

TITLE INSURANCE COMPANY OF MINN. 1911

WHEN RECORDED RETURN TO:

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DECLARATION OF COVENANTS, CONDITIONS

AND RESTRICTIONS

FOR

CAMELOT PARK VILLAS

COPY

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DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS  
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#### EXHIBITS

Exhibit A	Subject Property
Exhibit B	Annexable Property

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DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR CAMELOT PARK VILLAS

THIS DECLARATION is made on the 13<sup>th</sup> day of July, 1984, by Mark Hancock Development Corp., an Arizona corporation (hereinafter referred to as the "Declarant"), and by The Title Insurance Company of Minnesota, a Minnesota corporation, as Trustee under its Trust Number 2286 (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Trustee, as Trustee under its Trust Number 2286, is the owner of the real property located in Maricopa County, Arizona, which is described on Exhibits A and B attached hereto; and

WHEREAS, Declarant is the sole beneficiary under Trustee's Trust Number 2286 and has the power and authority under the terms of the trust documents for such trust to impose restrictions on said real property;

WHEREAS, Declarant intends to construct buildings containing Townhouses (as that term is hereinafter defined) on said real property and desires to impose certain easements, restrictions, covenants and conditions on said real property to protect the value and desirability of said property;

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

ARTICLE I

DEFINITIONS

Section 1.1. "Annexable Property" means the real property located in Maricopa County, Arizona, which is described on Exhibit B attached to this Declaration, together with all buildings and other Improvements located thereon and all easements, rights and appurtenances belonging thereto.

Section 1.2. "Architectural Committee" means the committee established by the Board pursuant to Section 2.4 of this Declaration.

Section 1.3. "Architectural Committee Rules" means the rules adopted by the Architectural Committee, as such rules may be amended from time to time.

Section 1.4. "Articles" means the Articles of Incorporation of the Association which have been or will be filed in the Office of the Corporation Commission of the State of Arizona, as such Articles may be amended from time to time.

Section 1.5. "Association" means Camelot Park Villas Owners Association, Inc., an Arizona nonprofit corporation, its successors and assigns.

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

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

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

Section 1.9. "Common Area" means all real property, and all Improvements located thereon, owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot to a Purchaser is described as follows:

Tracts A, B, C, D, E and F, CAMELOT PARK VILLAS, a subdivision according to the plat recorded with the County Recorder of Maricopa County, Arizona, in Book 262 of Maps, page 11.

Section 1.10. "Declarant" means Mark Hancock Development Corp., an Arizona corporation, its successors and any person or entity to whom it may expressly assign its rights under this Declaration.

Section 1.11. "Declaration" means the covenants, conditions and restrictions herein set forth in this entire document, as such Declaration may be amended from time to time.



Section 1.12. "Eligible Insurer Or Guarantor" means an insurer or governmental guarantor of a First Mortgage who has requested notice of certain matters from the Association in accordance with Section 13.1 of this Declaration.

Section 1.13. "Eligible Mortgage Holder" means a First Mortgagee who has requested notice of certain matters from the Association in accordance with Section 13.1 of this Declaration.

Section 1.14. "First Mortgage" means any mortgage or deed of trust on a Lot which has priority over all other mortgages and deeds of trusts on the same Lot.

Section 1.15. "First Mortgagee" means the holder of any First Mortgage.

Section 1.16. "Improvement" means buildings, roads, driveways, parking areas, fences, walls, rocks, hedges, plantings, planted trees and shrubs, and all other structures or landscaping improvements of every type and kind

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

Section 1.18. "Member" means any person, corporation, partnership, joint venture or other legal entity who is a member of the Association.

Section 1.19. "Owner" means the record owner, whether one or more persons or entities, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Lot. Owner shall not include (i) persons or entities having an interest in a Lot merely as security for the performance of an obligation, or (ii) a lessee or tenant of a Lot. Owner shall include a purchaser under a contract for the conveyance of real property, a contract for deed, a contract to convey, an agreement for sale or any similar contract through which a seller has conveyed to a purchaser equitable title in a Lot under which the seller is obligated to convey to the purchaser the remainder of seller's title in the Lot, whether legal or equitable, on payment in full of all monies due under the contract. Owner shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to the executory contracts pending the closing of a sale or purchase transaction. In the case of Lots the fee simple title to which is vested in a trustee pursuant to Arizona Revised Statutes, Section 33-801, et seq., the Trustor shall be deemed to be the Owner. In the case of

Lots the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement the second beneficiary of any such trust shall be deemed to be the Owner.

Section 1.20. "Plat" means the plat of survey of Camelot Park Villas, which plat has been recorded with the County Recorder of Maricopa County, Arizona, in Book 262 of Maps, page 11, and all amendments thereto, and any plat of survey of all or any portion of the Annexable Property which is annexed by the Declarant pursuant to Article XII of this Declaration.

Section 1.21. "Project Documents" means this Declaration and the Articles, Bylaws, Association Rules and Architectural Committee Rules.

Section 1.22. "Property" or "Project" means the real property described on Exhibit A attached to this Declaration and all real property subsequently annexed by the Declarant pursuant to Article XII of this Declaration together with all buildings and other Improvements located thereon, and all easements, rights and appurtenances belonging thereto.

Section 1.23. "Purchaser" means any person, other than the Declarant, who by means of a voluntary transfer becomes the Owner of a Lot except for (i) an Owner who purchases a Lot and then leases it to the Declarant for use as a model in connection with the sale of other Lots or (ii) an Owner who, in addition to purchasing a Lot, is assigned any or all of the Declarant's rights under this Declaration.

Section 1.24. "Single Family" means a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three (3) persons not all so related, together with their domestic servants, who maintain a common household in a dwelling.

Section 1.25. "Single Family Residential Use" means the occupation or use of a residence by a Single Family.

Section 1.26. "Townhouse" means any portion of a building situated upon a Lot which is designed and intended for independent ownership for use and occupancy as a residence by a Single Family and which is connected by a party wall to another portion of the same building which portion is also designed and intended for independent ownership for use and occupancy as a residence by a Single Family.

Section 1.27. "Visible From Neighboring Property" means, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

## ARTICLE II

### THE ASSOCIATION

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

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

Section 2.3. Association Rules. The Board may, from time to time and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations. The Association Rules may restrict and govern the use of any area by any Owner, by the family of such Owner, or by any invitee, licensee or lessee of such Owner. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be available for inspection by the Members at reasonable times. Upon adoption by the Board, the Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration.

Section 2.4. Architectural Committee. The Board shall establish an Architectural Committee consisting of not less than three (3) members appointed by the Board to regulate the external design, appearance and use of the Property and to perform such other functions and duties as may be imposed upon it by this Declaration, the Bylaws or the Board.

## ARTICLE III

### MEMBERSHIP

Section 3.1. Identity of Members. Membership in the Association shall be limited to Owners of Lots. An Owner of a Lot shall automatically, upon becoming the Owner

thereof, be a member of the Association and shall remain a member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

Section 3.2. Transfer of Membership. Membership in the Association shall be appurtenant to each Lot and a membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of a Lot and then only to such Purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association.

#### ARTICLE IV

##### VOTING RIGHTS

Section 4.1. Classes of Members. The Association shall have two classes of voting membership

Class A. Class A members shall be all Owners, with the exception of the Declarant, of Lots. Each Class A member shall be entitled to one (1) vote for each Lot owned.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to six (6) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the earlier of (a) 120 days after 75% of the Lots have been conveyed to Purchasers, (b) five (5) years after the first Lot is conveyed to a Purchaser, or (c) when the Declarant notifies the Association in writing that it relinquishes its Class B membership.

Section 4.2. Joint Ownership. When more than one person is the Owner of any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one ballot be cast with respect to any Lot. The vote or votes for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a ballot representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot. In the event more than one ballot is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

Section 4.3. Corporate Ownersip. In the event any Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to vote said membership, and in the absence of such designation and until such designation is made, the president or general partner of such corporation, partnership or association shall have the power to vote the membership.

Section 4.4. Suspension of Voting Rights. In the event any Owner is in arrears in the payment of any assessments or other amounts due under any of the provisions of the Project Documents for a period of fifteen (15) days, said Owner's right to vote as a Member of the Association shall be suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current, and for a period not to exceed sixty (60) days for any infractions of the Project Documents.

## ARTICLE V

### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1. Creation of Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it, hereby covenants, and each Owner of a Lot, by becoming the Owner thereof, whether or not it is expressed in the deed or other instrument by which the Owner acquired ownership of the Lot, is deemed to covenant and agree to pay to the Association: (1) annual assessments, (2) supplemental assessments (3) special assessments and (4) extraordinary assessments. The annual, supplemental, special and extraordinary assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 5.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the upkeep, maintenance and improvement of the Common Area and such portions of the Lots, and such portions of the improvements located thereon, as the Association is obligated to maintain under Section 9.2 of this Declaration and for promoting the recreation, health, safety and welfare of the Owners and residents of Lots.

Section 5.3. Maximum Annual Assessment.

(a) Until January 1 of the year immediately following the conveyance of the first Lot to a Purchaser, the maximum annual assessment for each Lot shall be Six Hundred Sixty & no/100-- Dollars (\$660.00--).

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to a Purchaser, the Board may, without a vote of the membership, increase the maximum annual assessment during each fiscal year of the Association by an amount proportional to the amount of increase during the prior fiscal year in the Consumer Price Index for All Urban Consumers (All Items), U.S. City Average, published by the United States Department of Labor, Bureau of Labor Statistics (1967 = 100), or in the event said index ceases to be published, by any index designated by the Board as a substitute therefor.

(c) From and after January 1 of the year immediately following the conveyance of the first Lot to a Purchaser, the maximum annual assessment may be increased by an amount greater than the maximum increase allowed pursuant to 5.3(a) above, only by a vote of Members entitled to cast at least two-thirds (2/3) of the votes entitled to be cast by Members who are voting in person or by proxy at a meeting duly called for such purpose.

(d) The Board may fix the annual assessment in any amount not in excess of the maximum annual assessment.

Section 5.4 Supplemental Assessments. In the event the Board shall determine that its funds budgeted or available in any fiscal year are, or will, become inadequate to meet all expenses of the Association for any reason, including, without limitation, nonpayment of assessments by the Members, it shall immediately determine the approximate amount of such inadequacies for such fiscal year and prepare a supplemental budget and levy a supplemental assessment against each Lot in such amount as the Board deems necessary in order to obtain the amount of such inadequacies. Notice of any such supplemental assessment shall be given to each Owner. The supplemental assessment shall be paid on such dates and in such installments as may be determined by the Board.

Section 5.5 Special Assessments. In addition to the annual and supplemental assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that fiscal year only for the

purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Area, including fixtures and personal property related thereto, or for any other lawful Association purpose. Special assessments shall be paid on such dates and in such installments as may be determined by the Board.

Section 5.6 Extraordinary Assessments. In addition to annual, supplemental and special assessments, the Association may levy an assessment against an Owner, and such Owner's Lot, for the following expenses:

(a) Any expenses caused by the misconduct of such Owner;

(b) Any expense incurred by the Association pursuant to Section 9.6 of this Declaration as a result of the Owner's failure to maintain his Lot, and the Improvements located thereon, in accordance with the terms of this Declaration;

(c) Any expense incurred by the Association pursuant to Section 9.4 of this Declaration as a result of damage or destruction of the Common Area by an Owner or as a result of the interference by an Owner with the activities of the Association in connection therewith;

(d) Any expense incurred by the Association pursuant to Section 9.2 of this Declaration as a result of repairs, maintenance or replacements to portions of the Lots the Association is obligated to maintain which is caused by the willful or negligent act of an Owner, his family, guests, invitees or animals;

(e) All costs incurred by the Association in enforcement of the provisions of the Project Documents against an Owner, including but not limited to attorneys fees and court costs.

Section 5.7. Rate of Assessment. Annual, special and supplemental assessments shall be fixed at a uniform rate for each Lot except that an Owner of a Lot shall pay only 25% of the annual, special or supplemental assessment attributable to his Lot until a certificate of occupancy for his Lot has been issued by the appropriate governmental authority. If the Owner of a Lot ceases to qualify for the reduced 25% rate of assessment, the annual, supplemental or special assessments for the assessment period in which such Owner ceased to qualify for the reduced rate of assessment shall be pro rated between the applicable rates on the basis of the number of days in the period that the Owner qualified for each rate. Extraordinary assessments shall be levied in accordance with Section 5.6 of this Declaration and need not be uniform for each Lot.

Section 5.8. Date of Commencement of Annual Assessments; Due Dates. Except as provided in Section 5.9 hereof with respect to Lots annexed into the Project pursuant to Article XII of this Declaration, the annual assessments provided for herein shall commence as to each Lot on

the first day of the month following the conveyance of the first Lot to a Purchaser. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The Board may require that the annual assessment be paid in installments and in such event the Board shall establish the due dates for each installment. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 5.9. Assessments on Lots Subsequently Annexed. The annual assessment for all Lots annexed by the Declarant pursuant to Article XII of this Declaration shall commence on the first day of the first month following the month in which the annexed portion of the Annexable Property becomes irrevocably committed to the Project in accordance with Section 12.1 of this Declaration, and no annual, special or supplemental assessments may be levied against any such Lot until such time; provided, however, that if any Declaration of Annexation recorded pursuant to Article XII of this Declaration divides the Annexable Property being annexed into separate phases, then the annual assessments for Lots annexed by the Declarant shall commence on the first day of the first month following the month in which the phase of the Annexable Property within which such Lot is located is irrevocably committed to the Project in accordance with Section 12.1 of this Declaration, and no annual, special, supplemental or extraordinary assessments may be levied against any such Lot until such time.

Section 5.10. Declarant's Obligation for Operating Deficiencies. So long as there is a Class B membership in the Association, the Declarant shall pay to the Association within thirty (30) days after the end of each fiscal year of the Association or at such other times as may be requested by the Board, such funds as may be necessary, when added to the assessments levied by the Association pursuant to this Declaration, to provide for (i) the operation and maintenance of the Common Area and the recreational facilities located thereon, (ii) the maintenance of the lawns and other landscaping to be maintained by the Association pursuant to this Declaration, (iii) the performance by the Association of all other obligations of the Association under the Project Documents and (iv) the maintenance of adequate reserve accounts.

Section 5.11. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment, or any installment of an assessment, not paid within five (5) days after the assessment, or the installment of the as-



assessment, first became due shall bear interest from the due date at such rate as may be fixed from time to time by the Board. In addition, if any assessment, or any installment of an assessment, is not paid within five (5) days after it becomes due and payable, the Owner who has failed to pay such assessment shall be obligated to pay a late charge in such amount as may be established from time to time by the Board. Any assessment, or any installment of an assessment, which is delinquent shall become a continuing lien on the Lot against which such assessment was made. The lien shall be perfected by the recordation of a "Notice of Claim of Lien" which shall set forth (1) the name of the delinquent Owner as shown on the records of the Association, (2) the legal description, street address and number of the Lot against which the claim of lien is made, (3) the amount claimed as of the date of the recording of the notice including interest, lien recording fees and reasonable attorneys' fees, (4) the name and address of the Association. In the event the Association records a Notice of Claim of lien against a Lot, the Owner of such Lot shall be obligated to pay to the Association a lien fee in such amount as may be established from time to time to the Board. The Association's lien shall have priority over all liens or claims created subsequent to the recordation of the Notice of Claim of Lien except for tax liens for real property taxes on the Lot, assessments on any Lot in favor of any municipal or other governmental body and the liens which are specifically described in Section 5.12 of this Declaration.

Before recording a lien against any Lot the Association shall make a written demand to the defaulting Owner for payment of the delinquent assessments together with interest and reasonable attorneys' fees, if any. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid within ten (10) days after delivery of such demand, the Association may proceed with recording a Notice of Claim of Lien against the Lot of the defaulting Owner. The Association shall not be obligated to release any lien recorded pursuant to this Section until all delinquent assessments, interest, lien fees and reasonable attorneys' fees have been paid in full whether or not all of such amounts are set forth in the Notice of Claim of Lien.

The Association shall have the right, at its option, to enforce collection of any delinquent assessments together with interest, lien fees, reasonable attorneys' fees and any other sums due to the Association in any manner allowed by law including, but not limited to, (a) bringing an action at law against the Owner personally obligated to pay the delinquent assessments and such action may be brought without waiving any lien securing any such delin-

quent assessments or (b) bringing an action to foreclose its lien against the Lot in the manner provided by law for the foreclosure of a realty mortgage. The Association shall have the power to bid in at any any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots purchased at such sale.

Section 5.12. Subordination of the Lien to Mortgages. The lien of the Association for delinquent assessments, interest and reasonable attorneys' fees provided for in this Declaration shall be subordinate to the lien of any First Mortgage. Any sale or transfer of Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer, but any assessments or charges against the Lot which accrued prior to such sale or transfer shall remain the obligation of the Owner of the Lot at the time when such assessments and charges became due and payable. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 5.13. Exemption of Owner. No Owner of a Lot may exempt himself from liability for annual, special, supplemental, or extraordinary special assessments levied against his Lot or for other amounts which he may owe to the Association under the Project Documents by waiver and non-use of any of the Common Area and facilities or by the abandonment of his Lot.

Section 5.14 Maintenance of Reserve Fund. Out of the annual assessments, the Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area and such improvements on the Lots as the Association is obligated to maintain under Section 9.2 of this Declaration.

Section 5.15. No Offsets. All annual, special, supplemental and extraordinary assessments shall be payable in accordance with the provisions of this Declaration, and no offsets against such assessments shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in the Project Documents.

Section 5.16. Working Capital Fund. To insure that the Association shall have adequate funds to meet its expenses or to purchase necessary equipment or services, each Purchaser shall pay to the Association, at the time the sale of his Lot is closed, a sum equal to two months'

annual assessment on his Lot. Such amount shall not be considered as an advance payment of any annual, special, supplemental or extraordinary assessments levied by the Association pursuant to this Declaration.

## ARTICLE VI

### PERMITTED USES AND RESTRICTIONS

Section 6.1 Residential Use. All Lots shall be used, improved and devoted exclusively to Single Family Residential Use. No gainful occupation, profession, trade or other nonresidential use shall be conducted on any Lot.

Section 6.2. Animals. No animals, birds, fowl, poultry, or livestock, other than a reasonable number of generally recognized house or yard pets, shall be maintained on any property and then only if they are kept, bred or raised thereon solely as domestic pets and not for commercial purposes. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance. No structure for the care, housing or confinement of any animal shall be maintained so as to be Visible From Neighboring Property. Upon the written request of any Owner, the Board shall determine whether, for the purposes of this Section, a particular animal is a generally recognized house or yard pet, or nuisance, or whether the number of animals on any such property is reasonable. Any decision rendered by the Board shall be final and shall be enforceable to the same extent as other restrictions contained in this Declaration.

Section 6.3. Antennas. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any property, whether attached to a building or structure or otherwise, unless approved by the Architectural Committee.

Section 6.4. Utility Service. Except as approved in writing by the Architectural Committee, no lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Architectural Committee. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Architectural Committee.

Section 6.5. Improvements and Alterations. No improvements, alterations, repairs, excavations, landscaping or other work which in any way alters the exterior appearance of any Lot, or the Improvements located thereon, from

its natural or improved state existing on the date such Lot was first conveyed in fee by Declarant to a Purchaser, shall be made or done without the prior written approval of the Architectural Committee, except as otherwise expressly provided in this Declaration. No building, fence, wall, landscaping, residence or other structure (except for Improvements initially constructed by the Declarant) shall be commenced, erected, maintained, improved, altered, made or done without the prior written approval of the Architectural Committee. No change or deviations in or from such plans and specifications once approved shall be made without the prior written approval of the Architectural Committee. All decisions of the Architectural Committee shall be final and no Owner or other parties shall have recourse against the Architectural Committee for its refusal to approve any such plans and specifications or plot plan, including lawn area and landscaping. All buildings or structures erected upon the Property shall be of new construction and no buildings or structures shall be moved from other locations onto the Property without the prior written approval of the Architectural Committee.

Section 6.6. Temporary Occupancy. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structure of any kind shall be used at any time on any portion of the Property for a residence, either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling on any such property shall be removed immediately after the completion of construction.

Section 6.7. Trucks, Trailers, Campers and Boats. No mobile home, motor home, trailer, truck, camper, truck with a camper shell, boat, boat trailer or similar vehicle or equipment shall be parked, kept, placed, maintained, constructed, reconstructed, serviced or repaired, upon any street (public or private), Lot, Common Area or other property; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Architectural Committee.

× Section 6.8. Motor Vehicles. No automobile, motorcycle, motorbike or other motor vehicle shall be constructed, reconstructed, serviced or repaired on any Lot, Common Area, street (public or private) or other property so as to be Visible from Neighboring Property, and no inoperable vehicle may be stored or parked on any Lot, Common Area, street (public or private) or any other property, so as to be Visible from Neighboring Property; provided however, the provisions of this Section shall not apply to emergency repairs. No automobile, motorcycle, motorbike or other motor vehicle shall be parked upon any street (public or private) within the Project. ✓

Section 6.9. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any property, and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. No nuisance shall be permitted to exist or operate upon any property so as to be offensive or detrimental to any other property or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any property.

Section 6.10. Trash Containers and Collection. No garbage or trash shall be placed or kept on any property except in covered containers of a type, size and style which are approved by the Architectural Committee. In no event shall such containers be maintained so as to be Visible From Neighboring Property except to make the same available for collection and then, only for the shortest time reasonably necessary to effect such collection. The Board shall have the right to require all Owners to place their garbage or trash containers at a specific location for collection or to require all Owners to subscribe to a trash collection service. All rubbish, trash and garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any Lot. No garbage or trash containers shall be kept or placed on any grass or other landscaped area.

Section 6.11. Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any property.

Section 6.12. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any property except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of a residence, appurtenant structures, or other improvements, and except that which Declarant or the Association may require for the operation and maintenance of the Property.

Section 6.13. Restriction on Further Subdivision and Time Shares. No Lot shall be further subdivided or separated into smaller lots or parcels by any Owner, and no portion less than all of any such Lot shall be conveyed or transferred by any Owner without the prior written approval of the Board. Neither the ownership nor occupancy of any Lot shall be in time shares. No Owner shall transfer, sell, assign or convey any time share in his Lot and any such transaction shall be void. "Time share" as used in this Section shall mean the right to occupy a Lot or any one of several Lots during five (5) or more separated time

periods of less than thirty (30) days per period, over a period of at least five (5) years, including renewable options, whether or not coupled with an estate or interest in a Lot or a specified portion of a Lot.

Section 6.14. Signs. No signs whatsoever (including, but not limited to, commercial, advertising, political, "for rent," "for sale" and similar signs) shall be erected or maintained anywhere on the Property including but not limited to, the inside or outside of windows in any building located on the Property, except:

(a) Such signs as may be required by legal proceedings;

(b) Not more than one (1) residential identification sign with a total face area of thirty-six (36) square inches or less for each Lot; and

(c) One (1) "for sale" sign may be maintained on a Lot which is available for sale to the public but such sign may be displayed only during such time as an "open house" is being held for such Lot and the Townhouse is available for inspection by the general public.

Section 6.15. Declarant's Exemption. Notwithstanding any other provision of the Project Documents, it shall be expressly permissible for the Declarant or its duly authorized agents, employees and representatives to maintain during the period of construction and sale of Lots such facilities, structures and signs as are necessary or convenient, in the sole opinion of the Declarant, to the sale of the Lots, including, but without limitation, a business office, storage area, construction yards, model units or homes and sales offices.

Section 6.16. Mineral Exploration. No property 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 substance of any kind.

Section 6.17. Diseases and Insects. No thing or condition which could induce, breed or harbor infectious plant diseases or noxious insects shall be allowed to exist on any Lot, Common Area or other property within the Project.

Section 6.18. Outdoor Burning. There shall be no outdoor burning of trash or other debris, provided, however, that the foregoing shall not be deemed to prohibit the use of normal residential barbecues or other similar outside cooking grills.

Section 6.19. Fuel Tanks. No fuel tanks of any kind shall be erected, placed or maintained on the Property; provided, however, that nothing herein shall be deemed to prohibit the use or storage upon a Lot of a propane or similar fuel tank with a capacity of ten (10) gallons or less used in connection with a normal residential gas barbecue or grill.

Section 6.20. Window Coverings. No reflective materials, including, but without limitation, aluminum foil, reflective screens or glass, mirrors or similar type items, shall be installed or placed upon the outside or inside of any windows of any Townhouse without the prior written approval of the Architectural Committee. No enclosures, drapes, blinds, shades, screens or other items affecting the exterior appearance of a Townhouse shall be constructed or installed in any Townhouse without the prior written consent of the Architectural Committee.

Section 6.21. Leasing of Lots. No Owner may lease less than his entire Lot. No Lot may be leased for a period of less than thirty (30) days. All leases shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Project Documents and any failure by the lessee to comply with the terms of the Project Documents shall be a default under the lease. Upon leasing his Lot, an Owner shall promptly notify the Association of the commencement date and termination date of the lease and the names of each lessee or other person who will be occupying the Lot during the term of the lease.

Section 6.22. HVAC and Solar Panels. Except as initially installed by the Declarant, no heating, air conditioning, evaporative cooling or solar energy collecting unit or panels shall be placed, constructed or maintained upon any Lot without the prior written approval of the Architectural Committee.

Section 6.23. Garages and Driveways. The interior of all garages constructed on the Property shall be maintained by the respective Owners thereof in a neat, clean and sightly condition. Garages shall be used for parking vehicles and storage only, and shall not be used or converted for living or recreational activities without the prior written approval of the Architectural Committee. All driveways shall be of concrete construction. Garage doors shall be left open only as needed for ingress and egress.

## ARTICLE VII

### EASEMENTS

Section 7.1. Utility Easement. There is hereby created a blanket easement upon, across, over and under the Common Area for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewers, gas, telephones, electricity and a cable television system. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary poles and other necessary facilities and equipment on the Common Area. This easement shall in no way affect any other recorded easements on the Common Area.

Section 7.2. Easement for Encroachments. The Declarant presently intends to construct Townhouses on the Lots, with one Townhouse located on each Lot. In the event a Townhouse constructed on a Lot encroaches upon or overhangs another Lot or the Common Area, a valid easement for such encroachment or overhang and for the maintenance of same, so long as it stands, shall and does exist. In the case of an overhang such easement shall include an easement for drainage or water runoff from such overhang. In the event a building containing Townhouses is partially or totally destroyed and then rebuilt, the Owners agree that encroachments and overhangs on adjacent Lots due to construction shall be permitted and that a valid easement for said encroachments and overhangs and the maintenance thereof shall exist.

Section 7.3. Easements for Ingress and Egress. Easements for ingress and egress are hereby reserved to the Declarant and the Owners, and their families, guests, tenants and invitees and to the Owners and occupants of the Annexable Property, whether or not such property has been annexed, for pedestrian traffic over, through and across sidewalks, paths, walks and lanes as the same from time to time may exist upon the Common Area and for vehicular traffic over, through and across such portions of the Common Area as from time to time may be paved and intended for such purposes; and for such other purposes reasonably necessary to the use and enjoyment of a Lot or the Common Area.

Section 7.4. Association's Right of Entry. During reasonable hours, the Association, any member of the Architectural Committee, any member of the Board or any authorized representative of them, shall have the right to enter upon and inspect any Lot, excluding the interior of any residence located thereon, for the purpose of making inspections to determine whether the provisions of the Project Documents are being complied with by the Owner or occupants of said Lot.

Section 7.5. Association's Easement For Performing Maintenance Responsibilities. The Association shall have an easement upon, across, over and under the Lots for the purpose of repairing, maintaining and replacing those portions of the Lots which the Association is obligated to maintain, or has elected to maintain, under Article IX of this Declaration.

## ARTICLE VIII

### PROPERTY RIGHTS

Section 8.1. Owners' Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area. Said easement shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

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



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

(c) the right of the Association to suspend an Owner's right to use the recreational facilities for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Project Documents;

(d) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be approved by the Members entitled to cast at least two-thirds (2/3) of the votes entitled to be cast by Members present in person or by proxy at a meeting duly called for such purpose;

(e) the right of Declarant and its agents and representatives, in addition to the rights set forth elsewhere in this Declaration, to the non-exclusive use, without charge, of the Common Area for maintenance of sales facilities, and display and exhibit purposes.

Section 8.2. Delegation of Use. Any Owner may delegate, subject to the Project Documents, his right of enjoyment to the Common Area, and the facilities located thereon, to the members of his family, his tenants, his guests or invitees, provided such delegation is for a reasonable number of persons and at reasonable times. An Owner who has made such a delegation of rights shall not be entitled to the use or enjoyment of the Common Area for so long as such delegation remains in effect.

Section 8.3. Limitations. An Owner's right and easement of enjoyment in and to the Common Area shall not be conveyed, transferred, alienated or encumbered separate and apart from such Owner's Lot. Such right and easement of enjoyment in and to the Common Area shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Owner's Lot, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to the Common Area.

## ARTICLE IX

### MAINTENANCE

Section 9.1. Maintenance of Common Area by the Association. The Association shall be responsible for the maintenance, repair and replacement of the Common Area and may, without any approval of the Owners being required, take such actions as the Board deems necessary in order to maintain, repair, replace, preserve and protect the Common Area including, without limitation, any of the following:

(a) Reconstruct, repair, replace or refinish any Improvement or portion thereof upon the Common Area (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and repair of such area);

(b) Construct reconstruct, repair, replace or refinish any portion of the Common Area used as a road, street, walk, driveway and parking area (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and repair of such area);

(c) Replace injured and diseased trees or other vegetation in the Common Area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes;

(d) Place and maintain upon the Common Area such signs as the Board may deem appropriate for the proper identification, use and regulation thereof.

Section 9 2. Maintenance By Association of Landscaping on Lots. The Association shall maintain, repair and replace the landscaping on the Lots except for landscaping which is located within individual yard or patio areas or any other area enclosed by a fence or wall. In the event the need for maintenance, repair or replacement of any portion of the Lots which are to be maintained by the Association pursuant to this Section is caused by the willful or negligent act of an Owner his family, guests, invitees or animals the Association shall cause the maintenance or repair to be performed, and the cost of such maintenance or repair shall be levied against such Owner, and his Lot, by the Association as an extraordinary assessment pursuant to Section 5.6 of this Declaration.

Section 9.3. Maintenance of Lots By Owners. Each Owner shall be solely responsible for the maintenance, repair and replacement of all Improvements located on his Lot (except for the landscaping to be maintained by the Association pursuant to Section 9.2 of this Declaration) including, without limitation, the following:

(a) The exterior of his Townhouse including, without limitation, the roofs and exterior paint;

(b) The interior of his Townhouse including the interior of any yard. patio, garage or other area enclosed by a fence or wall and the contents thereof, and any air conditioning unit, heating unit, hot water heater and other fixtures and equipment which service his individual Townhouse. This obligation shall include, without limitation, the maintenance, repair and replacement of windows, doors and all interior surfaces of the Townhouse, including, without limitation, floors, ceilings, interior wall surfaces, sheet rock (plaster board) or wall coverings;

(c) Any fixtures or pipes within his Townhouse and any utility lines or pipes from the Lot line to his Townhouse;

(d) Such landscaping as is located within any individual yard or patio area or any other area enclosed by a fence or wall.

No Owner of a Lot shall do any work which will impair the structural integrity of the building in which his Townhouse is located or which will adversely effect any other Townhouse or the Common Area. No Owner shall perform any maintenance or repair work which would alter the exterior appearance of his Townhouse without the prior written approval of the Architectural Committee.

Section 9.4. Damage or Destruction of Common Area by Owners. No Owner shall in any way damage or destroy any Common Area or interfere with the activities of the Association in connection therewith. Any expenses incurred by the Association by reason of any such act of an Owner shall be levied against such Owner and his Lot by the Association as an extraordinary assessment pursuant to Section 5.6 of this Declaration.

Section 9.5 Termite and Pest Control. The Association shall have the right, but not the obligation, to perform, or contract to have performed on behalf of the Association, termite and pest control service for the Lots, and the Improvements located thereon, except for the interior of the Townhouses located thereon. In the event the Association exercises its right under this Section to provide termite and pest control service to the Lots, the cost of such service shall be a common expense of the Association and shall be assessed to the Owners as part of the annual assessment levied by the Association. If the Association does not exercise its right under this Section to provide termite and pest control service to the Lots, then each Owner shall be responsible for performing, or contracting to have performed, such termite and pest control service for his Lot as is necessary to keep his Lot, and the Improvements located thereon, free from termite and pest infestation.

Section 9.6. Nonperformance by Owners. If any Owner fails to maintain any portion of his Lot, and the Improvements located thereon, which he is obligated to maintain under the provisions of the Project Documents, the Association shall have the right, but not the obligation, to enter upon such Owner's Lot to perform the maintenance and repairs not performed by the Owner, and the cost of any such work performed by or at the request of the Association shall be levied against such Owner and his Lot by the Association or an extraordinary assessment pursuant to Section 5.6 of this Declaration.

Section 9.7. Payment of Utility Charges. Each Townhouse shall be separately metered for water, sewer and electrical service, and all charges for such service to the Townhouses shall be the sole obligation and responsibility of the Owner of each Lot. All bills for water, sewer and electrical service to the the Common Area shall be billed to the Association, and the Association shall be responsible for the payment of such charges. The cost of water, sewer

and electrical service to the Common Area shall be a common expense of the Association and shall be included in the budget of the Association.

## ARTICLE X

### PARTY WALLS

Section 10.1. Rights and Duties of Adjoining Owners. The rights and duties of Owners of Lots with respect to party walls placed on the boundary line between separate Lots, including a wall dividing separate Townhouses, shall be governed by the following provisions:

(a) Each of the adjoining Owners shall assume the burden and be entitled to the benefit of the restrictive covenants contained in this Declaration, and to the extent not inconsistent with this Declaration, the general rules of law regarding party walls shall be applied;

(b) The cost of reasonable repair and maintenance of a party wall shall be shared by the adjoining Owners of such wall in proportion to the use thereof, without prejudice, however, to the right of any Owner to require a larger contribution from the adjoining Owner under any rule of law regarding liability for negligent or willful acts or omissions;

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

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

(e) The right of any Owner to contribution from any other Owner under this Article X shall be appurtenant to the land and shall pass to such Owners and their successors in title;

(f) In addition to meeting the other requirements of this Declaration and of any other building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his Townhouse in any manner which requires the extension or other alteration of a party wall shall first obtain the written consent of the adjoining Owner;

(g) In the event of a dispute between Owners with respect to the repair or the rebuilding of a party wall or with respect to sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to arbitration under such rules as made from time to time to be used by the Association. If no such rules have been

adopted, then the matter shall be submitted to three arbitrators, one chosen by each of the Owners, and the third by the two so chosen, or, if the arbitrators do not agree as to the selection of the third arbitrator within five (5) days, then by any Judge of the Superior Court of Maricopa County, Arizona. A determination of the matter signed by any two of the arbitrators shall be binding upon the Owners who shall share the cost of the arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after personal receipt or request in writing for arbitrator from the other party, then said other party shall have the right and power to choose both arbitrators;

(h) The provisions of this Article shall be binding upon the heirs and assigns of any Owners, but no person shall be liable for any act or omission respecting the party wall except such as took place while he was an Owner.

## ARTICLE XI

### INSURANCE

Section 11.1. Scope of Coverage. Commencing not later than the time of the first conveyance of a Lot to a person other than the Declarant, the Association shall maintain, to the extent reasonably available, the following insurance coverage:

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

(b) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than \$1,000,000. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Area and all other portions of the Property which the Association is obligated to maintain under this Declaration, and shall also include hired automobile and non-owned automobile coverages with cost liability endorsements to cover liabilities of the Owners as a group to an Owner;

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

(d) Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association or the Owners;

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

(1) That there shall be no subrogation with respect to the Association, its agents, servants, and employees, with respect to Owners and members of their household;

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

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

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

(5) Statement of the name of the insured as "Camelot Park Villas Owners Association, Inc.";

(6) For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify the first mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial modification, reduction or cancellation of the policy;

(f) If there is a steam boiler in connection with the Common Area, boiler explosion insurance evidenced by the standard form of boiler machinery insurance policy and providing coverage in the minimum amount of \$50,000.00 per accident per location;

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

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(H, "Agreed Amount" and "Inflation Guard" endorsements.

Section 11.2. Certificates of Insurance. An insurer that has issued an insurance policy under this Article shall issue a certificate or a memorandum of insurance to the Association and, upon request, to any Owner, mortgagee or beneficiary under a deed of trust. Any insurance obtained pursuant to this Article may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association, each Owner and each mortgagee or beneficiary under deed of trust to whom certificates of insurance have been issued.

Section 11.3. Fidelity Bonds. The Association shall maintain blanket fidelity bonds for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association, including, without limitation, any management agent to whom the Association has delegated some or all of the responsibility for the handling of such funds. The total amount of fidelity bond coverage shall be based upon the best business judgment of the Board, and shall not be less than the greater of (i) the estimated maximum amount of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond, or (ii) the sum equal to three months assessments on all Lots plus adequate reserve funds. Fidelity bonds obtained by the Association must also meet the following requirements:

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

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

(c) The bonds shall provide that they may not be cancelled or substantially modified (including cancellation from non-payment of premium) without at least ten (10) days prior written notice to the Association and each First Mortgagee.

Section 11.4. Payment of Premiums for Insurance on Common Area. The premiums for any insurance obtained by the Association covering the Common Area pursuant to Section 11.1(a) of this Declaration shall be included in the budget of the Association and shall be paid by the Association.

Section 11.5. Insurance Obtained by Owners. Each Owner shall be responsible for obtaining insurance for his own benefit and at his own expense covering his Lot, and his Townhouse and other Improvements located thereon, and his personal property and fixtures in his Townhouse and providing personal liability coverage to the extent such insurance is not obtained by the Association.

Section 11.6. Payment of Insurance Proceeds. With respect to any loss to the Common Area covered by property insurance obtained by the Association in accordance with this Article, the loss shall be adjusted with the Association, and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. Subject to the provisions of Section 11.7 of this Declaration, the proceeds shall be disbursed for the repair or restoration of the damage to the Common Area.

Section 11.7. Repair and Replacement of Damaged or Destroyed Property. Any portion of the Common Area which is damaged or destroyed shall be repaired or replaced promptly by the Association unless (a) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (b) Owners owning at least eighty percent (80%) of the Lots vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Association. If the entire Common Area is not repaired or replaced, insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition which is not in violation of any state or local health or safety statute or ordinance and the remainder of the proceeds shall be distributed to the Owners on the basis of an equal share for each Lot.

## ARTICLE XII

### ANNEXATION OF ADDITIONAL LAND

Section 12.1. Right of Annexation. Declarant hereby expressly reserves the right, until seven (7) years from the date of the recording of this Declaration, to annex, without the consent of any Owner, all or any portion of the Annexable Property into the property subject to this Declaration. The annexation of all or any portion of the Annexable Property shall be accomplished by the Declarant recording with the County Recorder of Maricopa County, Arizona, a Declaration of Annexation stating the following:

(1) The legal description of the Annexable Property being annexed;

(2) A description of any portion of the Annexable Property being added which will be Common Area.

Any portion of the Annexable Property annexed pursuant to this Section shall not become irrevocably committed to the Project until the date on which the first Lot within the annexed portion of the Annexable Property is conveyed to a Purchaser. If any Declaration of Annexation recorded pursuant to this Section divides the portion of the Annexable Property being annexed into separate phases, then each phase shall not become irrevocably committed to the



Project until the date on which the first Lot within such phase is conveyed to a Purchaser.

The Declarant shall have the right to amend any Declaration of Annexation recorded pursuant to this Section to change the description of phases within the property being annexed; provided, however, that the Declarant may not change any portion of the Annexable Property which has already become irrevocably committed to the Project. At any time prior to the date which is seven (7) years after the recording of the Declaration, the Declarant may withdraw from the Project any part of the Annexable Property which has not been irrevocably committed to the Project pursuant to the provisions of this Section. Any such withdrawal of property from the Project shall be accomplished by the recording with the County Recorder of Maricopa County, Arizona, of a Declaration of Withdrawal describing the portion of the property being withdrawn. Upon the recording of any such Declaration of Withdrawal, that portion of the Annexable Property described in the Declaration of Withdrawal shall no longer be part of the Project or subject to the Declaration.

Section 12.2. No Assurances. Declarant makes no assurances as to the exact location of buildings and other improvements to be constructed on the Annexable Property. Declarant makes no assurances as to the exact number of Lots which may be added by annexation of all or any portion of the Annexable Property, but the number of Lots added by any such annexation shall not exceed thirty-eight (38). Declarant makes no assurances as to what improvements may be constructed on the Annexable Property but such improvements shall be consistent in quality, material and style with the improvements constructed on the real property described in Exhibit A attached to this Declaration. All improvements to be constructed on any portion of the Annexable Property annexed by the Declarant will be substantially completed prior to the time such portion of the Annexable Property is irrevocably committed to the Project in accordance with Section 12.1 of this Declaration. All taxes and other assessments relating to all or any portion of the Annexable Property annexed by the Declarant covering any period prior to the time at which such portion of the Annexable Property is irrevocably committed to the Project in accordance with Section 12.1 of this Declaration shall be the responsibility of and shall be paid for by the Declarant.

#### ARTICLE XIII

#### RIGHTS OF FIRST MORTGAGEES

Section 13.1. Notification to First Mortgagees. Upon receipt by the Association of a written request from a First Mortgagee or insurer or governmental guarantor of a

First Mortgage informing the Association of its correct name and mailing address to which the request relates, the Association shall provide such Eligible Mortgage Holder or Eligible Insurer or Guarantor with timely notice of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Lot 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 an Owner of a Lot 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 Owner of any obligation under the Project Documents, which delinquency remains uncured 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 will require the consent of a specified percentage of Eligible Mortgage Holders as set forth in Sections 13.2 or 13.3 of this Declaration.

Section 13.2. Approval Required to Terminate Project. Any termination of the legal status of the Project for reasons other than the substantial destruction or a substantial taking in condemnation of the Project shall not be effective unless approved by Eligible Mortgage Holders holding First Mortgages on Lots the Owners of which have at least sixty-seven percent (67%) of the votes in the Association allocated to Owners of all Lots subject to First Mortgages held by Eligible Mortgage Holders;

Section 13.3. Approval Required for Amendment to Declaration, Articles or Bylaws. The approval of Eligible Mortgage Holders holding First Mortgages on Lots the Owners of which have at least fifty-one percent (51%) of the votes in the Association allocated to Owners of all Lots subject to First Mortgages held by Eligible Mortgage Holders 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:

1. Voting rights;
2. Assessments, assessment liens or subordination of assessment liens;
3. Reserves for maintenance, repair and replacement of Common Areas;
4. Insurance or fidelity bonds;

5. Responsibility for maintenance and repairs.

6. Expansion or contraction of the Project, or the addition, annexation or withdrawal of property to or from the Project;

7. Boundaries of any Lot;

8. Reallocation of interests in the Common Areas or the rights of their use;

9. Convertability of Lots into Common Areas or of Common Areas into Lots;

10. Leasing of Lots;

11. Imposition of any restrictions on an Owner's right to sell or transfer his Lot;

12. A decision by the Association to establish self management when professional management had been required previously by an Eligible Mortgage Holder;

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

14. Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs;

15. Any provisions which expressly benefit First Mortgagees, Eligible Mortgage Holders or Eligible Insurers Or Guarantors.

Any addition or amendment to the Declaration, Articles or Bylaws shall not be considered material if it is for the purpose of correcting technical errors or for clarification only. Any First Mortgagee who receives a written request to approve additions or amendments to the Declaration, Articles or Bylaws which are not material 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.

Section 13.4. First Mortgagee Not Liable for Prior Assessments. Any First Mortgagee or any other party acquiring title or coming into possession of a Lot through foreclosure of the First Mortgage, purchase at a foreclosure sale or trustee sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of

foreclosure shall acquire title free and clear of any claims for unpaid assessments and charges against the Lot which became payable prior to the acquisition of such Lot by the First Mortgagee or other party. Any assessments and charges against the Lot which accrue prior to such sale or transfer shall remain the obligation of the defaulting Owner of the Lot.

Section 13.5. First Mortgagee's Right of Inspection of Records. Any First Mortgagee will, upon written request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive within ninety (90) days following the end of any fiscal year of the Association, a 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.

Section 13.5. Limitation on Partition and Subdivision. No Lot shall be partitioned or subdivided without the prior written approval of the holder of any First Mortgage on such Lot.

Section 13.7. Prior Written Approval of First Mortgagees. Unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each First Mortgage owned) or Owners (other than the sponsor, developer or builder) of the individual Lots have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area owned, directly or indirectly, by the Association for the benefit of the Lots (the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Area shall not be deemed a transfer within the meaning of this Subsection (a));

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot Owner;

(c) By act or omission change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Lots, the exterior maintenance of Lots, and the improvements located thereon, the maintenance of the Common Area, party walks or fences and driveways, or the upkeep of lawns and plantings in the Project;

(d) Fail to maintain fire and extended coverage on insurable Common Area on a current replacement cost basis in an amount not less than 100 percent of the insurable value (based on current replacement cost);

(c) Use hazard insurance proceeds for losses to any Common Area, other than the repair, replacement or reconstruction of such Common Area.

Section 13.8. Insurance Proceeds and Condemnation Awards. No Owner, or any other party, shall have priority over any rights of a First Mortgagee of a Lot pursuant to its mortgage in the case of a distribution to the mortgagor of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 13.9. Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Article and any other provision of the Project 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 Project Documents with respect to the number or percentage of Owners or First Mortgagees, Eligible Mortgage Holders or Eligible Insurers Or Guarantors that must consent to (i) an amendment of the Declaration, Articles or Bylaws, (ii) a termination of the Project, or (iii) certain actions of the Association as specified in Section 13.2, 13.3 and 13.7 of this Declaration, the provision requiring the consent of the greatest number or percentage of Owners or First Mortgagees, Eligible Mortgage Holders or Eligible Insurers Or Guarantors shall prevail; provided, however, that the Board, without the consent of any Owner or First Mortgagee being required, shall have the right to amend this Declaration or the Articles or Bylaws in order to conform this Declaration, the Articles or Bylaws to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration.

#### ARTICLE XIV

##### GENERAL PROVISIONS

Section 14.1. Enforcement. The Association, or any 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 this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 14.2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 14.3. Duration. The covenants and restrictions of this Declaration shall run with and bind the Property for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10)

Section 14.4. Amendment by Owners. Subject to the provisions of Article XIII of this Declaration, this Declaration may be amended at any time by an instrument signed by Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association. Any amendment must be recorded. Any amendment to the Declaration pursuant to this Section must be approved in writing by the City Attorney and Planning Department of the City of Tempe, Arizona.

Section 14.5. Amendment by Board. Notwithstanding anything to the contrary in this Declaration, the Board shall have the right to amend this Declaration, without obtaining the approval or consent of any other Owner or First Mortgagee, in order to conform the Declaration to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration. Any amendment to the Declaration pursuant to this Section must be approved in writing by the City Attorney and Planning Department of the City of Tempe, Arizona.

Section 14.6. Violations and Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Owner.

Section 14.7. Violation of Law. Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of any property within the Project is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 14.8. Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

Section 14.9. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered twenty-four hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: If to the Association, the Architectural Committee or the Declarant, at 6808 E. Camelback Road, Scottsdale, Arizona 85251; if to an Owner, to the address of his Lot or to any other address last furnished by the Owner to the Association; provided, however, that any such address may be changed at any time by the party concerned by delivering a written notice of change of address to the Association. Each Owner of a Lot shall file his correct mailing address with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

Section 14.10. Binding Effect. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Property and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners. Declarant, its successors, assigns and grantees, covenants and agrees that the Lots and the membership in the Association and the other rights created by this Declaration shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the Lot.

Section 14.11. Management Agreements. Any agreement for professional management of the Association or the Project or any other contract providing for services of the Declarant, or other developer, sponsor or builder of the Project shall not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

Section 14.12. 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, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 14.13. Topic Headings. The marginal or topical headings of the sections contained in this Declaration are for convenience only and do not define, limit or construe the contents of the sections or this Declaration.

Section 14.14. Survival of Liability. The termination of membership in the Association shall not relieve or release any such former Member from any liability or obligation incurred under or in any way connected with the Association during the period of such membership, or impair any rights or remedies which the Association may have against such former Member arising out of, or in any way connected with such membership and the covenants and obligations incident thereto.

Section 14.15. Construction. In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and the Articles, Bylaws Association Rules or Architectural Committee Rules, the provisions of this Declaration shall prevail.

Section 14.16. Joint and Several Liability. In the case of joint ownership of a Lot, the liabilities and obligations of each of the joint Owners set forth in or imposed by this Declaration, shall be joint and several.

Section 14.17. Attorneys' Fees. In the event the Association employs an attorney to enforce any lien granted to it under the terms of this Declaration or to collect any assessments or other amounts due from an Owner or to enforce compliance with or recover damages for any violation or non-compliance with the Project Documents, the prevailing party in any such action shall be entitled to recover from the other party its reasonable attorneys' fees incurred in any such action.

Section 14.18. Declarant's Right To Use Similar Name. The Association hereby irrevocably consents to the use by any other nonprofit corporation which may be formed or incorporated by Declarant of a corporate name which is the same or deceptively similar to the name of the Association provided one or more words are added to the name of such other corporation to make the name of the Association distinguishable from the name of such other corporation. Within five (5) days after being requested to do so by the Declarant, the Association shall sign such letters, documents or other writings as may be required by the Arizona



Corporation Commission in order for any other corporation formed or incorporated by the Declarant to use a corporate name which is the same or deceptively similar to the name of the Association.

84 376971

IN WITNESS WHEREOF, the Declarant and Trustee have executed this Declaration on the day and year first above written.

MARK HANCOCK DEVELOPMENT CORP., an Arizona corporation

By [Signature]

Its Pres

TITLE INSURANCE COMPANY OF MINNESOTA, a Minnesota corporation, AS TRUSTEE

By [Signature]

Its Trust Officer

STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me, this 13<sup>th</sup> day of July, 1984, by Mark Hancock the President, of MARK HANCOCK DEVELOPMENT CORP., an Arizona corporation, on behalf of the corporation.

[Signature]

Notary Public

My Commission Expires May 17, 1988

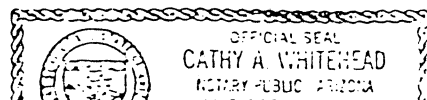
STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

Subscribed and sworn before me this 15<sup>th</sup> day of August, 1984, by [Signature] of THE TITLE INSURANCE COMPANY OF MINNESOTA, a Minnesota corporation, as Trustee under its Trust No. 2286, and that he as such officer being authorized to do so, executed the above instrument for and on behalf of the corporation.

[Signature]

Notary Public

My Commission Expires:



84 376971

EXHIBIT A

DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS  
FOR  
CAMELOT PARK VILLAS

Lots 9 through 12, inclusive, Lots 19 through 24, inclusive,  
and Tracts A, B, C, D, E and F, CAMELOT PARK VILLAS, a sub-  
division according to the plat recorded in Book 262 of Maps,  
page 11, records of Maricopa County, Arizona.

84 376971

EXHIBIT B

DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS  
FOR  
CAMELOT PARK VILLAS

Lots 1 through 8, inclusive, Lots 13 through 18, inclusive,  
and Lots 25 through 50, inclusive, CAMELOT PARK VILLAS, a  
subdivision according to the plat recorded in Book 262 of  
Maps, page 11, records of Maricopa County, Arizona.

TITLE INSURANCE COMPANY OF MINNESOTA

85 030069

WHEN RECORDED, RETURN TO:

DONALD E. DYEKMAN  
4110 N. Scottsdale Road  
Suite 308  
Scottsdale, Arizona 85251

RECORSTR

RECORDED BY RECORDING SERVICE  
JAN 22 '85 -2 00  
6-0 PAGES 6

FIRST AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
CAMELOT PARK VILLAS

This First Amendment to Declaration of Covenants, Conditions and Restrictions for Camelot Park Villas is made as of the 5th day of DECEMBER, 1984, by Mark Hancock Development Corp., an Arizona corporation (hereinafter referred to as the "Declarant") and Title Insurance Company of Minnesota, a Minnesota corporation, as Trustee under Trust 2286 (record title holder)

R E C I T A L S

A. On August 28, 1984, the Declarant caused to be recorded with the County Recorder of Maricopa County, Arizona, as Instrument No. 84 376971, a Declaration of Covenants, Conditions and Restrictions for Camelot Park Villas (the "Declaration") subjecting the real property described on Exhibit A to the Declaration to the covenants, conditions and restrictions set forth in the Declaration.

B. Capitalized terms used in this First Amendment without definition shall have the meanings given to such terms in the Declaration.

C. Section 14.4 of the Declaration provides that the Declaration may be amended by an instrument signed by Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association.

D. The Declarant represents more than sixty-seven percent (67%) of the total allocated votes in the Association. The Declarant desires to amend the Declaration as hereinafter set forth.

NOW, THEREFORE, the Declarant hereby amends the Declaration as follows:



85 030069

TITLE INSURANCE COMPANY OF  
MINNESOTA, a Minnesota  
corporation, as Trustee

By: Karl Zalot  
Karl Zalot  
Assistant Trust Officer

State of Arizona        )  
                                  ) ss.  
County of Maricopa    )

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 1985, by Karl Zalot,  
Assistant Trust Officer of Title Insurance Company of Minnesota,  
a Minnesota corporation, as Trustee, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_



RECEIVED APR 25 1985

WHEN RECORDED, RETURN TO:

DONALD E. DYKMAN  
4110 N. Scottsdale Road  
Suite 308  
Scottsdale, Arizona 85251

SECOND AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
CAMELOT PARK VILLAS

This Second Amendment to Declaration of Covenants, Conditions and Restrictions for Camelot Park Villas is made as of the \_\_\_\_ day of \_\_\_\_\_, 1985, by Mark Hancock Development Corp., an Arizona corporation (hereinafter referred to as the "Declarant").

R E C I T A L S

A. On August 28, 1984, the Declarant caused to be recorded with the County Recorder of Maricopa County, Arizona, as Instrument No. 84 376971, a Declaration of Covenants, Conditions and Restrictions for Camelot Park Villas subjecting the real property described on Exhibit A to the Declaration to the covenants, conditions and restrictions set forth in the Declaration. The Declaration was subsequently amended by the First Amendment to Declaration of Covenants, Conditions and Restrictions for Camelot Park Villas recorded as Instrument No. 85 030069 and rerecorded as Instrument No. 85 139172, records of Maricopa County, Arizona. The Declaration, as amended by the First Amendment, shall be referred to herein as the "Declaration."

B. Capitalized terms used in this Second Amendment without definition shall have the meanings given to such terms in the Declaration.

C. Section 14.4 of the Declaration provides that the Declaration may be amended by an instrument signed by Owners representing at least sixty-seven percent (67%) of the total allocated votes in the Association.

COPY





APPROVED:

CITY ATTORNEY OF THE  
CITY OF TEMPE

By: \_\_\_\_\_

Its \_\_\_\_\_

PLANNING DEPARTMENT OF THE  
CITY OF TEMPE

By: \_\_\_\_\_

Its \_\_\_\_\_

State of Arizona     )  
                                  ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me  
this \_\_\_\_ day of \_\_\_\_\_, 1985, by \_\_\_\_\_,  
the \_\_\_\_\_ of the City Attorney's Office of the City  
of Tempe.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

State of Arizona     )  
                                  ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me  
this \_\_\_\_ day of \_\_\_\_\_, 1985, by \_\_\_\_\_,  
the \_\_\_\_\_ of the Planning Department of the City of  
Tempe.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_



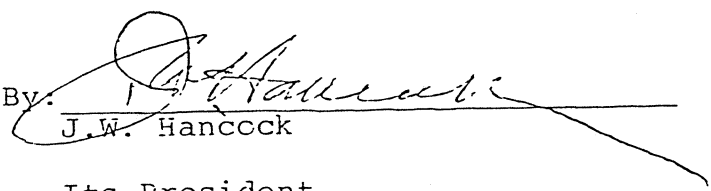


CONSENT OF LIENHOLDER

The undersigned, being the holder of a lien recorded May 3, 1984 at Recorder's No. 84-226757 records of Maricopa County, Arizona covering all or a part of the real property subject to the Declaration of Covenants, Conditions and Restrictions for Camelot Park Villas, hereby consents to and ratifies the foregoing First Amendment to the Declaration of Covenants, Conditions and Restrictions for Camelot Park Villas.

Dated this 11 day of Jan., 1985.

J.W. Hancock Enterprises, Inc.,  
an Arizona corporation

By:   
J.W. Hancock

Its President

State of Arizona        )  
                                  ) ss  
County of Maricopa    )

The foregoing instrument was acknowledged before me this 11 day of Jan., 1985, by J.W. Hancock, the President of J.W. Hancock Enterprises, Inc., an Arizona corporation.

My Commission Expires:  
My Commission Expires May 7, 1988

\_\_\_\_\_  
Notary Public

When recorded, please  
return to:

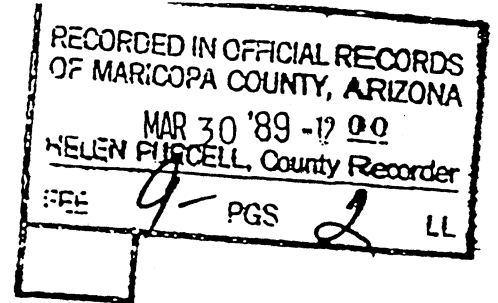
MOD RSTR (DF)

Camelot Park Villas Homeowners Association

5861 South Kyrene Rd., Suite 7

Tempe, Arizona 85283

*2/14*



THIRD AMENDMENT TO DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR CAMELOT PARK VILLAS

89 142534

THIS THIRD AMENDMENT to the Declaration of Covenants, Conditions and Restrictions for Camelot Park Villas is made on the 16th day of March, 1989, by Camelot Park Villas Homeowners Association, an Arizona corporation, by owners of more than sixty-seven percent (67%) of the lots within Camelot Park Villas, and hereby amends, as set forth below, the Declaration of Covenants, Conditions and Restrictions for Camelot Park Villas, as recorded on the 28th day of August, 1984, at Instrument No. 84 376971, Official Records of Maricopa County, Arizona, by virtue of the authority granted in Article XIV, Section 14.4 of said Declaration.

I. Article II, Section 2.3 shall be amended. The following shall be added as the fifth and sixth sentences to Section 2.3:

The Board shall be empowered to levy fines in an amount of up to \$75.00 upon the owner of any such unit who continues to be in violation of the Association's Rules and Regulations after proper written notice. Such fines, together with costs and reasonable attorney's fees, shall be secured by a lien against such unit as provided in Section 5.11.

II. Article VI, Section 6.14 is hereby amended as follows:

Subsection (c) shall be deleted and substituted in its place is the following:

One (1) "for sale" sign of standard realty company size (18" x 24") and of professional quality may be displayed in the front yard of an owner's lot.

III. All other provisions of the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned officer, on behalf of Camelot Park Villas, has caused his name to be signed on the date set forth below.

DATED THIS 16<sup>TH</sup> DAY OF MARCH, 1989.

CAMELOT PARK VILLAS  
an Arizona corporation

By *Glen W. Beckham*

Its *President*



84 376971

EXHIBIT B

DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS  
FOR  
CAMELOT PARK VILLAS

Lots 1 through 8, inclusive, Lots 13 through 18, inclusive,  
and Lots 25 through 50, inclusive, CAMELOT PARK VILLAS, a  
subdivision according to the plat recorded in Book 262 of  
Maps, page 11, records of Maricopa County, Arizona.