

Recorded at the request of *Capital Title Agency Inc.*
when recorded mail to
Janet G. Betts
Jennings, Strouss & Salmon, P.L.C.
16427 N. Scottsdale Rd., Suite 300
Scottsdale, Arizona 85254-1597

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
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ELECTRONIC RECORDING

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(COMMERCIAL)
CONDOMINIUM DECLARATION
FOR
PALOMA KYRENE BUSINESS COMMUNITY

This Condominium Declaration for Paloma Kyrene Business Community is being re-recorded for the sole purpose of correcting the Percentage of Common Elements shown on Page 8 for Buildings K and L to 5.50 and Building M to 33.48 and to correct the Number of Votes shown on Page 8 for Buildings K and L to 550 and for Building M to 3,348.

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OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
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ELECTRONIC RECORDING

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CONDOMINIUM DECLARATION
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This Condominium Declaration for Paloma Kyrene Business Community is effective as of August 1, 2007, by Dove Holdings, LLC, an Arizona limited liability company ("**Declarant**").

**ARTICLE 1.
DEFINITIONS**

1.1 **General Definitions.** Capitalized terms not otherwise defined in this Declaration shall have the meanings specified for such terms in the Arizona Condominium Act, A.R.S. §33-1201, et seq. as amended from time to time.

1.2 **Defined Terms.** The following capitalized term shall have the general meanings described in the Act and for purposes of this Declaration shall have the specific meanings set forth below:

- (a) "**Application**" shall mean all materials submitted to the Architectural Committee.
- (b) "**Architectural and Development Guidelines**" shall mean the guidelines which shall be promulgated from time to time by the Architectural Committee for the purpose of assisting users in preparing building, landscaping, site development and other plans or materials which are subject to review by the Architectural Committee.
- (c) "**Architectural Committee**" or "**Committee**" shall mean the Architectural Committee created pursuant to this Declaration.
- (d) "**Assessments**" means the Common Expense Assessments, Special Assessments and Water Assessments levied and assessed against each Unit pursuant to Article 7 of this Declaration.
- (e) "**Assessment Lien**" means the lien granted to the Association by the Condominium Act to secure the payment of Assessments, monetary penalties and other charges owed to the Associations.
- (f) "**Association**" means Paloma Kyrene Business Community Condominium Association, an Arizona non-profit corporation, its successors and assigns.
- (g) "**Board of Directors**" means the Board of Directors of the Association.
- (h) "**Building**" means a structure containing one or more Units that have been or will hereafter be constructed on the land included in the Condominium, as shown on the Plat.
- (i) "**Bylaws**" means the Bylaws of the Association, as amended, modified supplemented, restated or replaced from time to time.

- (j) "City" means the City of Chandler, Arizona.
- (k) "Common Elements" means all portions of the Condominium other than the Units.
- (l) "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.
- (m) "Common Expense Assessment" means the assessment levied against the Units pursuant to Section 7.2 of this Declaration.
- (n) "Common Expense Liability" means the liability for Common Expenses allocated to each Unit by this Declaration.
- (o) "Condominium" means the real property located in Maricopa County, Arizona, which is more particularly described in Exhibit A attached to this Declaration, together with all buildings and other improvements located on the real property.
- (p) "Condominium Act" means the Arizona Condominium Act, A.R.S. §33-1201, et seq., as amended from time to time.
- (q) "Condominium Documents" means this Declaration, the By-laws and the Rules.
- (r) "Declarant" means Dove Holdings, LLC, an Arizona limited liability company, its successors and assigns.
- (s) "Declaration" mean this Condominium Declaration, as amended from time to time.
- (t) "Development Rights" means any right or combination of rights reserved by or granted by the Declarant in this Declaration to do any of the following during the period of Declarant Control:
 - (i) Create easements, Units, Common Elements or Limited Common Elements within the Condominium;
 - (ii) Determine Unit sizes, subdivide Units, convert Units into Common Elements or convert Common Elements into Units;
 - (iii) Add real estate to the Condominium in accordance with the Condominium Act;
 - (iv) Withdraw real estate from the Condominium;
 - (v) Amend the Declaration during the Period of Declarant Control to comply with the Condominium Act or any other applicable law, to specify Unit sizes, to correct any error or inconsistency in the Declaration or to reallocate parking spaces which are designated as

Limited Common Elements, if the amendment does not adversely affect the rights of any Unit Owner.

(vi) Make the Condominium part of a larger condominium or planned community;

(vii) Amend the Declaration during the Period of Declarant Control, to comply with the rules or guidelines, in effect from time to time, of any government or quasi-government entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments.

(u) **"Eligible Insurer or Guarantor"** means an insurer or governmental guarantor of a First Mortgage who has requested notice of certain matters in accordance with Section 9.1 of this Declaration.

(v) **"Eligible Mortgage Holder"** means a Mortgagee who has requested notice of certain matters from the Association in accordance with Section 9.1 of this Declaration.

(w) **"First Mortgage"** means any mortgage or deed of trust on a Unit with first priority over any other mortgage or deed of trust on the same Unit.

(x) **"Improvement"** means any physical structure, fixture or facility existing or constructed, placed, erected or installed on the land included in the Condominium, including, but not limited to, buildings, private drives, paving, fences, walls, hedges, plants, trees and shrubs of every type and kind.

(y) **"Limited Common Elements"** means a portion of the Common Elements specifically designated in this Declaration as a Limited Common Element and allocated by this Declaration or by operation of the Condominium Act for the exclusive use of one or more but fewer than all of the Units.

(z) **"Member"** means any Person who is or becomes a member of the Association.

(aa) **"Mortgagee"** means the holder of any First Mortgage.

(bb) **"Period of Declarant Control"** means the time period commencing on the date this Declaration is recorded with the County Recorder of Maricopa County, Arizona, and ending on the earlier of (i) ninety (90) days after the conveyance of Units or Buildings comprising seventy-five percent (75%) of the gross square footage of the Buildings which may be created to Unit Owners other than the Declaration, or (ii) four (4) years after Declarant shall have ceased to offer Units for sale in the ordinary course of business, or (iii) the date that the Declarant notifies the Association in writing that it is electing to terminate the Period of Declarant Control.

(cc) **"Person"** means a natural person, corporation, limited liability company, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

(dd) **"Plat"** means the "Final Condominium Plat for Lot 1 of Paloma Kyrene Business Community", which plat has been recorded on August 1, 2007 in Book 938 of Maps, Page 50, Instrument No. 2007-0872078, Official Records of Maricopa County, Arizona, and any amendments, supplements or corrections thereto.

(ee) **"Purchaser"** means any Person, other than the Declarant, who by means of a voluntary transfer becomes a Unit Owner, except a Person who, in addition to purchasing a Unit, is assigned any Special Declarant Right.

(ff) **"Rules"** means the rules and regulations adopted by the Association, as amended from time to time.

(gg) **"Special Declarant Rights"** means any right or combination of rights reserved by or granted to the Declarant in this Declaration or by the Condominium Act to do any of the following:.

(i) Construct Improvements provided for in this Declaration or shown on the Plat;

(ii) Exercise any Development Right;

(iii) Maintain sales offices, management offices, models, signs advertising the Condominium;

(iv) Use easements through the Common Elements for the purpose of making Improvements within the Condominium;

(v) Appoint or remove any officer of the Association or any member of the Board of Directors during the Period of Declarant Control.

(hh) **"Unit"** means a Building or a Unit comprising a portion of a Building comprising the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Section 2.5 of this Declaration.

(ii) **"Unit Owner"** means the record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest in a Building or a Unit within a Building. Unit Owner shall not include Persons having an interest in a Unit merely as security for the performance of an obligation. If a Unit is leased, in its entirety, under a single lease with an original term of five (5) years or more, then Unit Owner may, by the terms of the lease, delegate and assign to the tenant under such lease rights, duties and powers, including voting rights, of the Unit Owner during the term of such lease. **"Unit Owner"** shall not otherwise be deemed to include for any purpose a lessee or tenant of a Unit. Unit Owner shall include a purchaser under a contract for the conveyance of real property, a contract for deed, a contract to convey, an agreement for sale or any similar contract subject to A.R.S. §33-741, et seq. Unit Owner shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to executory contracts pending the closing of a sale or purchase transaction. In the case of Units, the fee simply title to which is

vested in a trustee pursuant to A.R.S. §33-801, et seq., the trustor shall be deemed to be the Unit Owner.

(j) "Water Assessments" means the Water Usage Assessments and the Supplemental Water Fee Assessments against the Buildings or Units pursuant to Section 7.3 of this Declaration.

ARTICLE 2.
SUBMISSION OF PROPERTY; UNIT BOUNDARIES; ALLOCATION OF
PERCENTAGE INTERESTS, VOTES AND COMMON LIABILITIES

2.1 Submission of Property. The Declarant hereby submits the real property located in Maricopa County, Arizona described in the Plat together with all Improvements situated thereon and all easements, rights and appurtenances thereto, to the provisions of the Condominium Act for the purpose of creating a condominium in accordance with the provisions of the Condominium Act and hereby declares that the real property described in the Plat, together with all Improvements situated thereon, and all easements, rights and appurtenances thereto, shall be held and conveyed subject to the terms, covenants, conditions and restrictions set forth in this Declaration.

If at any time the Declarant owns or acquires fee title to any additional real property adjacent to the Condominium, the Declarant may, at its election, annex such additional property into the Condominium pursuant to the provisions of this Declaration. To accomplish such annexation, the Declarant shall record a notice of annexation, as hereinafter provided. Notwithstanding the foregoing, the Declarant shall not annex any real property into the Condominium unless such real property is contiguous (except for any intervening streets or other rights-of-way) to any of the property described in Exhibit A or to any other property theretofore annexed into the Condominium. Upon annexation, the provisions of this Declaration shall apply to all Annexed Property in the same manner as if it were originally a part of the Condominium and subject to this Declaration, and following such annexation the rights, powers and responsibilities of all other persons occupying or having any interest in such annexed property shall be the same as for property initially a part of the Condominium and subject to this Declaration.

Without limiting the foregoing, notice is hereby given that the voting rights of the Members, as provided herein, and the allocation of assessments among the Units and other portions of the Condominium, as provided herein, will be adjusted as a result of any such annexation. All notices of annexation shall be duly executed by the Declarant and recorded with the public records of Maricopa County, Arizona, and shall contain at least the following provisions: (a) a reference to this Declaration stating the date of recording and recording number hereof; (b) a statement that the provisions of this Declaration shall apply to such Annexed Property; and (c) an accurate legal description of such Annexed Property. Any other provision hereof to the contrary notwithstanding, the Declarant shall not be required to acquire or annex any property which is not initially a part of the Condominium, and the provisions in this Declaration are intended to and shall be fully effective with respect to all property which is initially or may at any time hereafter become a part of the Condominium, whether or not any other or additional property is hereafter annexed.

2.2 Name of Condominium. The name of the Condominium created by this Declaration is Paloma Kyrene Business Community.

2.3 Name of Association. The name of the Association is Paloma Kyrene Business Community Condominium Association.

2.4 Identification of Buildings and Units. The identifying numbers of the Buildings and Units are: as follows: Buildings A through N inclusive, M1 through M14 inclusive and N-1 through N-13 inclusive. Declarant shall not be required to use all of the available Unit numbers if a Building is sold to fewer Unit Owners. If Buildings designated as A through L are sold to more than one Unit Owner, then the Building shall be divided into Units equal to the number of Unit Owners. The legal description of a Building which shall be used to describe the Building and all Common Elements, rights obligations and interests appurtenant to that Building shall be as follows: "Building A, Paloma Kyrene Business Community, according the Condominium Declaration recorded as Document No. (*insert Document No.*) and as shown on the Plat recorded in Book (*insert Book No.*) of Maps, Page (*insert Page No.*), Instrument No. (*insert Instrument No.*), records of Maricopa County, Arizona, together with an undivided percentage interest in the Common Elements as set forth in said Declaration and as shown on the Plat." The legal description of a Unit within a Building which shall be used to describe the Unit within the Building and all Common Elements, rights, obligations and interests appurtenant to that Unit within the Building and Unit shall be as follows: "Building M, Unit 1, Paloma Kyrene Business Community, according to the Condominium Declaration recorded as Document No. (*insert Document No.*) and as shown on the Plat recorded in Book (*insert Book No.*) of Maps, Page (*insert Page No.*), Instrument No. (*insert Instrument No.*), records of Maricopa County, Arizona, together with an undivided percentage interest in the Common Elements as set forth in said Declaration and as shown on the Plat."

2.5 Building and Unit Boundaries.

(a) The boundaries of each Building and Unit are, for the interior measurement, shall be measured from the exterior of the wall to the center of any demising wall, and from the bottom surface of the floor slab or roof structure, as applicable, located above the Building or Unit. All Improvements or alterations constructed or installed within such boundaries, air conditioning or heating units, and all chutes, flues, pipes, ducts, wires, and conduits (but excluding any such items serving another Building or Unit(s) are part of that Building or Unit, as applicable.

(b) Except as otherwise provided in this Declaration, any air conditioning or heating unit, chute, flue, pipe, duct, wire, conduct, bearing wall, bearing column or other fixture, whether located within or outside of the boundaries of a Building or Unit, which serve only one Building or Unit, is a Limited Common Element allocated exclusively to that Building or Unit served, and any portion serving more than one Building or Unit or any portion of the Common Elements is a part of the Common Elements.

(c) Subject to the provisions of Subsection 2.5(b) of this Declaration, all spaces, interior partitions and other fixtures and Improvements within the boundaries of a Building or Unit are part of that Building or Unit.

(d) In the event of any inconsistency or conflict between the provisions of this Section and the Plat, this Section shall control.

(e) The physical boundaries of a Building or Unit shall be considered to be the proper boundaries regardless of the settling, rising or lateral movement of the Buildings or the Units and regardless of any variances between the boundaries shown on the Plat and the actual physical boundaries.

(f) Subject to approval of the Association, payment of any related costs or expenses incurred by the Association (including engineering and attorneys' fees), and compliance with A.R.S. §§33-1322 and 1323 (as amended from time to time), any Unit Owner may subdivide its Unit and Unit Owners sharing a common boundary between their Units may adjust that boundary.

(g) Any outdoor storage yard as shown on the Plat for the exclusive use of a Building or Unit, are part of that Building or Unit and their use is limited to that Building or Unit..

2.6 Allocation of Common Element Interest and Common Expense Liabilities. The undivided interest in the Common Elements shall be allocated in the proportion that the gross area of each Building (excluding any outdoor storage yards) and, as applicable, each Unit within a Building, bears to the gross area of all Buildings and, as applicable, each Unit within a Building, measured from the outside of exterior walls and the center of interior demising walls. Subject to adjustment for any subdivision or adjustment pursuant to Section 2.5(f) and for the addition of Units pursuant to the Condominium Act, and including allocations of shared fire riser and electrical service rooms, each Building and, as applicable, each Unit within a Building's percentage interest in the Common Elements is as follows:

BUILDINGS A-N

BUILDING	GROSS SQUARE FOOTAGE	PERCENTAGE OF COMMON ELEMENTS	NUMBER OF VOTES
A	3,942.67	2.26	226
B	4,964.00	2.85	285
C	3,942.83	2.26	226
D	4,964.00	2.85	285
E	3,942.83	2.26	226
F	3,942.67	2.26	226
G	4,964.00	2.85	285
H	3,942.67	2.26	226
I	3,942.83	2.26	226
J	4,964.00	2.85	285
K	9,589.11	5.51 5.50	1551 550
L	9,589.11	5.51 5.50	1551 550
M	58,317.00	33.49 33.48	3349 3,348
N	53,181.88	30.53	3,053
TOTAL	174,189.60	100	10,000

BUILDING M

UNIT	GROSS SQUARE FOOTAGE	PERCENTAGE OF COMMON ELEMENTS	NUMBER OF VOTES
1	5,767.48	3.31	331
2	4,108.02	2.36	236
3	4,108.02	2.36	236
4	3,789.58	2.18	218
5	3,811.75	2.19	219
6	4,153.19	2.38	238
7	4,149.11	2.38	238
8	3,914.77	2.25	225
9	3,914.69	2.25	225
10	3,982.91	2.29	229
11	4,004.94	2.30	230
12	3,914.69	2.25	225
13	3,914.69	2.25	225
14	4,783.16	2.75	275
TOTAL	58,317.00	33.48	3,348

BUILDING N

UNIT	GROSS SQUARE FOOTAGE	PERCENTAGE OF COMMON ELEMENTS	NUMBER OF VOTES
1	5,018.69	2.88	288
2	3,914.60	2.25	225
3	3,914.60	2.25	225
4	4,108.10	2.36	236
5	4,108.08	2.36	236
6	3,914.60	2.25	225
7	3,914.60	2.25	225
8	4,108.08	2.36	236
9	4,108.10	2.36	236
10	3,799.96	2.18	218
11	3,805.26	2.18	218
12	4,107.97	2.36	236
13	4,359.24	2.50	250
TOTAL	53,181.88	30.53	3,053

Undetermined sizes and percentages of Common Elements shall be included in this Section 2.6 and amendments to this Declaration and the Plat shall be made in accordance with the provisions of Section 33-1220 of the Condominium Act.

2.7 Allocation of Votes in the Association. The total votes in the Association shall be ten thousand (10,000). Each Building or Unit shall be allocated one vote for each one hundredth of one percent represented by that Unit's percentage interest in the Common Elements as provided in Section 2.6 above.

2.8 Allocation of Limited Common Elements.

(a) The following portions of the Common Elements are Limited Common Elements and are allocated to the exclusive use of one Building or Unit as follows:

(i) Any air conditioning or heating unit, chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column or other fixture, whether located within or outside of the boundaries of a Building or Unit, which serve only one Building or Unit is a Limited Common Element allocated exclusively to the Building or Unit served.

(ii) If any air conditioning or heating unit, hvac system, chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column or other fixture, lies partially within and partially outside the boundaries of a Building or Unit, the portion serving only one Building or Unit is a Limited Common Element allocated exclusively to the Building or Unit served, the use of which is limited to that Building or Unit and any portion serving more than one Building or one Unit or a portion of the Common Elements is a part of the Common Elements.

(iii) Any awnings, entryways and exterior doors and windows or other fixtures designed to serve a single Building or Unit, but which are located outside the boundaries of the Building or Unit, are Limited Common Elements allocated exclusively to the Building or Unit served and their use is limited to that Building or Unit.

(iv) Any parking spaces reserved by the Association for the exclusive use of a Building or Unit, are Limited Common Elements allocated exclusively to the Building or Unit served and their use is limited to that Building or Unit. The Unit Owner shall have the right to further designate its reserved parking spaces as employee parking or visitor parking.

(b) A Limited Common Element may be reallocated by an amendment to this Declaration made in accordance with the provisions of Section 33-1218(B) or 33-1220 of the Condominium Act.

(c) The Association shall have the right, without a vote of the Members, to allocate as a Limited Common Element any portion of the Common Elements not previously allocated as a Limited Common Element. Any such allocations by the Association shall be made by an amendment to this Declaration and an amendment to the Plat if required by the Condominium Act.

2.9 Rights Reserved to Declarant. Declarant reserves the right at any time and from time to time, subject to the provisions of the Condominium Act, to exercise any or all of the Special Declarant Rights.

2.10 Resubdivision Prohibited. No Building or Unit may be split or subdivided in any manner without the written consent of the Declarant. In the event any split or resubdivision is so approved, each separate portion created as a result thereof shall constitute a Unit within a Building hereunder and shall be subject to and bound by this Declaration. Any person seeking subdivision of any Building or Unit shall be solely responsible for complying with any governmental requirements pertaining thereto.

**ARTICLE 3.
EASEMENTS**

3.1 Utility Easement. There is hereby created an easement upon, across, over, under, and through the Common Elements for reasonable ingress, egress, installation, replacing, repairing or maintaining of all utilities, including, but not limited to, gas, water, sewer, chilled water, telephone, fiber optic cable or other communications facilities, cable television, connections to antennae permitted hereunder, and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company, Declarant, or the Association to erect and maintain the necessary equipment on the Common Elements, but no sewers, electrical lines, water lines, or other utility or service lines may be installed or located on the Common Elements except as initially designed, approved and constructed by the Declarant or as approved by the Association. This easement shall in no way affect any other recorded easements on the Common Elements.

3.2 Easements for Ingress and Egress. There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes that from time to time may exist upon the Common Elements. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes except that such easements shall not extend to any parking facilities that are Limited Common Elements, which we reserved exclusively for the use of the applicable Unit. Such easement shall run in favor of and be for the benefit of the Unit Owners and occupants of the Units and their guests, families, tenants, invitees, and contractors.

3.3 Unit Owners' Easements of Enjoyment.

(a) Every Unit Owner shall have a right and easement of enjoyment in and to the Common Elements, which right and easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

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

(ii) The right of the Association to convey the Common Elements or subject the Common Elements to a mortgage, deed of trust or other security interest, in the manner and subject to the limitations set forth in the Condominium Act; and

(iii) All rights and easements set forth in this Declaration including, but not limited to, the rights, and easements granted to the Declarant by Section 3.4 of this Declaration.

(b) A Unit Owner's right and easement of enjoyment in and to the Common Elements shall not be conveyed, transferred, alienated or encumbered separate and apart from a Building or Unit. Such right and easement of enjoyment in and to the Common Elements shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Building or Unit, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to such right and easement.

3.4 Declarant's Rights and Easements.

(a) The Declarant shall have the right and an easement on and over the Common Elements to construct the Common Elements, the Buildings and the Units shown on the Plat and all other Improvements the Declarant may deem necessary and to use the Common Elements and any Buildings or Units owned by the Declarant for construction or renovation related purposes including the storage of tools, machinery, equipment, building, materials, appliances, supplies and fixtures, and the performance of work in the Condominium.

(b) The Declarant shall have the right and an easement on, over and under those portions of the Common Elements not located within the Buildings or Units for the purpose of maintaining and correcting drainage of surface, roof or storm water. The easement created by this Subsection expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil or to take any other action reasonably necessary.

(c) The Declarant shall have an easement through the Buildings and Units for any access necessary to complete any renovations, warranty work or modifications to be performed by the Declarant.

(d) The Declarant shall have the right and an easement on, over, and through the Common Elements as may be reasonably necessary for the purpose of discharging its obligations and exercising Special Declarant Rights whether arising under the Condominium Act or reserved in this Declaration.

3.5 Easement for Support. To the extent necessary, each Building and Unit shall have an easement for structural support over every other Building and Unit in the Condominium, the Common Elements and the Limited Common Elements, and each Building and Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Building and Unit in the Condominium, Common Elements and the Limited Common Elements.

3.6 Common Elements Easement in Favor of the Association. The Common Elements shall be subject to an easement in favor of the Association and the agents, employees and independent contractors of the Association for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Elements and for the purpose of exercising all rights of the Association and discharging all obligations of the Association.

3.7 Common Elements Easement in Favor of Unit Owners. The Common Elements shall be subject to the following easements in favor of the Buildings or Units benefited.

(a) For the installation, repair, maintenance, use, removal or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or serve any Building or Unit and which pass across or through a portion of the Common Elements: provided that the installation, repair, maintenance, use, removal or replacement of my such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or Unit or impair or structurally weaken the Building or Unit.

(b) For the installation, repair, maintenance, use, removal or replacement of lighting fixtures, electrical receptacle, panel boards and other electrical installations which are a part of or serve any Building or Unit but which encroach into a part of a Common Element adjacent to such Building or Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or Unit or impair or structurally weaken the Building or Unit.

(c) For driving and removing nails, screws, bolts and other attachment devices into a Building or Unit side surface of the stone, block, brick or other masonry walls bounding a Building or Unit and a Building or Unit side surface of the studs which support the dry wall or plaster perimeter walls bounding a Building or Unit, the bottom surface of floor or roof joists or concrete floors (as applicable) above a Building or Unit and the top surface of the floor joists or concrete floors below a Building or Unit to the extent such nails, screws, bolts and other attachment devices may encroach into a part of a Common Element adjacent to such Building or Unit; provided that any such action will not unreasonably interfere with any other Building's Units use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or Unit or impair or structurally weaken the Building or Unit.

(d) For the maintenance of any lighting devices, outlets, medicine cabinets, exhaust fans, grease taps, ventilation ducts, registers, grills and similar fixtures which serve only one Building or Unit but which encroach into any part of the Common Elements.

(e) For the performance of the Unit Owners' obligation to maintain, repair, replace and restore those portions of the Limited Common Elements that the Unit Owner is obligated to maintain under Section 5.2 of this Declaration.

3.8 Limited Common Elements Easements in Favor of Association. The Buildings and the Units and the Limited Common Elements are hereby made subject to the following easements in favor of the Association and its directors, officers, agents, employees and independent contractors:

(a) For inspection of the Buildings, Units and Limited Common Elements in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible;

(b) For inspection, maintenance, repair and replacement of the Common Elements or the Limited Common Elements situated in or accessible from such Buildings, Units or Limited Common Elements;

(c) For correction of emergency conditions in one or more Buildings, Units or Limited Common Elements or casualties to the Common Elements, the Limited Common Elements, the Buildings or the Units.

(d) For the purpose of enabling the Association, the Board of Directors or any other committees appointed by the Board of Directors to exercise and discharge their respective rights, powers and duties under the Condominium Documents.

(e) For inspection, at reasonable times and upon reasonable notice to the Unit Owner, of the Buildings, Units and the Limited Common Elements in order to verify that the provisions of the Condominium Documents are being complied with by the Unit Owners, their guests, tenants, contractors, invitees and the other occupants of the Building or the Unit.

3.9 Easement for Unintended Encroachments. To the extent that any Building, Unit or Common Element encroaches on any other Building, Unit or Common Element as a result of original construction, shifting or settling, or alteration or restoration authorized by this Declaration or any reason other than the intentional encroachment on the Common Elements or any Building or Unit by a Unit Owner, a valid easement for the encroachment, and for the maintenance thereof, exists.

ARTICLE 4. USE AND OCCUPANCY RESTRICTIONS

4.1 Zoning and Use Restrictions. Provided such uses are permitted by any applicable zoning or other governmental restrictions affecting the Condominium, subject to the restrictions hereinafter set forth, a variety of commercial, industrial and related uses will be permitted in the Condominium, including without limitation: offices; research and development facilities; educational or vocational training centers; health and recreational facilities; day care centers; medical offices, clinics or facilities; retail or wholesale marketing; light manufacturing, assembly or packaging facilities (including, but not limited to, cabinet and millwork facilities); repair and servicing facilities; banking, venture capital and financial institutions; data process centers; personal service businesses; indoor automobile showroom, display and storage (no outdoor showroom, display or storage shall be permitted); and support services. Without limiting the generality of the foregoing paragraph, the following uses and activities are prohibited within the Condominium: camping; mobile home sales and storage yards or trailer or recreational vehicle courts or sales facilities; labor camps; junk yards and auto dismantling operations; fermentation or distillation facilities; dumping, disposal, incineration or reduction of garbage, sewage, dead animals, refuse or silage; saw or planing mills; manufacturing, excavation (if applicable) or production of cement, lime asphalt, gypsum, fireworks, wood pulp or the like; production of fish products, sauerkraut, vinegar or the like; fat rendering; stockyard, fee lot or slaughtering of animals; surface mining operations; smelting of iron, tin, zinc or other ores; cemeteries; tent shelters or storage facilities; processing of sugar beets; gasoline service stations, garages and auto repair, automotive paint and body shops; drilling for and/or the removal of as or oil; refining of petroleum or other hydrocarbon products or by-products or the storage of such products and by-products; manufacturing, distillation or storage of chemical (unless such storage is incidental to other permitted activities, is not in bulk, and has been approved by the Architectural Committee) or any other operation involving offensive odors, noise levels or air pollution or such other operation or use which is deemed by the Architectural Committee in its sole and absolute discretion to be dangerous, unsafe, offensive or harmful to the senses or which is deemed to constitute a nuisance; jail or detention facilities; carnivals, amusement parks or arcades, racetracks, rodeos and the like; public parking lots, except lots incidental to permitted uses; equipment rental yards; hospitals or veterinary clinics; and agricultural uses, including animal husbandry.

4.2 Antennas. No antenna, satellite television dish or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any portion of the Condominium whether attached to a Unit, Building, structure or otherwise, unless approved by the Association or installed by Declarant.

4.3 Utility Service. No lines, wires, solar energy devices or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, except those installed by Declarant, shall be erected, placed or maintained anywhere in or upon the Condominium unless they are installed and maintained underground or concealed in, under or on Units, Buildings or other structures so as not to be visible from the Common Elements. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of Buildings or structures permitted under this Declaration.

4.4 Improvements and Alterations. Unit Owners may make non-structural additions, alterations and improvements within their Buildings or Units without the prior written approval of the Association. No Unit Owner shall make any structural additions, alterations or improvements within a Building or Unit, unless prior to the commencement of each addition, alteration or improvement, the Unit Owner has provided complied with Article 11 herein. The Unit Owner shall, to the extent permitted by Arizona law, be responsible for any damage to other Buildings or Units and to the Common Elements that results from any such additions, alterations or improvements. No Unit Owner shall make any addition, alteration or improvement to the Common Elements without the prior written approval of the Association.

4.5 Trash Containers and Collection. No garbage or trash shall be placed or kept on the Condominium except in covered containers of a type, size and style that are approved by the Association. The Association shall have the right to subscribe to a trash service for the use and benefit of the Association and all Unit Owners, and to adopt and promulgate rules and regulations regarding garbage, trash, trash containers and collection; if the Association does not do so, Unit Owners shall arrange and pay directly for trash and refuse collection and shall be entitled to convenient placement of standard commercial-type refuse containers in locations designated by the Association. No incinerators shall be kept or maintained in any Building or Unit.

4.6 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon the Condominium: (i) except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of buildings, improvements or structures which are within the uses permitted by the Declaration, (ii) except that which the Declarant or the Association may require for the construction, operation and maintenance of the Common Elements, and (iii) except machinery or equipment related to any business or activities conducted within Buildings or Units, including backup power facilities.

4.7 Animals. No animals, birds, fowl, poultry or livestock shall be maintained or kept in any Units or on any other portion of the Condominium. Notwithstanding the foregoing, these restrictions do not apply to "Assistive Animals." "Assistance Animals" are animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or animals that

provide emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance animals (sometimes referred to as "service animals," "support animals," or "therapy animals") perform many disability-related functions, including but not limited to guiding individuals who are blind or have low vision, alerting individuals who are deaf or hard of hearing to sounds, providing minimal protection or rescue assistance, pulling a wheelchair, fetching items, alerting persons to impending seizures, or providing emotional support to persons with disabilities who have a disability-related need for such support.

4.8 Temporary Occupancy. Temporary buildings or structures used during the construction of buildings or structures approved by the Association shall be permitted but must be removed promptly upon completion of the construction of the building or structure.

4.9 Removal of Minerals. No portion of the Condominium shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth, or any earth maintenance of any kind.

4.10 Diseases and Insects. No Unit Owner shall permit any thing or condition to exist upon the Condominium that could induce, breed or harbor infectious plant diseases or noxious insects.

4.11 Trucks, Trailers, Campers and Boats. No mobile home, travel trailer, tent trailer, trailer, tractor trailer, commercial truck or van, camper shell, detached camper, recreational vehicle, all-terrain vehicle, boat, boat trailer, golf cart, or other similar equipment or vehicle may be parked, kept, maintained, constructed, reconstructed or repaired on any part of the Condominium by any Unit Owner or tenant or invitee thereof, except entirely within a Building or Unit.

4.12 Motor Vehicles.

(a) Except for emergency repairs, no automobile, motorcycle, motorbike, or other motor vehicle shall be constructed, reconstructed, serviced or repaired on any portion of the Condominium, and no inoperable vehicle may be stored or parked on any portion of the Condominium.

(b) No automobile, motorcycle, motorbike, or other motor vehicle shall be parked upon any part of the Condominium except in designated parking areas and no Unit Owner shall park or allow its employees, agents or invitees to park in any parking space assigned as a Limited Common Element of another Building or Unit.

(c) No automobile, motorcycle, motorbike, or other motor vehicle shall be parked upon any part of the Condominium overnight, except in a designated storage area.

4.13 Towing of Vehicles. The Association shall have the right to have any truck, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer or similar equipment or vehicle or any automobile, motorcycle, motorbike, all-terrain vehicle, golf cart or other motor vehicle parked, kept, maintained, constructed, reconstructed or repaired in violation of the Condominium Documents towed away

at the sole cost and expense of the owner of the vehicle or equipment. Any expense incurred by the Association in connection with the towing of any vehicle or equipment shall be paid to the Association upon demand by the owner of the vehicle or equipment. In addition to the above, each Unit Owner shall have a similar right to tow with respect to vehicles or equipment parked in violation of the Condominium Documents in parking spaces assigned to that Building or Unit as Limited Common Elements.

4.14 Signs. No signs (including, but not limited to, "For Sale" or "For Rent" signs) shall be permitted on the exterior of any Unit or Building or any other portion of the Condominium or visible from the exterior of any Unit or Building, except in conformance with the Rules and the written sign program established for the Condominium by the Association.

4.15 Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of any part of the Condominium. All laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the Condominium shall be observed. Any violation of such laws, zoning ordinances or regulations shall be a violation of this Declaration.

4.16 Nuisances and Offensive Activity. No nuisance shall be permitted to exist or operate upon the Condominium, and no activity shall be conducted upon the Condominium which is unreasonably offensive or detrimental to any portion of the Condominium or to any Unit Owner or other occupant of the Condominium or is an unreasonable annoyance to any Unit Owner or other resident, as determined by the Association. No exterior speakers, horns, whistles, bells or other sound devices, except security or other emergency devices used exclusively for security or emergency purposes, shall be located used or placed on the Condominium, except as approved by the Association.

4.17 Window Coverings. No reflective or tinting materials, including, but without limitation, aluminum foil, tinting film, reflective screens, or glass, mirrors or similar items, shall be installed or placed upon the outside or inside of any windows of a Unit or Building without the prior written approval of the Association. No enclosures, drapes, blinds, shades, screens or other items affecting the exterior appearance of a Unit, Building, or any Limited Common Elements allocated to a Unit or Building shall be constructed or installed without the prior written consent of the Association

4.18 Outdoor Storage Yards. No outdoor storage of any kind shall be permitted except in the outdoor storage yards specifically identified on the Plat. Outdoor storage or temporary parking within an outdoor storage yard shall be permitted by the Unit Owner of the Unit that the outdoor storage yard is assigned per the Plat. No canopy, racking, shelving or other structures may be constructed or installed within any outdoor storage yards that would be visible from any other Unit, Common Element or other portion of the Condominium. Except when in use, all outdoor storage yards gates shall be kept closed.

**ARTICLE 5.
OPERATION, MAINTENANCE AND REPAIR OF
COMMON ELEMENTS AND UNITS**

5.1 Duties of the Association. The Association shall operate, maintain, repair and replace all Common Elements, whether located inside or outside the Units or Buildings, and all parking spaces constituting Limited Common Elements. Except as otherwise provided in Section 5.3 and 5.4 and to the extent actually collected from a Unit Owner, the cost of all such operation, maintenance, repairs and replacements shall be a Common Expense and shall be paid for by the Association. Limited Common Elements, other than parking spaces, shall be maintained, repaired and replaced by the applicable Unit Owner pursuant to Section 5.2 of this Declaration.

5.2 Duties of Unit Owners.

(a) Each Unit Owner shall maintain, repair and replace, at its own expense, all portions of its Unit or Building.

(b) Each Unit Owner shall be responsible for the maintenance and repair of the following portions of the Common Elements: (i) the Limited Common Elements, other than parking spaces, allocated to the Unit or Building pursuant to Subsection 2.5(h) of this Declaration; (ii) exterior doors and windows allocated to the Unit or Building as Limited Common Elements pursuant to Section 2.8(a)(iii) of this Declaration; (iii) all other Improvements allocated to the Unit or Building as a Limited Common Elements pursuant to Section 2.9 of this Declaration.

5.3 Repair or Restoration Necessitated by Unit Owner. Each Unit Owner shall be liable to the Association, to the extent permitted by Arizona law, for any damage to the Common Elements or the Improvements, landscaping or equipment thereon that results from the negligence or willful conduct of the Unit Owner. The cost to the Association of any such repair, maintenance or replacements required by such act of a Unit Owner shall be paid by the Unit Owner, upon demand, to the Association. The Association may enforce collection of any such amounts in the same manner and to the same extent as provided for in this Declaration for the collection of Assessments.

5.4 Unit Owner's Failure to Maintain. If a Unit Owner fails to maintain in good condition and repair its Unit or Building or any Limited Common Element which such Unit Owner is obligated to maintain under this Declaration and the required maintenance, repair or replacement is not performed within fifteen days after written notice has been given to the Unit Owner by the Association, the Association shall have the right, but not the obligation, to perform the required maintenance, repair or replacement. The cost of any such maintenance, repair or replacement shall be assessed against the non-performing Unit Owner pursuant to Subsection 7.2(d) of this Declaration.

5.5 Utilities. The Association shall cause to be provided to each Unit or Building means of connection to the following utilities and services, subject to interruption from causes beyond the Association's control: electrical power, municipal water and sewer service, natural gas and a point of presence for connection to telephone and fiber optic cable communications facilities. The Association shall have no responsibility for failure or interruption of service by any utility or provider. Meters may be located in Units, Buildings or in Common Elements.

(a) SES lines and its accessories ("SES"), carrying an electrical line from the transformer to the meter(s) servicing each Building or Unit will be placed in the Common Elements. In the event of the failure of the SES located in the Common Elements, and such failure requires Salt River Project to provide services on the SES, whether in the nature of a repair, replacement or other work, then the Association may either (i) retain Salt River Project to repair, replace or otherwise provide other work to the SES, or (ii) retain a third party to perform such repair, replacement or otherwise provide other work to the SES; provided, however, that the work performed by such third party is (A) supervised by Salt River Project, to the extent required by Salt River Project, (B) performed by a third party approved by Salt River Project, and (C) accepted by Salt River Project. The costs and expenses of such repair, replacement or other work to the SES shall be borne by the Association. In the event that the repair, replacement or other work to the SES requires the removal and/or replacement of any obstructions, whether softscape (such as shrubs, trees, rocks, dirt, plants) or hardscape (such as cement, benches, art work) then the Association shall retain a third party to perform such removal and/or replacement of any obstructions. The costs and expenses of such removal and/or replacement of any obstructions shall be borne by the Association.

5.6 **Roof Drainage.** The Board shall cause the roof drains of all Buildings to be inspected at least every six (6) months. In particular, the Board shall inspect for any misaligned, malfunctioning, nonfunctional or blocked drainage grates, basins, lines, and systems, which could cause damage to the Units, Buildings, Limited Common Elements, Common Elements or other property of the Condominium. At least every other year, one such inspection shall be done by a licensed and qualified contractor or architect with expertise in the construction and maintenance of such drainage installations, who shall be required to promptly provide a written report to the Board. The written reports shall identify any items of maintenance or repair which either require current action by the Association, or will need further review and analysis, and shall specifically include a review of the drainage systems on the Buildings. The Board shall cause any and all necessary or prudent repairs to be promptly undertaken and completed, to prevent avoidable deterioration or property damage.

ARTICLE 6.

THE ASSOCIATION; RIGHTS AND DUTIES; MEMBERSHIP

6.1 **Rights, Powers and Duties of the Association.** No later than the date on which the first Unit or Building is conveyed to a Purchaser, the Association shall be organized as an Arizona non-profit corporation. The Association shall be the entity through which the Unit Owners shall act. The Association shall have such right, powers and duties as are prescribed by law and as are set forth in the Condominium Documents, together with such rights, powers and duties as may be reasonably necessary in order to effectuate the objectives and purposes of the Association as set forth in this Declaration and the Condominium Act. The Association shall have the right to finance capital improvements in the Condominium by encumbering future Assessments if such action is approved by the written consent or affirmative vote of Unit Owners representing more than fifty percent (50%) of the votes in the Association. Unless the Condominium Documents or the Condominium Act specifically require a vote of the Members, approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board of Directors.

6.2 Directors and Officers.

(a) During the Period of Declarant Control, the Declarant shall have the right to appoint and remove the members of the Board of Directors and the officers of the Association, none of whom shall be required to be Unit Owners.

(b) Upon the termination of the Period of Declarant Control, the Unit Owners shall elect the Board of Directors which must consist of at least three (3) members, all of whom must be Unit Owners (or, in the case of Unit Owners that are not natural Persons, legal representatives of Unit Owners). The Board of Directors elected by the Unit Owners shall then elect the officers of the Association, who must be Unit Owners.

(c) The Declarant may voluntarily surrender its right to appoint and remove the members of the Board of Directors and the officers of the Association before termination of the Period of Declarant Control, and in that event the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or the Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

6.3 Rules. The Board of Directors, from time to time and subject to the provisions of this Declaration and the Condominium Act, may adopt, amend, and repeal Rules. The Rules may, among other things, restrict and govern the use of any area by any Unit Owner, by the family of such Unit Owner, or by any invitee, contractor, licensee or lessee of such Unit Owner. The Rules shall be enforced in a non-discriminatory manner.

6.4 Composition of Members. Each Unit Owner shall be a Member of the Association. The membership of the Association at all times shall consist exclusively of all the Unit Owners.

6.5 Personal Liability. No Member of the Board, the Architectural Committee or any other committee of the Association, any officer of the Association, the Declarant or any agent of any of the foregoing shall be personally liable to the Association or any member thereof or to any Owner, Lessee, or other person for any damage or loss resulting from any act, omission, error or negligence, and the Association shall defend, indemnify and hold harmless any such person from and against any of the foregoing

6.6 Prohibition on Dissolution. The Association may not be dissolved without the affirmative written approval of two thirds (2/3) or more of the total number of eligible votes of the Members in the Association. In the event of dissolution, other than incidental to a merger or consolidation, the assets of the Association must be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the alternative of such dedication, the right, powers and duties must be assumed and the assets must be granted, conveyed, or assigned to another nonprofit corporation, association, trust, or other organization to be devoted to a similar purpose or purposes, including, without limitation, the maintenance of the Common Elements.

**ARTICLE 7.
ASSESSMENTS**

7.1 Preparation of Budget.

(a) At least sixty (60) days before the beginning of each fiscal year of the Association commencing with the fiscal year in which the first Unit or Building is conveyed to a Purchaser, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount of funds which the Board of Directors believes will be required during the ensuing fiscal year to pay all Common Elements, including, but not limited to:

(i) the amount required to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units or Buildings, if any, which the Association has the responsibility of maintaining, repairing and replacing;

(ii) the cost of wages, materials, insurance premiums, services, supplies and other expenses required for the administration, operation, maintenance and repair of the Condominium;

(iii) the amount required to render to the Unit Owners all services required to be rendered by the Association under the Condominium Documents; and

(iv) such amounts as may be necessary to provide general operating reserves and reserves for contingencies and replacements.

The budget shall separately reflect any Common Elements to be assessed against less than all of the Units or Buildings pursuant to Subsection 7.2(d) or Subsection 7.2(e) of this Declaration.

(b) Within thirty (30) days after the adoption of a budget, the Association shall send to each Unit Owner a summary of the budget and a statement of the amount of the Common Expense Assessment assessed against the Unit or Building of the Unit Owner in accordance with Section 7.2 of this Declaration. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owners obligation to pay its allocable share of the Common Elements as provided in Section 7.2 of this Declaration, and each Unit Owner shall continue to pay the Common Expense Assessment against its Unit or Building, as established for the previous fiscal year, until notice of the Common Expense Assessment for the new fiscal year has been established by the Board of Directors.

(c) The Board of Directors is expressly authorized to adopt and amend budgets for the Association, and no ratification of any budget by the Unit Owners shall be required.

7.2 Common Expense Assessment.

(a) For each fiscal year of the Association, commencing with the fiscal year in which the first Unit or Building is conveyed to a Purchaser, the total amount of the estimated Common Expenses set forth in the budget adopted by the Board of Directors (except for the Common

Expenses which are to be assessed against less than all of the Units or Buildings pursuant to Subsections 7.2(d) and 7.2(c) of this Declaration) shall be assessed against each Unit or Building in proportion to the Unit's Common Expense Liability as set forth in Section 2.6 of this Declaration. The amount of the Common Expense Assessment assessed pursuant to this Subsection 7.2(a) shall be in the sole discretion of the Board of Directors. If the Board of Directors determines during any fiscal year that its funds budgeted or available for that fiscal year are, or will, become inadequate to meet all Common Expenses for any reason, including, without limitation, non-payment of Assessments by Members, it may increase the Common Expense Assessment for the fiscal year and the revised Common Expense Assessment shall commence on the date designated by the Board of Directors.

(b) The Common Expense Assessments shall commence as to all Units and Buildings on the first day of the month following the conveyance of the first Unit or Building to a Purchaser. The first Common Expense Assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board of Directors may require that the Common Expense Assessments or Special Assessments be paid in installments.

(c) Except as otherwise expressly provided for in this Declaration, all Common Expenses, including, but not limited to, Common Expenses associated with the maintenance, repair and replacement of a Limited Common Element, shall be assessed against all of the Units in accordance with Subsection 7.2(a) of this Declaration.

(d) If any Common Expense is caused by the negligence or willful misconduct of any Unit Owner, the Association shall assess that Common Expense exclusively against that Unit Owner's Unit or Building.

(e) Assessments to pay a judgment against the Association may be made only against the Units and Buildings in the Condominium at the time the judgment was entered, in proportion to their Common Expense Liabilities.

(f) All Assessments, monetary penalties and other fees and charges levied against a Building or Unit shall be the personal obligation of the Unit Owner of the Unit or Building at the time the Assessments, monetary penalties or other fees and charges became due. The personal obligation of a Unit Owner for Assessments, monetary penalties and other fees and charges levied against its Building or Unit shall not pass to any unrelated bona fide third party who succeeds to the title of the Unit Owner unless expressly assumed by such successor, but such Assessments, monetary penalties and other fees and charges shall constitute an Assessment Lien on the Unit or Building, as provided in Section 7.5 (except as provided in Section 7.6), regardless of whether they are so assumed as personal obligations of the successor Unit Owner.

7.3 Water Assessments. Each Building is served by a single water meter and water usage by each individual Unit within each Building will be sub-metered, or if a sub-meter is not permitted, allocated based upon the gross square footage of each Unit as to all Units, in that Building who are not sub-metered. The Association shall pay for all water usage not separately metered, shall allocate the cost among the Buildings or Units based upon the gross square footage of each Buildings or Unit as compared to the gross square footage of all Buildings and

Units, and shall assess each Building or Unit its share of the water bill ("Water Usage Assessments").

7.4 Special Assessments. In addition to Common Expense Assessments and Water Assessments, the Association may levy, in any fiscal year of the Association, a special assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Elements, including fixtures and personal property related thereto, or for any other lawful Association purpose ("Special Assessment"). Unless otherwise specified by the Board of Directors, Special Assessments shall be due thirty (30) days after they are levied by the Association and notice of the Special Assessment is given to the Unit Owners.

7.5 Effect of Non-payment of Assessments: Remedies of the Association.

(a) Assessments that are payable monthly pursuant to Section 7.2(b) shall be paid on or before the first day of each month. Special Assessments shall be paid in accordance with Section 7.4. All other Assessments shall be paid within ten (10) days after receipt of the applicable statement or invoice. Any Assessment, or any installment of an Assessment, which is not paid within ten (10) days after the Assessment first became due shall be deemed delinquent and shall bear interest from the date of delinquency at the rate of interest established from time to time by the Board of Directors.

(b) All Assessments, monetary penalties and other fees and charges imposed or levied against any Unit, Building or Unit Owner shall be secured by the Assessment Lien as provided for in the Condominium Act. The recording of this Declaration constitutes record notice and perfection of the Assessment Lien, and no further recordation of any claim of lien shall be required. Although not required in order to perfect the Assessment Lien, the Association shall have the right, but not the obligation to record a notice setting forth the amount of any delinquent assessments, monetary penalties or other fees or charges imposed or levied against a Unit, Building, or the Unit Owner which we secured by the Assessment Lien.

(c) The Association shall have the right, at its option, to enforce collection of any delinquent Assessments, monetary penalties and all other fees and charges owed to the Association in any manner allowed by law, including, but not limited to: (i) bringing an action at law against the Unit Owner personally obligated to pay the delinquent amounts and such action may be brought without waiving the Assessment Lien securing any such delinquent amounts; or (ii) bringing an action to foreclose its Assessment Lien against the Unit in the manner provided by law for the foreclosure of a realty mortgage. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire hold, lease, mortgage and convey any and all Buildings or Units purchased at such sale upon such term and conditions as the Board of Directors shall determine.

7.6 Subordination of Assessment Lien to Mortgages. The Assessment Lien shall be subordinate to the lien of any First Mortgage. Any Mortgagee or any other party requiring title or coming into possession of a Unit through foreclosure of a First Mortgage, purchase at a foreclosure sale or trustee's sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure (in its own name or in the name of an affiliate

owned and controlled by it), shall acquire title free and clear of any claims for unpaid Assessments, monetary penalties and other fees and charges against the Building or Unit which became payable prior to such sale or transfer but shall be subject to all subsequently accruing Assessments. Any delinquent Assessments, monetary penalties and other fees and charges which are extinguished pursuant to this Section may be reallocated and assessed to all Buildings and Units (including the foreclosed Unit or Building) as a Common Expense. Any Assessments, monetary penalties and other fees and charges against the Unit which accrue prior to such sale or transfer shall remain the personal obligation of the default Unit Owner.

7.7 No Exemption of Unit Owner. No Unit Owner may exempt himself from liability for payment of Assessments, monetary penalties and other fees and charges levied pursuant to the Condominium Documents by waiver and non-use of any of the Common Elements and facilities or by the abandonment of its Units or Buildings.

7.8 Certificate of Payment. The Association on written request shall furnish to a lienholder, Unit Owner or person designated by a Unit Owner, a recordable statement setting forth the amount of unpaid Assessments against its Unit or Building. The statement shall be furnished within twenty (20) business days after receipt of the request and is binding on the Association, the Board of Directors, and every Unit Owner. The Association may charge a reasonable fee in an amount established by the Board of Directors for each such statement.

7.9 No Offsets. All Assessments, monetary penalties and other fees and charges shall be payable in accordance with the provisions of this Declaration, and no offsets, recoupment or claim against such Assessments, monetary penalties and other fees and charges shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in the Condominium Documents or the Condominium Act.

7.10 Surplus Funds. Surplus funds of the Association remaining after payment of or provisions for Common Expenses and any reserves may in the discretion of the Board of Directors either be returned to the Unit Owners pro rata in accordance with each Unit Owner's Common Expense Liability or be credited on a pro rata basis to the Unit Owners to reduce each Unit Owners future Common Expense Assessments.

7.11 Monetary Penalties. In accordance with the procedures set forth in the Bylaws, the Association shall have the right to levy reasonable monetary penalties against a Unit Owner for violations of the Condominium Documents.

ARTICLE 8. INSURANCE

8.1 Scope of Coverage.

(a) Commencing not later than the date of the first conveyance of a Unit or Building to a Purchaser, the Association shall maintain, to the extent reasonably available, the following insurance coverage:

(i) Property insurance on the Common Elements and the Buildings and Units, exclusive of improvements and betterments installed in Buildings or Units by Unit Owners (but including items required to be restored by the Association pursuant to Section 8.5), issued under a standard special form "All Risk of Direct Physical Loss Form" in an amount equal to the maximum insurable replacement value of the Common Elements and the Buildings and Units, as determined by the Board of Directors; provided, however that the total amount of insurance after application of any deductibles shall not be less than 100% of the current replacement cost of the insured property, exclusive of land, excavations, and other items normally excluded from a property insurance policy.

(ii) Broad form commercial general liability insurance, for a limit to be determined by the Board of Directors, but not less than \$1,000,000 per occurrence; \$1,000,000 personal injury and advertising injury; \$2,000,000 products and completed operations aggregate; and \$2,000,000 annual aggregate with an umbrella liability policy with limits no less than \$4,000,000 per occurrence. Such insurance shall over all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements. Such policy shall include a cross-liability clause to cover liabilities of the Unit Owners as a group to a Unit Owner.

(iii) Automobile liability insurance arising out of the use of hired and owned or non-owned automobiles of not less than One Million Dollars (\$1,000,000.00).

(iv) At the option of the Board of Directors, employment practices liability insurance for a limit not less than Five Hundred Thousand Dollars (\$500,000.00) providing coverage for any legal liability that results from lawsuits related to employment contracts to which the Association is a party.

(v) Worker's compensation insurance to the extent necessary to meet the requirements of Arizona law and employer's liability insurance with limits not less than \$1,000,000 for each accident.

(vi) Directors' and officers' liability insurance covering all the directors and officers of the Association in such limits as the Board of Directors may determine from time to time.

(vii) Boiler and machinery insurance providing coverage (including business income coverage) in the minimum amount of \$500,000 per accident per location.

(viii) Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association, the members of the Board of Directors, the members of any committee or the Board of Directors or the Unit Owners, including officers', directors' and employees' errors and omissions coverage and fidelity insurance or fidelity bond covering an amount equivalent to three (3) month's estimated Assessments plus all reserves being maintained by the Association.

(ix) If the Condominium is located in an area identified by the Secretary of Housing & Urban Development as an area having special flood hazards, a "blanket policy" of

flood insurance on the Condominium in the lesser of 100% of the current replacement cost of the buildings and any other property covered on the required form of policy or the maximum limit of coverage available under the National Insurance Act of 1968, as amended.

(x) The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions:

(1) Each Unit Owner shall be an insured or additional insured under the policy with respect to liability arising out of its ownership of an undivided interest in the Common Elements or its membership in the Association.

(2) There shall be no subrogation with respect to the Association, its agents, servants, and employees against Unit Owners and members of their household.

(3) No act or omission by any Unit Owner, unless acting within the scope of its authority on behalf of the Association, shall void the policy or be a condition to recovery on the policy.

(4) The coverage afforded by such policy shall be primary and shall not be brought into contribution or proration with any insurance which may be purchased by Unit Owners or their mortgagees or beneficiaries under deeds of trust.

(5) A "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or other Unit Owners.

(6) The Association shall be the insured for use and benefit of the individual Unit Owners (designated by name if required by the insurer).

(7) For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify the Association and each Mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial change in coverage or cancellation of the Policy.

(8) "Agreed Amount" endorsements.

(b) If, at the time of a loss insured under an insurance policy purchased by the Association, the loss is also insured under an insurance policy purchased by a Unit Owner, the Association's policy shall provide primary coverage.

8.2 Payment of Premiums. Premiums for all insurance obtained by the Association pursuant to this Article shall be Common Expenses and shall be paid for by the Association.

8.3 Insurance Obtained by Unit Owners. The issuance of insurance policies to the Association pursuant to this Article shall not be in lieu of a Unit Owner obtaining insurance for its own benefit and at its own expense covering its Unit or Building, its personal property and providing personal liability coverage. All Unit Owners and their tenants shall at all times

maintain or cause to be maintained with respect to their Units or Buildings the following insurance:

(a) Broad form commercial general liability insurance, for a limit to be determined by the Association, but not less than \$1,000,000 per occurrence; \$1,000,000 personal injury and advertising injury; \$2,000,000 products and completed operations aggregate; and \$2,000,000 annual aggregate with an umbrella liability policy with limits no less than \$2,000,000 per occurrence. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Unit or Building. Such policy shall include such endorsements and coverages as the Association shall establish. With respect to any claim that is covered by both a Unit Owner's policy and the Association's policy, the Unit Owner's policy shall constitute primary coverage if the occurrence giving rise to the claim occurred within the Unit Owner's Unit or Building and the Association's policy shall constitute primary coverage if the occurrence giving rise to the claim occurred in the Common Elements outside of any Unit or Building.

(b) Boiler and machinery insurance providing coverage (including business income coverage) in the minimum amount of \$500,000 per accident per location.

(c) Worker's compensation insurance to the extent necessary to meet the requirements of Arizona law.

8.4 Payment of Insurance Proceeds. Any loss covered by property insurance obtained by the Association in accordance with this Article shall be adjusted with the Association and the insurance proceeds shall be payable to the Association and not to any mortgage or beneficiary under a deed of trust. The Association shall hold any insurance proceeds in trust for Unit Owners and lienholders as their interest may appear, and the proceeds shall be disbursed and applied as provided for in A.R.S. § 33-1253.

8.5 Restoration. In the event of damage or destruction of any portion of the Condominium, the damage or destruction shall be repaired or replaced by the Association so that the damaged portion of the Common Elements, including Limited Common Elements, is restored to substantially its prior condition, except as may otherwise be provided in the Condominium Act. The Association shall have no responsibility for restoration of any alteration, installation or Improvement that constitutes part of a Unit or Building as defined in Subsections 2.5(a) or 2.5(b), as applicable.

8.6 Certificate of Insurance. An insurer that has issued an insurance policy pursuant to this Article 8 shall issue certificates or memoranda of insurance to the Association and, on written request, to any mortgage, or beneficiary under a deed of trust, or Unit Owner. The insurer issuing the policy shall not cancel or refuse to renew the policy until thirty (30) days (ten (10) days in the case of non-payment of premium) after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner, and each mortgage or beneficiary under a deed of trust to whom a certificate or memorandum of insurance has been issued at their respective last know addresses.

**ARTICLE 9.
RIGHTS OF MORTGAGEES**

9.1 Notification to Mortgagees. Upon receipt by the Association of a written request from a holder or insurer or governmental guarantor of a First Mortgage informing the Association of its correct name and mailing address and number or address of the Unit or Building to which the request relates, the Association shall provide such Eligible Mortgage Holder or Eligible Insurer or Guarantor with timely written notice of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit or Building on which there is a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor;

(b) Any delinquency in the payment of Assessments or charges owed by a Unit Owner subject to a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor or any other default in the performance by the Unit Owner of any obligation under the Condominium Documents, which delinquency or default remains incurred for the period of sixty (60) days;

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

(d) Any proposed action which requires the consent of a specified percentage of Eligible Mortgage Holders as set forth in Section 9.2 of this Declaration.

9.2 Approval Required for Amendment to Declaration, Articles or Bylaws.

(a) The approval of at least 51% of all Eligible Mortgage Holders (based upon one vote for each vote allocated under Section 2.7 to the Unit encumbered by the First Mortgage owned) shall be required to add or amend any material provisions of the Declaration, Articles or Bylaws which establish, provide for, govern or regulate any of the following (an addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors or for clarification only):

- (i) Voting rights;
- (ii) Assessments, assessment liens or subordination of assessment liens;
- (iii) Reserves for maintenance, repair and replacement of Common Elements;
- (iv) Insurance or fidelity bonds;
- (v) Responsibility for maintenance and repairs;

(vi) Expansion or contraction of the Condominium, or the addition or annexation of property to the Condominium, except an annexation or addition pursuant to the Condominium Act;

(vii) Boundaries of any Unit or Building;

(viii) Reallocation of interests in the Common Elements or Limited Common Elements or rights to their use, except adjustments to percentage interests in accordance with Section 2.6 upon the addition or deletion of Units or Buildings as otherwise provided in this Declaration;

(ix) Convertibility of Units into Common Elements or of Common Elements into Units or buildings;

(x) Leasing of Units or Buildings;

(xi) Imposition of any restrictions on a Unit Owner's right to sell or transfer its Unit or Building;

(xii) A decision by the Association to establish self-management when professional management had been required previously by an Eligible Mortgage Holder;

(xiii) Restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;

(xiv) Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs;

(xv) Any provisions which expressly benefit holders of First Mortgages, Eligible Mortgage Holders or Eligible Insurers or Guarantors.

(b) Any action to terminate the legal status of the Condominium for reasons other than substantial destruction or condemnation of the Condominium must be approved by at least sixty-seven percent (67%) of all Eligible Mortgage Holders (based upon one vote for each vote allocated under Section 2.7 to the Unit encumbered by the First Mortgage owned).

(c) Any Eligible Mortgage Holder who receives a written request to approve additions or amendments to the Declaration, Articles or Bylaws, and who does not deliver or mail to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

(d) The approvals required by this Section shall not apply to amendments that may be executed by the Declarant in the exercise of its Special Declarant Rights.

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

9.4 Prior Written Approval of Mortgagees. Except as provided by statute in case of condemnation or substantial loss to the Units or the Common Elements, unless at least sixty-seven percent (67%) of all holders of First Mortgages (based upon one vote for each vote allocated under Section 2.7 to the Unit encumbered by the First Mortgage owned) or sixty-seven percent (67%) of the votes of all Unit Owners (other than the Declarant or other sponsor, developer or builder of the Condominium) of the Units or Buildings have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon or terminate this Declaration or the Condominium;

(b) Except for adjustments made to percentage interests in accordance with Section 2.6 upon addition or deletion of Units or Buildings as otherwise provided in this Declaration, change the pro rata interest or obligations of any individual Unit or Building for the purpose of: levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit or Building in the common Elements;

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

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

(e) Nothing contained in this Section or any other provisions of this Declaration shall be deemed to grant the Association the right to partition any Unit or Building without the consent of the Unit Owner thereof. Any partition of a Unit or Building shall be subject to such limitations and prohibitions as may be set forth in this Declaration or as provided under Arizona law.

9.5 Liens Prior to First Mortgage. All taxes, assessments, and charges that may become liens prior to the First Mortgage under local law shall relate only to the individual Unit or Building and not to the Condominium as a whole.

9.6 Condemnation or Insurance Proceeds. No Unit Owner, or any other party shall have priority over any rights of any holder of a First Mortgage of the Unit or Building pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Units or Buildings or Common Elements.

9.7 Limitation on Partition and Subdivision. No Unit or Building shall be partitioned or subdivided without the prior written approval of the holder of any First Mortgage on such Unit or Building.

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

provisions of this Article shall prevail; provided, however, that in the event of any conflict or inconsistency between the different Sections of this Article or between the provisions of this Article and any other provision of the Condominium Documents with respect to the number or percentage of Unit Owners, Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors that must consent to (i) an amendment of the Declaration or Bylaws, (ii) a termination of the Condominium, or (iii) certain actions of the Association as specified in Sections 9.2 and 9.4 of this Declaration, the provision requiring the consent of the greatest number or percentage of Unit Owners, Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors shall prevail.

ARTICLE 10. ARCHITECTURAL COMMITTEE

10.1 Committee Composition. For a period of five (5) years from and after the date hereof, the Architectural Committee shall consist of as many persons as the Declarant may deem necessary or appropriate from time to time, who shall be appointed by the Declarant and may be removed by the Declarant at any time, with or without cause. Initially, the Declarant intends to appoint as members of the Architectural Committee (i) members of its board of directors, (ii) one or more of its officers, or (iii) directors, officers or other representatives of the Declarant. Following such five (5) year period, the Architectural Committee shall consist of three (3) persons who shall be appointed by the Board and may be removed by the Board at any time, with or without cause.

10.2 Terms of Office; Resignations; Vacancies. All members of the Architectural Committee shall serve for such term or terms as are designated in their action appointing them or, if no term is specified, until their removal or resignation. Any member of the Committee may, at any time, resign upon written notice to the Declarant or the Board.

10.3 Duties. The Architectural Committee shall perform the functions required of it by this Declaration, consider and act upon each Application submitted to it pursuant to the terms hereof, adopt Architectural and Development Guidelines and amend the same from time to time and advise the Board of any breach of the provisions of this Declaration which comes to the attention of the Committee.

10.4 Meetings. The Architectural Committee shall meet as often as is necessary to properly perform its duties hereunder and shall act by majority vote of Committee members. The Committee may act without meetings by written consent of a majority of the Committee members. The Committee shall keep written records of all actions it takes.

10.5 Architectural and Development Guidelines. The Committee shall, from time to time, adopt or amend specific rules and regulations to be known as Architectural and Development Guidelines, which shall establish procedures to be followed by all persons making Application to the Committee and detailed standards governing all aspects of the design and construction of any Improvements to be constructed in the Condominium, including without limitation setbacks, open space, floor-area ratios, utility lines and antennas, loading docks, refuse collection areas, interior traffic and pedestrian areas, building heights and all other architectural designs and standards, site plans, floor plans, exterior elevations, roof designs and installations,

landscaping, irrigation and drainage plans, color schemes, parking, signage, exterior lighting, sound and heat insulation, finishes and all building and construction materials. Such Architectural and Development Guidelines as amended from time to time shall constitute a part of this Declaration as if fully set forth herein and are hereby incorporated fully herein by this reference. Amendments of such Architectural and Development Guidelines shall not affect any Improvements theretofore constructed or plans theretofore approved by the Committee but shall be applicable to any Applications then pending or thereafter submitted, including any changes in or alterations of existing Improvements or previously approved Applications.

ARTICLE 11. REGULATION OF IMPROVEMENTS

11.1 Approval Required. No Improvement shall be constructed, erected, placed, altered, maintained or permitted to remain on or in any Unit or Building or other portion of the Condominium until plans, specifications and all other information required by the Architectural Committee have been submitted to and approved in writing by the Committee. No Improvements shall be constructed or installed on or in any Unit or Building other than in accordance with the plans, specifications and other information regarding such Improvements submitted to and approved by the Committee as provided herein. Any person constructing Improvements or causing improvements to be constructed on or in any Unit or Building shall be solely responsible for the safety thereof and for compliance with all governmental or other requirements pertaining thereto, and approval by the Committee shall not be deemed to satisfy or to exempt any person from the obligation to comply with any applicable governmental or other requirements. No Unit Owner shall make any structural additions, alterations or improvements within a Unit or Building, unless an architect or engineer, licensed in Arizona, certifies that such addition, alteration or improvement will not impair the structural integrity of the building within which such addition, alteration or improvement is to be made, and the Association as given its written approval. The Committee may require, among other things, site plans, floor plans, landscaping plans, exterior elevations and sections and information pertaining to materials, colors, irrigation, signage, exterior lighting and any other information needed to describe the appearance or functional characteristics of said Improvements, all in such detail as the Committee may deem necessary or appropriate.

11.2 Filing Fee. As a means of defraying its expenses, the Committee may require a reasonable filing fee to accompany each Application.

11.3 Basis for Approval. The Committee shall have the right to disapprove any Application submitted to it in the event that the Application is incomplete or otherwise inadequate in the judgment of the Committee to allow a decision or that the proposed Improvements: (a) are not in conformance with this Declaration or the Architectural and Development Guidelines; (b) are not in compliance with applicable governmental requirements; or (c) are deemed by the Committee not to be in the best interests of the Condominium or the Unit Owners. Without limiting the foregoing, the Committee may base its approval or disapproval on criteria established by it which may include but are not limited to the following: building locations and dimensions relative to the Unit; adequacy of the parking to be provided; conformity and harmony of external design with neighboring structures and the general character of the Condominium intended by Declarant; effect of location and use of proposed

Improvements on neighboring Units and the types of operations and uses thereof; relation of topography, grade and finish ground elevation on the Unit and relative to neighboring parcels; proper facing of main elevation with respect to nearby streets; adequacy of screening of trash facilities and mechanical, air-conditioning or rooftop installations; adequacy of landscaping; and conformity of the Application to the purpose and general plan and intent of this Declaration. The Committee may grant or deny approval of Applications submitted to it for any reason in its sole discretion, and the decision of the Committee shall be final. The Committee may revoke any approval if it determines that such approval was induced by or resulted from inaccurate or incomplete information submitted to the Committee in connection with the application therefore.

11.4 Result of Inaction. The Committee shall approve or disapprove any Application within sixty (60) days after receipt thereof. If the Committee fails either to approve or disapprove any Application within said sixty (60) day period, such Application shall be deemed disapproved.

11.5 Proceeding with Work. Upon receipt of approval from the Committee pursuant to this Section, the Owner or Lessee obtaining such approval shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all approved construction. If construction is not commenced within six (6) months following the date of such approval, or such longer or shorter period as may be expressly required by the Committee, then the approval shall be deemed revoked.

11.6 Completion of Work. Construction of any Improvements shall be completed within eighteen (18) months following the date of approval by the Committee or such longer or shorter period as may be expressly required by the Committee. Failure to comply with this completion deadline shall constitute a breach of this Declaration and subject the defaulting party or parties to all remedies provided for herein or by law or in equity.

11.7 Responsibility. The Committee shall review Applications solely for its own use and benefit in order to enable the Committee to exercise its powers as provided herein and not for the benefit of the applicant or any other Unit Owner or other person. The Committee shall have no liability for any structural or other defect in any plans approved by it or any Improvements constructed pursuant to such plans or any failure of such plans to comply with any requirements hereof, including the Architectural and Development Guidelines, or of law. Any person constructing Improvements or causing Improvements to be constructed on or in any Unit or Building shall be solely responsible for the safety thereof and for compliance with all governmental or other requirements pertaining thereto, and approval by the Committee shall not be deemed to satisfy or to exempt any person from the obligation to comply with any applicable governmental or other requirements.

11.8 Variations. The Committee may in its sole and absolute discretion grant written variances from the architectural requirements contained herein. In reviewing any request for such a variance, the Committee shall consider whether such variance will materially injure any of the Units, Buildings or Improvements in the Condominium or unreasonably interfere with the use and enjoyment by any other Owners or lessees of their Units or Buildings. Any person requesting such a variance shall be solely responsible for complying with any governmental or other requirements pertaining thereto. No variance granted pursuant to this Section shall

constitute a waiver of any provision of this Declaration as applied to any other Unit, Building, person or situation.

11.9 Enforcement. The Declarant, the Association or any Owner or Lessee shall have standing to enforce the provisions of this Article 11 by judicial proceedings and shall be entitled to any remedy or relief available at law or in equity, including without limitation injunctive relief to halt the construction or require the removal of any Improvement which is being or has been constructed contrary to the provisions hereof.

11.10 Exemption of Declarant. The provisions of this Article 11 shall not apply to any Improvement approved in writing by or constructed or installed by or at the direction of Declarant or by the Declarant in the event the Declarant annexes any of its real property to the Condominium pursuant to Section 2.1 hereof.

ARTICLE 12. DESTRUCTION OR CONDEMNATION OF CONDOMINIUM

12.1 Bids and Insurance Proceeds. As soon as practicable after damage to or destruction of all or any portion of the Common Area, the Board shall (a) obtain bids from at least two (2) reputable contractors, licensed in Arizona, which bids shall set forth in detail the work required to repair, reconstruct and restore such damages or destroyed portions of the Common Areas to substantially the same condition as existed prior to such damage or destruction and the itemized cost of such work, and (b) determine the amount of all insurance proceeds available to the Association for the purpose of effecting such repair, reconstruction and restoration.

12.2 Sufficient Insurance Proceeds. If following such damage or destruction the insurance proceeds available to the Association are sufficient to effect the total repair, reconstruction and restoration of the damaged or destroyed portions of the Common Areas, then the Association shall cause the same to be repaired, reconstructed and restored to substantially the same condition as existed prior to such damage or destruction.

12.3 Insurance Proceeds Insufficient. If following such damage or destruction the proceeds of insurance available to the Association are insufficient to pay the full cost of repair, reconstruction and restoration of the damaged or destroyed portions of the Common Areas, the Association may obtain any additional funds needed to repair, reconstruct and restore the Common Areas by means of a Special Assessment pursuant to Section 7.4 hereof. In the event that the Association elects not to repair, reconstruct or restore the Common Areas to their prior condition, whether because the Board determines not to do so or because the Declarant fails to approve a Special Assessment, the Board shall cause the Common Areas to be restored as fully and expeditiously as possible to a safe, attractive and usable condition.

12.4 Condemnation of Common Areas. If all or any part of the Common Area is condemned or taken under the power of eminent domain, the Association shall restore such portion of the Common Area as remains after the taking as nearly as possible to the condition thereof prior to the taking. All compensation, damages or other proceeds or awards from such taking shall be payable to the Association and the Association shall have the right, acting alone,

to adjust or settle any award payable to it. Any such award shall be applied in payment of the costs and expenses of restoration of the Common Areas. In the event the award is insufficient to cover the cost of repair, reconstruction and restoration of the Common Areas, the Association may obtain additional funds needed to repair, reconstruct and restore the Common Areas by means of a special assessment pursuant to Section 7.4 hereof. In the event that the Association elects not to repair, reconstruct or restore the Common Areas to their prior condition, whether because the Board determines not to do so or because the Declarant or the Unit Owners fail to approve a special assessment, the Board shall cause the Common Areas to be restored as fully and expeditiously as possible to a safe, attractive and usable condition.

**ARTICLE 13.
GENERAL PROVISIONS**

13.1 Enforcement. The Association, or any Unit Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Condominium Documents. Failure by the Association or any Unit Owner to enforce any covenant or restriction contained in the Condominium Documents shall in no event be deemed a waiver of the right to do so thereafter.

13.2 Severability. Invalidation of any one of these covenants or retractions by judgment or court order shall in no way affect any other provisions that shall remain in full force and effect.

13.3 Duration. The covenants and restrictions of this Declaration shall run with and bind the Condominium in perpetuity.

13.4 Termination of Condominium. The Condominium may be terminated as specifically provided in this Declaration or as otherwise provided for in the Condominium Act.

13.5 Amendment.

(a) Except in cases of amendments that may be executed by a Declarant in the exercise of its Special Declarant Rights or under Section 33-1220 of the Condominium Act, by the Association under Section 33-1206 or 33-1216(D) of the Condominium Act or by certain Unit Owners under Section 33-1218(B), Section 33-1222, Section 33-1223 or Section 33-1228(B) of the Condominium Act, the Declaration, including the Plat, may be amended only by a vote of the Unit Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

(b) Except to the extent expressly permitted or implied by the Condominium Act or this Declaration, an amendment to the Declaration shall not create or increase Special Declarant Rights, increase the number of permitted Units or Building or change the boundaries of any Unit or Building, the allocated Interest of a Unit or Building, or the use as to which any Unit is restricted, in the absence of unanimous consent of the Unit Owners.

(c) An amendment to the Declaration shall not terminate or decrease any unexpired Development Right, Special Declarant Right or Period of Declarant Control unless the Declarant approves the amendment in writing.

(d) Any amendment adopted by the Unit Owners pursuant to Subsection 10.5(a) of this Declaration shall be signed by the President or Vice President of the Association and shall be recorded with the County Recorder of each County in which any portion of the Condominium is located. Any such amendment shall certify that the amendment has been approved as required by this Section. Any amendment made by the Declarant pursuant to its Special Declarant Rights or the Condominium Act shall be executed by the Declarant and shall be recorded with the County Recorder of each County in which any portion of the Condominium is located.

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

13.7 Notices. All notices, demands, statements or other communications required or permitted to be given to or served on a Unit Owner under this Declaration shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by United States mail, postage prepaid, return receipt requested, addressed to the Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Association or, if no such address is designated, at the address of the Unit of such Unit Owner. A Unit Owner may change its address on file with the Association for receipt of notices by delivering a written notice of change of address to the Association in accordance with the requirements of this Section. A notice given by mail, whether regular, certified or registered shall be deemed to have been received by the person to whom the notice was addressed on the earlier of the date the notice is actually received or three days after the notice is mailed. If a Unit or Building is owned by more than one person, notice to one of the Unit Owners shall constitute notice to all Unit Owners of the same Unit or Building. Each Unit Owner shall file its correct mailing address with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

13.8 Binding Effect. By acceptance of a deed or by acquiring any ownership interest in any portion of the Condominium, each Person, for itself, its heirs, personal representatives, successors, transferees and assigns, binds itself, its heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by the Condominium Documents and any amendments thereof. In addition, each such Person by so doing thereby acknowledges that the Condominium Documents set forth a general scheme for the improvement and development of the real property covered thereby and hereby evidences its interest that all the restrictions, conditions, covenants, rules and regulations contained in the Condominium Documents shall run with the land and be binding on all subsequent and future Unit Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such Person fully understands and acknowledges that the Condominium Documents shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Unit Owners. The Declarant, its successors, assigns and grantees, covenants and agrees that the Units or Buildings and the membership in the Association and the other rights created by the Condominium Documents shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit or

Building even though the description in the instrument of conveyance or encumbrance may refer only to the Unit or Building.

13.9 Right of First Refusal. The right of a Unit Owner to sell, transfer or otherwise convey its Unit or Building shall not be subject to any right of first refusal or similar restriction except as may be provided in any separate contract or agreement that the Unit Owner or its predecessor in interest may enter into.

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

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

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

13.13 Construction. In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and the Bylaws or the Rules, the provisions of this Declaration shall prevail.

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

13.15 Guests and Tenants. Each Unit Owner shall be responsible for compliance by its agents, tenants, guests, invitees, licensees and their respective servants, agents, and employees with the provisions of the Condominium Documents. A Unit Owners' failure to insure compliance by such Persons shall be grounds for the same action available to the Association or any other Unit Owner by reason of such Unit Owner's own non-compliance.

13.16 Attorneys' Fees. In the event the Declarant, the Association or any Unit Owner employs an attorney or attorneys to enforce a lien or to collect any amounts due from a Unit Owner or to enforce compliance with or recover damages for any violation or non-compliance with the condominium documents, the prevailing party in any such action shall be entitled to recover from the other party its reasonable attorneys' fees, costs, expert witness fees, and litigation expenses incurred in the action and any appeal.

13.17 Number of Days. In computing the number of days for purposes of any provision of the Condominium Documents, all days shall be counted including Saturdays, Sundays and

holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday, then the next day shall be deemed to be the next day which is not a Saturday, Sunday or holiday.

13.18 Notice of Violation. The Association shall have the right to record a written notice of a violation by any Unit Owner of any restriction or provision of the Condominium Documents. The notice shall be executed and acknowledged by an officer of the Association and shall contain substantially the following information: (a) the name of the Unit Owner; (b) the legal description of the Unit or Building against which the notice is being recorded, (c) a brief description of the nature of the violation; (d) a statement that the notice is being recorded by the Association pursuant to this Declaration; and (e) a statement of the specific steps which must be taken by the Unit Owner to cure the violation. Recordation of a Notice of Violation shall serve as a notice to the Unit Owner and to any subsequent purchaser of the Unit or Building that there is a violation of the provisions of the Condominium Documents. If, after the recordation of such notice, it is determined by the Association that the violation referred to in the notice does not exist or that the actual violation referred to in the notice has been cured, the Association shall record a Notice of compliance which shall state the legal description of the Unit or Building against which the Notice of Violation was recorded, the recording data of the Notice of Violation, and shall state that the violation referred to in the notice of violation has been cured, or if such be the case, that it did not exist

**ARTICLE 14.
ABILITY OF CITY OF CHANDLER TO
MAINTAIN AND ACCESS COMMON ELEMENTS**

14.1 Failure to Maintain. If the Association fails to maintain any of the Common Elements in a manner reasonably satisfactory to the City, the City may advise the Association in writing (by delivery of such notice to the principal place of business of the Association or to the Association's statutory agent and by delivery of such notice to each of the Unit Owners) of such failure and the action specifically requested by the City to rectify that failure. If the Association fails, within thirty (30) days (or such longer period as may be reasonably necessary to cure such failure) after its receipt of such notice from the City, the City may perform the required maintenance.

14.2 City Expenses. The Association shall be liable to the City for the reasonable maintenance costs incurred by the City pursuant to this Section (the "City Expenses"), together with interest at the legal rate and reasonable attorneys' fees. Each Unit Owner of a Unit shall be liable to the City for the amount obtained by dividing the City Expenses by the total number of Units. If the Association does not pay the City Expenses to the City within thirty (30) days after written demand to the Association, the City may record a Notice of Claim of Lien against each of the Units to secure the payment of each Unit Owner's share of the City Expenses. A copy of any Notice of Claim of Lien recorded by the City must be mailed to the Unit Owner of the Unit liened.

14.3 Enforcement. The City shall have the right, at its option, to enforce collection of any amounts owed to the City under this Section in any manner allowed by law, including, without limitation, bringing an action against one or more of the Unit Owners to pay such Unit

Owner's share of the City Expenses or bringing an action to foreclose its lien against any or all of the Units in default in the manner provided by law for the foreclosure of a realty mortgage. The City shall have the power to bid at any foreclosure sale and to purchase the Units so sold.

14.4 Easement for City Maintenance. To the extent the City must enter upon the Common Elements to perform maintenance as required herein, a valid easement to enter upon and perform such maintenance is hereby granted and created. Anything in this Declaration to the contrary notwithstanding, no restriction on easements or Common Elements set forth in this Declaration are intended to conflict with the rights granted to the City under this Declaration or otherwise available at law.

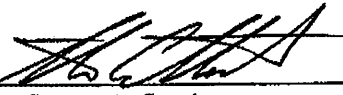
14.5 No Amendment. Notwithstanding any provision of this Declaration to the contrary, this Article 14 cannot be amended in a manner that will reduce the City's rights or increase its obligations unless such amendment is approved in writing by the City.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the undersigned Declarant executed this Condominium Declaration as of the day and year first above written.

DECLARANT:

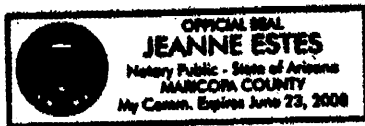
Dove Holdings, LLC,
an Arizona limited liability company


By: 
Steven A. Stoaks
Its: Member

State of Arizona)
) ss.
County of Maricopa)

On this 29th day of June, 2007, before me, the undersigned Notary Public, personally appeared Steven A. Stoaks, personally known to me or proved by satisfactory evidence to be the member of Dove Holdings, LLC, an Arizona limited liability company, and that he in such capacity to do so, executed the foregoing instrument for the purposes therein contained.

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




Notary Public
Commission Expires: June 23, 2008

CONSENT OF LIENHOLDER

The undersigned, as beneficiary and trustee, respectively, under that certain Construction Deed of Trust, by Dove Holdings, LLC, an Arizona limited liability company, in favor of Stearns Bank Arizona National Association, the beneficiary and trustee and recorded on October 20, 2006, at Recorder's No. 2006-1389074, records of Maricopa County, Arizona, hereby consents to and approves the foregoing Condominium Declaration for Paloma Kyrene Business Community and agrees that such Construction Deed of Trust shall at all times be subordinate to the Declaration. The foregoing consent and approval shall not amend Beneficiary's obligations or the undersigned's remedies under the aforementioned Deed of Trust.

Dated this 3rd day of July, 2007.

Stearns Bank Arizona National Association

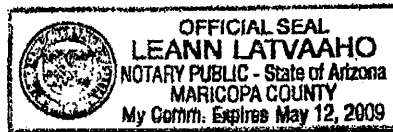
By: *Daniel Sedillo*
Name: DANIEL SEDILLO
Its: Vice President

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 3rd day of July, 2007, by Daniel Sedillo, the Vice President, of Stearns Bank Arizona National Association on behalf of Stearns Bank Arizona.

Leann Latvaaho
Notary Public

My Commission Expires:
5-12-09



20070919465

EXHIBIT A

Legal Description

Legal Description
 Paloma Kyrene Business Park
 Lot 1

A portion of land situated in the Northeast Quarter of Section 33, Township 1 South, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a stone in a hand hole marking the Northeast corner of said Section 33, from which a brass cap set flush marking the East quarter corner of said Section 33 bears South 00 degrees 06 minutes 55 seconds East, a distance of 2648.83 feet;

Thence South 00 degrees 06 minutes 55 seconds East, along the East line of the Northeast quarter of said Section 33, a distance of 1446.46 feet;

Thence South 89 degrees 53 minutes 05 seconds West, a distance of 71.00 feet to a point on a line parallel with and 71.00 feet West of said East line and the POINT OF BEGINNING;

Thence South 44 degrees 52 minutes 57 seconds West, a distance of 28.29 feet;

Thence South 89 degrees 52 minutes 49 seconds West, a distance of 767.64 feet to a point of curvature, concave northeasterly, whose radius is 33.50 feet;

Thence northwesterly, along said curve to the right, through a central angle of 48 degrees 33 minutes 36 seconds, an arc length of 28.39 feet to a point of reverse curvature, concave southeasterly, whose radius is 70.00 feet;

Thence southwesterly, along said curve to the left, through a central angle of 115 degrees 35 minutes 19 seconds, an arc length of 141.22 feet;

Thence North 00 degrees 06 minutes 40 seconds West, a distance of 576.38 feet;

Thence South 89 degrees 52 minutes 49 seconds West, a distance of 285.60 feet to a point on a line parallel with and 50.00 feet East of the West line of the East half of the Northeast quarter of said Section 33;

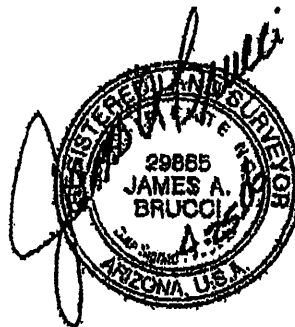
Thence North 00 degrees 21 minutes 42 seconds West, along said parallel line, a distance of 145.01 feet to a point on the South line of the Final Plat of Kyrene Village, as recorded in Book 312, page 13 of Official records, Maricopa County, Arizona;

Any modification to or omission from this description completely
 absolves the surveyor from any liability for this description.

Thence North 89 degrees 27 minutes 00 seconds East, a distance of 1,225.89 feet to a point on a line parallel with and 71.00 feet West of the East line of said Section 33;

Thence South 00 degrees 06 minutes 55 seconds East, along said parallel line, a distance of 702.92 feet to the POINT OF BEGINNING.

Encompassing 708,824. square feet or 16.272 acres, more or less.



Any modification to or omission from this description completely absolves the surveyor from any liability for this description.