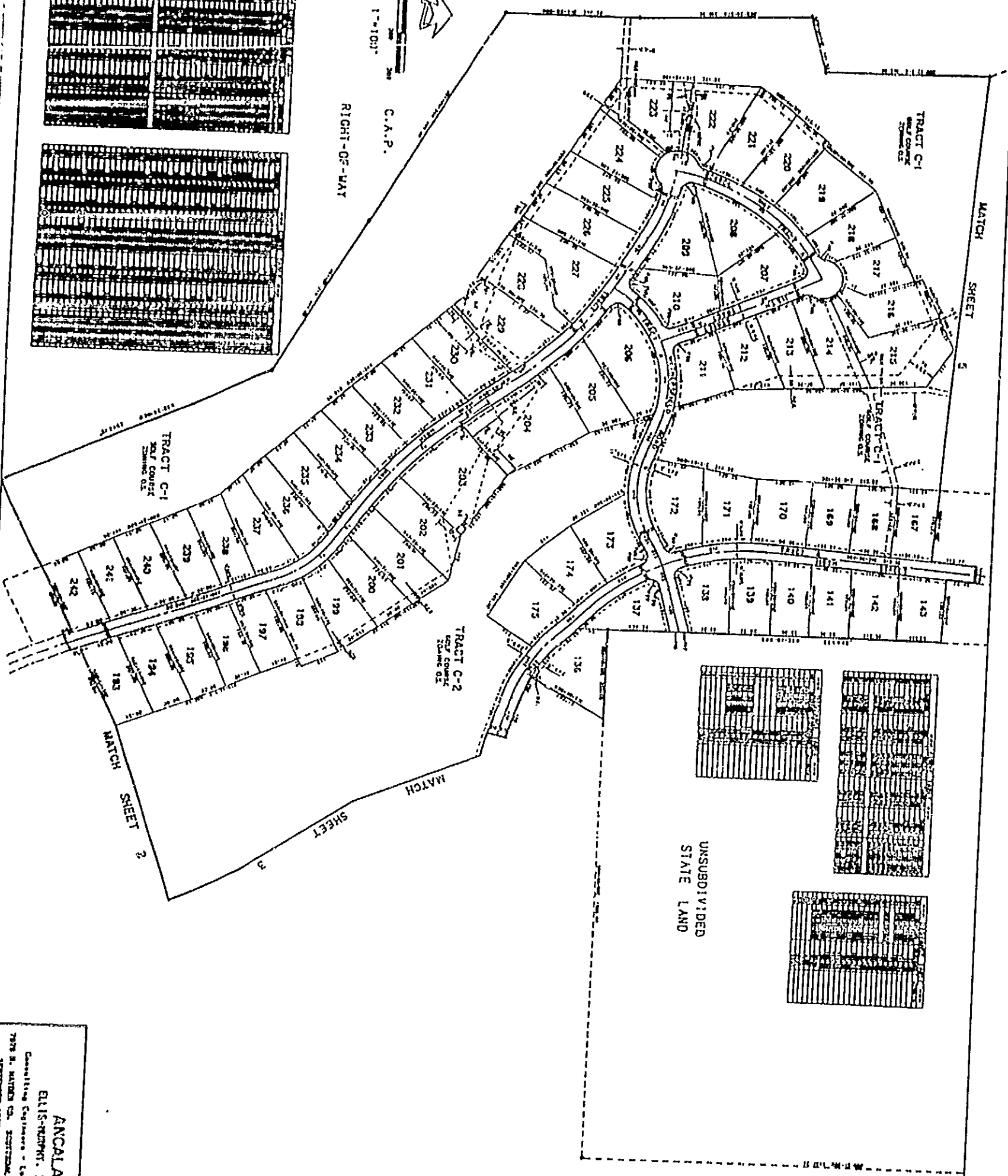
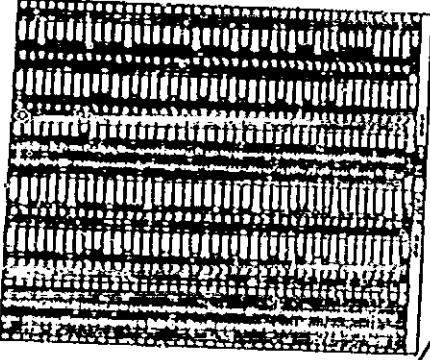
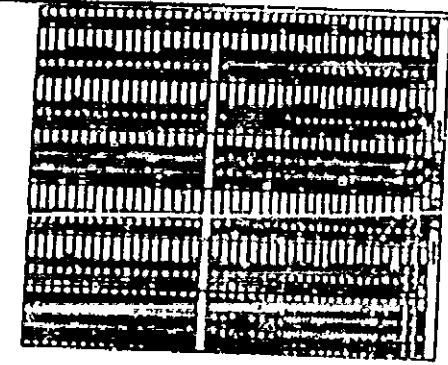
ANCALA
ENGINEERING, INC.
Consulting Engineers - Land Surveyors
705 N. WILSON RD., CHANDLER, ARIZONA 85224
SEPTEMBER 1988 - 200 AC. 2000 AC.

89 208552



C.A.P.

RIGHT-OF-WAY

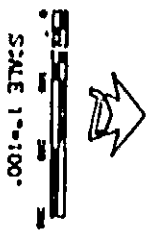
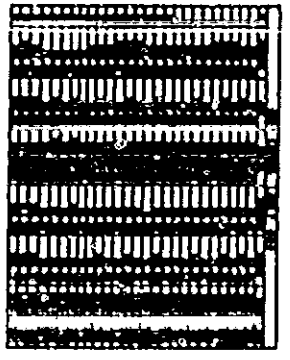


UNSUBSIDIZED
STATE LAND

ANCALA
ELLIS-RENNETT, INC.
Consulting Engineers - Land Surveyors
7075 N. MYRTLE CO. BOULEVARD, ANCHORAGE, ALASKA 99504
APPROVED 1988 - JRM BR. 2003-129



89 208552



C.A.P.
RIGHT-OF-WAY

F.L.W. FOUNDATION
TALIESIN WEST

TRACT C-1
400 ACRES
2000000

MATCH SHEET 4

STATE LAND
UNSUBDIVIDED



ANCAIA
ELLIS-HEBERT, INC.
Consulting Engineers - Land Surveyors
700 S. MARCH RD. SOUTHWEST, ANCHORAGE, ALASKA 99503
ESTABLISHED 1966 - 400 S.W. 2ND AVE. SUITE 200
SEATTLE, WASH. 98101

89 208552

SCALE 1"=100'



C.A.P.
R.O.H.

F.L.V. FOUNDATION

STATE LAND

UNSUBDIVIDED LAND

UNSUBDIVIDED

BOUNDARY MAP

ANCA

CONSULTING ENGINEERS - LAND SURVEYORS

707 E. BROADWAY, NEW YORK, N.Y. 10003

CHART 6 OF 6