

**CENTER COURT VILLAS**  
**HOMEOWNERS' ASSOCIATION, INC.**

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DECLARATION SUBMITTING PROPERTY TO  
HORIZONTAL PROPERTY REGIME TOGETHER WITH  
COVENANTS, CONDITIONS AND RESTRICTIONS FOR ~~PROP RSTR~~ (PP)  
CENTER COURT VILLAS

THIS DECLARATION is made as of the date hereinafter set forth by JOHN G. STELZMILLER and LAVETA STELZMILLER, husband and wife, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of the below-described real property situated in the City of Fountain Hills, County of Maricopa, State of Arizona:

SEE ATTACHED LEGAL DESCRIPTION FOR PHASE I OF CENTER COURT VILLAS, MARKED AS EXHIBIT "A" AND INCORPORATED HEREIN BY REFERENCE.

WHEREAS, Declarant desires to submit and subject the Parcel, together with all buildings, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in any way pertaining thereto (hereinafter sometimes called "Condominium Property" or "Property") to a Horizontal Property Regime pursuant to Sections 33-551 through 33-561, Arizona Revised Statutes, as same may be amended; and

WHEREAS, Declarant is further desirous of establishing for its own benefit and for the mutual benefit of all future owners or occupants of the Property, or any part thereof, certain easements and rights in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, Declarant desires and intends that the apartment owners, mortgagees, beneficiaries and trustees under the trust deeds, occupants and all other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of and shall hold their interests subject to, the rights, easements, privileges and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspects of the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness thereof;

NOW, THEREFORE, Declarant, as the owner of the real estate described above, and for the purposes above set forth, declares as follows:

1. Declarant, in order to establish a plan of condominium ownership for the above-described property and improvements, hereby covenants and agrees that it hereby divides said real property into the following separate freehold estates:

1. (a) Sixteen (16) separately designated and legally described freehold estates consisting of the spaces or areas, being the area or space contained in the perimeter walls of each of the sixteen (16) units in Phase I of said multi-family structures constructed on said property, said space being defined and referred to therein as "Units".

RECORDED IN OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA
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1. (b) A freehold estate consisting of the remaining portions of the real property as described and referred to herein as the common areas and facilities of Phase I, which definition includes the multi-family structures and the property upon which they are located and specifically includes, but is not limited to the land, roof, main walls, slabs, patios and balconies, if any, storage areas, parking spaces, recreational areas and facilities, if any, trees, drives, pipes, wires, conduits, or other public utility lines.

Said condominium project will be developed in two (2) phases, subject to the provisions of Paragraphs 5.7 and 24.10 hereof, as follows:

PHASE I - the exact legal description of which is attached hereto as Exhibit B, consisting of sixteen (16) units contained in Buildings 1, 2 and 3 and all tracts or portions of tracts and common areas and facilities lying within the boundaries of Phase I, as recorded in Book 241 of Maps, at Page 6, of the official records of the County Recorder of Maricopa County, State of Arizona.

PHASE II - the exact legal description of which is attached hereto as Exhibit C, consisting of eighteen (18) units contained in Building 4, 5 and 6 and all tracts or portions of tracts lying within the boundaries of Phase II, as described herein, and as recorded in Book 241 of Maps, Page 6 of the official records of the County Recorder of Maricopa County, State of Arizona.

2. Name. The name of this Horizontal Property Regime shall be CENTER COURT VILLAS.

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

3.1 "Act" means Section 33-551 through 33-561. Arizona Revised Statutes, as the same may be amended.

3.2 "Unit" means a part of the Property consisting of one or more rooms (excluding the patio or balcony, if any, and any areas of exclusive use appurtenant to each Apartment) designated by number and letter as shown on the Plat. Each unit is located in one of the buildings shown on the Plat and is composed of and includes the space enclosed and bounded by the interior and finished surfaces of the floor, ceiling and perimeter walls thereof; providing, however, no structural parts of the building in which each unit is located, and no pipes, wires, conduits, ducts, flues, shafts, or public utility water or sewer lines situated within a unit and forming part of any system serving one or more other units of the Common Elements shall be deemed to be part of any unit.

3.3 "Apartment Unit" or "Apartment" means a unit, together with the exclusive use of the patio or balcony, if any, assigned and appurtenant to ownership of that unit, and an Apartment Unit shall be referred to by the same number and letter as the unit. All structural parts of the Building which each Apartment Unit is located, and all pipes, wires, conduits, ducts, flues, shafts, or public utility, water or sewer lines situated within

such Apartment Unit and forming part of any system serving one or more other Apartment Units or the Common Elements shall be deemed to be part of the Common Elements.

3.4 "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of CENTER COURT VILLAS HOMEOWNERS ASSOCIATION, INC., which will be a non-profit corporation whose membership will be comprised of the Owners of all of the Units.

3.5 "Association" means CENTER COURT VILLAS HOMEOWNERS ASSOCIATION, INC., an Arizona non-profit corporation, the members of which shall be the owners of all of the Units.

3.6 "Board" or "Board of Directors" means the governing body of the Association as more particularly set forth in paragraph 13.2 hereof.

3.7 "Building" means any one (or all if the context requires) of the five (5) multi-family structures to be erected and the one (1) existing multi-family structure upon the Parcel as shown upon the Plat.

3.8 "By-Laws" means the By-Laws of the Association as the same may be amended from time to time.

3.9 "Common Expenses" means the items more particularly described in paragraph 14.1 below.

3.10 "Common Elements" means the "general common elements" as that term is defined in Section 33-551, Arizona Revised Statutes, and includes the Parcel and all other portions of the Property, except the units. Common Elements are more particularly described in paragraph 5.5 below, and are identified on the Plat as Common Elements.

3.11 "Condominium" means an Apartment Unit, together with the undivided percentage interest in and to the General Common Elements, which interest and the General Common Elements are more particularly described in part 5 below, and all appurtenances, including parking spaces.

3.12 "Condominium Constituent Documents" means this Declaration and any amendments thereto, the Articles and By-Laws, any rules and regulations of the Association and all such other documents as pertain to the Condominium Project.

3.13 "Condominium Project" means the Property and each and every component thereof, including the Apartment Units and the Common Elements.

3.14 "Declarant" means JOHN G. STELZMILLER and LAVETA STELZMILLER, husband and wife, or its assigns (if specifically so designated by Declarant).

3.15 "First Mortgage" means a first lien deed of trust, as well as a first mortgage, on a Unit. "First Mortgagee" means the holder of a first mortgage, as well as a beneficiary or trustee under a first deed of trust, its successors and assigns.

3.16 "Declaration" means this instrument by which the Property is submitted to a Horizontal Property Regime as such Declaration may from time to time be amended.

3.17 "Majority" or "Majority Owners" means the Owners of more than fifty-percent (50%) of the undivided ownership of the Common Elements. Any specified percentage of the Owners means that percentage of undivided ownership of the Common Elements.

3.18 "Owner" or "Co-Owner" or "Unit Owner" means the person or persons whose estates or interest individually or collectively aggregate fee simple ownership of a condominium and the person or persons who are purchasers under a valid and outstanding recorded agreement of sale with respect to a condominium, but shall not include a person whose interest is limited to security for a loan unless the context otherwise requires.

3.19 "Occupant" means a person or persons (and if the context so requires, also an Owner) in possession of a condominium.

3.20 "Parcel" means the parcel or tract of real estate described above in this Declaration, submitted to a Horizontal Property Regime.

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

3.22 "Plat" means the Plat of survey of the Property, which said Plat is recorded in Book 241 of Maps, Page 6, of the official records of the County Recorder of Maricopa County, State of Arizona.

3.23 "Property" or "Condominium Property" shall have the same meaning as set forth in Section 33-551, Arizona Revised Statutes, as related to the development which is the subject matter of this Declaration, together with all fixtures and equipment intended for the mutual use, benefits and enjoyment of Condominium Owners.

3.24 "Record" or "Recording" refers to the County Records of recordings in the office of the County Recorder of Maricopa County, Arizona.

3.25 "Servicer" means the person or entity servicing a First Mortgage (including the First Mortgagee, if applicable), its successors and assigns.

4. Submission of Property. Declarant hereby submits and subjects Phase I of the Property to a Horizontal Property Regime pursuant to Sections 33-551 through 33-561, Arizona Revised Statutes, and does hereby declare that all of the Condominiums shall be owned, leased, sold and conveyed subject to the terms, conditions and other provisions of this Declaration.

5. Horizontal Property Regime and Descriptions. The entire Horizontal Property Regime shall be composed of sixteen (16) units (Condominiums), numbered and lettered as shown on the Plat, as Phase I, and described herein, together with the Common Elements thereof. Subject to the provisions of Paragraph 5.7 herein, upon completion of all two (2) phases, the entire Horizontal Property Regime will ultimately be composed of thirty-four (34) units.

5.1 The undivided interest in the Common Elements and Facilities hereby established, and which shall be conveyed

with each respective unit space, shall be that fraction in which the numerator is one (1) and the denominator is the total of units in the Phase (sixteen [16] equals one [1] divided by sixteen [16]; [1/16]). The undivided interests in the Common Elements and the fee titles to the respective Apartment Units conveyed therewith shall not be separated or separately conveyed and each said undivided interest shall be deemed to be conveyed or encumbered with its respective Apartment Unit, even though the description in the instrument of conveyance or encumbrance may refer only to the fee title of the Apartment Unit.

5.2 The proportionate shares of the Owners of the respective Apartment Units in the profits and common expenses of the Common Elements and Facilities shall be the same as the fractional undivided interest established for each Apartment Unit in paragraph 5.1 above.

5.3 A description of the cubic content space of the Buildings with reference to their location of the Parcel is set forth on the Plat. The upper boundary of each Building shall be the plane of the exterior roof elevations of the Building, as shown on the Plat, and the lower boundary shall be the plane of the unfinished floor elevation of the Building (which shall include the floor/slab) as shown on the Plat. The vertical boundaries shall be the exterior of the outside walls including any and all projects, such as balconies, roof overhangs, parapet walls, if any).

5.4 The cubic content space of each Apartment Unit shall consist of and be measured by the entire space between the interior unfinished surface of horizontal and vertical boundaries thereof as shown on the Plat.

5.5 The Common Elements are as defined on the Plat as Common Area "A" and Common Area "B" thereof plus the multi-family structures (Buildings) specifically including, but not limited to the slabs, walls, roof, pipes, wires, conduits, public utility lines, patios and balconies, if any, parking spaces, grounds, landscaping, laundry buildings, and recreational facilities, if any.

5.6 (a) Each Unit shall have assigned to it the exclusive right to the use of at least one (1) covered parking space, as designated on the attached list, marked as Exhibit D, which is located on the Condominium Property. The carports are numbered on the Plat, and all assignments shall refer to and use the number system shown on the Plat. This right of exclusive use shall be, and is hereby declared to be, an appurtenance to ownership of the Unit; provided, however, the actual space to be used shall be assigned by the Declarant (or subsequently by the Board), and that assignment shall be reflected on the records of the Association. Carport spaces may not be assigned or relinquished by a Condominium Owner. The use of the carports assigned to Units referred to above as well as all other carports, if any, shall be subject to the reasonable rules and regulations of the Board.

5.6 (b) Each Owner of a Unit shall have the exclusive right to use of the patio or balcony, if any, appurtenant thereto and is hereby declared to be an appurtenance to ownership of the Unit.

5.7 Phasing Explanation. As set forth in the Paragraph 1 of this Declaration, the Condominium Project will be developed in two phases. The legal method of phasing to be used will be that of the adjustment of title method, whereby Unit Owners in Phase I, are granted a one-sixteenth (1/16) interest to the Common Areas in Phase I. At such time as the

eighteen (18) Units of Phase II are added, the undivided ownership in the Association and interest in the Common Elements shall be adjusted as herein set forth so that each Unit Owner will have a one-thirty-fourth (1/34) interest. Phase II of this project shall be of the same type of structure and improvement and of the same quality that exists in Phase I. Upon the annexation of Phase II all taxes, assessments and other charges to each apartment unit shall be the same as all other apartment units, such that each unit will be responsible for one-thirty-fourth of the total. At such time as Phase II is annexed, a document similar to or the same as Exhibit "E" attached hereto, shall be used for annexation. The deed conveying each and every unit in Phase I and II shall contain an adjustment provision designating that upon the recordation of Annexation of the additional Phases, that the specified fractional interest in the Association will change from one-sixteenth (1/16) to one-thirty-fourth (1/34). The legal description of the property which will comprise Phase I and Phase II of the Condominium Project have been attached hereto and incorporated herein as Exhibits. Declarant shall commence payment of the full assessment on all unconveyed and completed units within sixty (60) days of the first conveyance of a unit and a newly annexed phase or upon the first occupancy, whichever occurs first. Phase II of this project shall be annexed no later than September 1, 1987. Voting in the homeowners association shall be on the basis, and as set forth in Section 13.4 hereof.

6. Consent to Restrictions, Covenants and Conditions. Each and every Owner of a Condominium described herein, by the acceptance of a deed therefor, whether from Declarant or from any subsequent Owner, or by the signing of contracts or agreements to purchase the same, and all others who at any time shall obtain any interest in the Property or a part thereof, shall thereby consent, agree and affirm all of the restrictions, covenants and conditions hereof and shall thereby agree to be bound by, keep and perform the same in strict compliance with this Declaration and the Articles of Incorporation and By-Laws, and such rules and regulations as may be adopted by the Association or by the Board from time to time. Failure to comply with any of the same shall be grounds for an action to recover damages or for injunctive relief, or for the exercise of any other available remedies in accordance with law and as set forth herein. Each Occupant shall be bound by the provisions of this Declaration and the Condominium Constituent Documents.

7. Use and Occupancy Restrictions. The use and occupancy of the Property shall be in conformity with all deed restrictions and zoning and other ordinances, rules and regulations of all appropriate governmental agencies and, subject to the foregoing, shall be in accordance with the following provisions as long as the Condominium Project exists.

7.1 Occupancy. No part of the Property shall be used for other than housing and the related purposes for which the Property was designed. Each of the Apartment Units shall be used as a residence and for no other purpose.

7.2 Common Elements. Except for the rights of exclusive use set forth herein, each Owner shall have the right to use the Common Elements in common with all other Owners. The use, maintenance and operation of the Common Elements will not be obstructed, damaged or unreasonably interfered with by any Owner or Occupant.

7.3 Nuisance. No nuisances shall be allowed upon the Property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Owner

of a Condominium shall permit or suffer anything to be done or kept upon his Apartment Unit or make any use of his Apartment Unit which will increase the rate of insurance upon the Property or any part thereof.

7.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Property nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the Property shall be the same (either the responsibility of the Condominium Owner or of the Association) as the responsibility for the maintenance and repair of the particular part of the Property affected. Except for the right of ingress and egress, the Owners of Condominiums are hereby prohibited and restricted from using any land or air space outside of their Apartment Unit except as may be allowed by this Declaration or by the Association.

7.5 Leasing. All leasing contracts shall be in writing and shall be made subject to the provisions of this Declaration. With the exception of a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Condominium Owner shall be permitted to lease his Unit for transient or hotel purposes. No Owner may lease less than the entire Apartment Unit. Any lease agreement shall be subject in all respects to the provisions of the Declaration and the By-Laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

7.6 Pets. Only household pets may be kept in the Apartment Units; provided, however, the Board, in accordance with paragraph 7.11 below, may limit or restrict the number and kinds of pets which may be kept in an Apartment Unit and otherwise regulate pets.

7.7 Signs. No advertising or other signs shall be erected, placed or permitted to remain on any Apartment Unit or the Property except as otherwise approved by the Board. The Board may designate a particular place on the Property where a "for rent" or "for sale" sign or signs may be placed.

7.8 Business Activities. No business activities shall be conducted in any Apartment Unit or on any portion of the Property, provided, however, the foregoing restrictions shall not be construed in such manner as to prohibit an Owner from (i) maintaining his personal professional library therein; (ii) keeping his personal, business or professional records or accounts therein; and (iii) handling his personal business calls or correspondence therefrom.

7.9 Declarant Exempt. Until all Units have been sold and conveyed by the Declarant, Declarant may make such reasonable use of the unsold Apartment Units, the Common Elements and any part of the Property as may facilitate the completion of any contemplated improvements and the sale of the Condominiums, including, but not limited to maintenance of construction facilities and offices, sales offices, model Apartment Units, placement of signs on the Property and the rights of the ingress and egress therefrom. Neither the Owners nor the Association shall interfere with any completion of improvements, remodeling or sale of the Units.

7.10 Common Walls. Any wall which separates one Apartment Unit from another, shall not be used by an Owner of the Apartment Unit for the purpose of attaching anything to



said wall which is recreational or which produces noise of sound in any way whatsoever, nor shall an Owner be permitted to penetrate any said wall in excess of one (1) inch from the exterior of said wall.

7.11 Excessive Weight. No items of excessive or unusual weight or bulk shall be placed in any second floor Apartment Unit without the express written consent of the Board of Directors of the Association or a duly authorized committee. Before placing any unusually heavy or bulky items in a second floor Apartment Unit, the Owner must obtain a determination by the Board of Directors of the Association or its designated committee as to whether such items may be allowed.

7.12 Rules and Regulations. Reasonable rules and regulations concerning the use of the Property and all portions thereof and imposing reasonable restrictions upon the Owners and use of the Apartment Units may be made and amended from time to time by the Board. Notwithstanding the foregoing, until seventy-five percent (75%) of all the Condominiums are sold by Declarant, as evidenced by deeds (or recorded Agreements of Sale) delivered to purchasers, the Board (without any additional approval of the members of the Association) shall be authorized to promulgate the rules and regulations referred to above. Copies of such regulations and amendments thereto shall be furnished by the Association to all Owners and residents of the Property.

8. Easements. The following easements are covenants running with the land of the Condominium Property:

8.1 Utility Easements. The right of the Association to grant easements for utilities is hereby reserved throughout the Condominium Property, as may be required for utility services in order to adequately serve the Condominium Project; provided, however, such easements through an Apartment Unit shall be only according to the plans and specifications for the Buildings, or as the Buildings were constructed unless approved in writing by the Unit Owner.

8.2 Ingress and Egress. Easements for ingress and egress are hereby reserved to the Owners of Condominiums for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes as the same from time to time exist upon the Common Elements; and for vehicular traffic over, through and across such portions of the Common Elements as from time to time may be paved and intended for such purposes.

8.3 Easements in Parking Areas. Easements are hereby reserved to the Owners of Condominiums for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes; and for the construction and maintenance of water, sewer and other utilities.

8.4 Encroachments. Each Apartment Unit and the Common Elements shall be subject to an easement for encroachments, including but not limited to encroachments of walls, ceilings, ledges, floors and roofs created by construction, settling and overhangs as originally designed or constructed, or as created by discrepancies between the Plat and the actual construction. If any portion of the Common Elements shall actually encroach any Apartment Unit or any Apartment Unit shall actually encroach upon another Apartment Unit, as the

Common Elements and the Apartment Units are shown by the Plat, a valid easement for any of said encroachments and for the maintenance thereof, so long as they stand, shall and does exist. In the event that any Apartment Unit or structure is repaired, altered or reconstructed, the Owners of the Units agree that similar encroachments shall be permitted and that a valid easement for said encroachments and for the maintenance thereof shall exist. Owners and any other parties acquiring any interest in the Property shall acquiesce and agree to the existence of such easements by accepting a deed from any seller or by acquiring any interest whatsoever in the Property.

9. Condemnation. Upon a condemnation proceeding, the Association shall designate a representative or other trustee to act on the Association's behalf. If a portion of the Common Elements should be taken by exercise of the power of eminent domain, or should be transferred and conveyed to a condemning authority in anticipation of such exercise, the entire award made as compensation for such taking, including but without limitation, any amount awarded as severance damages, or the entire amount received and paid in anticipation of such taking, after deducting therefrom, in each case, reasonable and necessary costs and expenses, including but without limitation, attorneys' fees, appraiser's fees, and court costs (which net amount is hereinafter in this part 9 referred to as the "Award") shall be paid to the Board, as trustee for all Owners and First Mortgagees. If the portion of the Common Elements taken or conveyed shall not be comprised of, or include, all or any part of a Building, as soon as practicable, the Board shall cause the Award to be utilized for the purpose of repairing and restoring the Property, including, if the Board deems it necessary or desirable, the replacement of any improvements so taken or conveyed. If the portion of the Common Elements taken or conveyed is comprised of, or includes, all or any part, of a Building, the Board shall call a special meeting of the members of the Association, with notice to all First Mortgagees then of record with reference to Units, to convene within thirty (30) days after its receipt of the Award to determine whether and, if so, in what manner, the applicable building shall be restored, reconstituted or replaced. If two-thirds (2/3) of the Owners and two-thirds (2/3) of the First Mortgagees determine, at such special meeting, not to restore, reconstitute or replace the applicable building and related improvements, the Board shall utilize the Award to effect such minimum repairs thereto as shall be necessary to comply with all applicable requirements of law and shall divide the remainder of the Award in as many shares as there are Units affected by the condemnation. Such shares shall be distributed to the affected Owners and First Mortgagees, as their interest appear. If the Award should exceed the cost of repair and restoration, any excess shall, as soon as practicable following the completion thereof, be divided into shares and distributed in the same manner as provided in the immediate preceding sentence.

10. Maintenance, Repairs and Replacements. Responsibility for the maintenance, repairs and replacements of the Property shall be as follows:

10.1 In connection with Apartment Units, the Association shall maintain, repair and replace, at the Association's expense:

10.1 (a) All areas of exclusive use appurtenant to the Apartment Unit, except patios and balconies and interiors of storage areas (other than structural defects).

10.1 (b) All items within an Apartment Unit (except interior surfaces), which contribute to the support of the building, which shall include, but shall not be limited to the outside walls of the Apartment Unit, floor and ceiling slabs, load bearing columns, load bearing walls, and all fixtures on the exterior boundary walls of an Apartment Unit serving the Common Elements or other Apartment Units.

10.1 (c) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of an Apartment Unit maintained by the Association, and all facilities contained within an Apartment Unit which service part or parts of the Condominium Property other than the Apartment Unit within which such facilities are contained, except for each Apartment's heating and air conditioning units.

10.1 (d) Notwithstanding the foregoing, the Association shall have the authority to require Condominium Owners to maintain, repair and replace all damages to windows and sliding glass doors except in the case of damage for which insurance proceeds are paid under policies purchased by the Association.

10.2 In connection with Apartment Units, the Owner shall maintain, repair and replace, at the Owner's expense:

10.2 (a) All portions of his Apartment Unit except the portions to be maintained, repaired and replaced by the Association. Such work shall be done without disturbing the rights of other Apartment Unit Owners.

10.2 (b) The portions of an Apartment Unit including, but not limited to the following items: service equipment such as dishwasher, laundry, refrigerator, oven, stove, water heater, heating and air conditioning units, whether or not such items are built-in fixtures; interior fixtures such as electrical and plumbing fixtures; floor coverings except the floor slab; all interior surfaces including but not limited to the inside paint and other inside wall finishes.

10.3 In connection with the Common Elements, maintenance, repairs and replacement of the Common Elements shall be furnished by the Association as part of the Common Expenses, subject to the provisions of this Declaration, the Articles of Incorporation, the By-Laws and the rules and regulations of the Association.

#### 10.4 Additional Provisions.

10.4 (a) If, due to the act or neglect of any Owner or a member of his family or household pet or guest or other authorized Occupant, or visitor or invitee of such Owner, damage shall be caused to the Common Elements or to an Apartment Unit owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Owner shall, at the extent required by local law, pay for such damage and for such maintenance, repairs and replacements to the extent not covered by the Association's insurance.

10.4 (b) No Owner shall paint or otherwise decorate or change the appearance of any portion of the exterior of any building without the prior written approval of the Board.

10.4 (c) Each Owner shall promptly report to the Association any defect or need for repairs, the responsibility for remedying of which is that of the Association.

10.4 (d) An authorized representative of the Board, or of the manager of managing agent of the Property, and all contractors and repairmen employed or engaged by the Association or such manager or managing agent, shall be entitled to reasonable access to each of the Apartment Units as may be required in connection with maintenance, repairs or replacements of or to the Common Elements or any equipment, facilities, or fixtures affecting or serving other Apartment Units and the Common Elements.

11. Alterations, Additions, and Improvements. Except for original construction work undertaken by Declarant, with respect to any Apartment Unit or the Common Elements, there shall be no structural alterations, additions or improvements to the Common Elements without the prior approval of the Majority of the Owners given at a regular or special meeting of Members of the Association. Unless otherwise determined at any such meeting, the cost of such alterations, additions or improvements to the Common Elements shall be paid by means of a special assessment against the Owners in the proportion of their respective undivided interests in and to the Common elements. Any Owner may make nonstructural additions, alterations and improvements within his Unit without the prior written approval of the Board, but such Owner shall be responsible for any damage to other Apartments, the Common Elements or the Condominium Property which results from any such alterations or improvements within an Apartment Unit. Unless an architect or engineer, licensed in Arizona, certifies that an addition, alteration or improvement will not impair the structural integrity of the Building within which it is to be made, such addition, alteration or improvement must first be approved by the Board. The Owner shall, to the extent required by local law, be responsible for any damage to other Apartments, the Common Elements or the Condominium Property which result from any such additions, alterations or improvements. Notwithstanding the foregoing, no addition, alteration or improvement within the Apartment Unit, whether structural or not, shall be made without the prior written approval of the Board, if said addition, alteration or improvement is reasonably visible from other portions of the Condominium Property or from the surrounding neighborhood, and prior to granting such approval, the Board must affirmatively find that the proposed addition, alteration or improvement is aesthetically pleasing and in harmony with the surrounding improvements and the Condominium Property.

12. Decorating. Each Owner, at his own expense, shall furnish and be responsible for all of the decorating within his own Apartment Unit, from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lamps and other furniture and interior decorating; provided however, no reflective materials shall be placed in the windows or on other surfaces which can be seen from the outside of the buildings, without the approval of the Board. Subject to the provisions of this Declaration, each Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls,

floors and ceilings within his Apartment, and such Owner shall maintain such surfaces in good condition at his sole expense. Said maintenance may be subject to such rules and regulations of the Association as may be necessary for the common good of the Property. Decorating of the Common Elements (other than interior surfaces within the Apartment as above provided), and any redecorating of Apartments to the extent made necessary by and damage to existing decorating of such Apartment caused by maintenance, repair or replacement work on the Common Elements by the Association, shall be furnished by the Association as part of the windows and glass doors (if any) forming part of a perimeter wall of an Apartment shall be cleaned or washed at the expense of each Owner unless the Board determines otherwise. Decorating of patios and balconies shall be the responsibility of each Unit Owner having the use of such, but subject to the rules and regulations of the Board.

13. Association. The Association has been or will be formed no later than thirty (30) days after the conveyance of the first Condominium in the Project, and shall fulfill its functions pursuant to the provisions of the Condominium Constituent Documents.

13.1 Definition, Powers, Memberships. The Association shall constitute the "council of co-owners" as that term is defined in the Act, and shall serve as the governing body for the Condominium Project, and without limiting its powers and function, the Association shall provide for the maintenance, repair, replacement, administration and operation of the Property, the assessment of expenses, payment of losses, disposition of hazard insurance proceeds, and other matters as provided in the Act and the Condominium Constituent Documents. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it in accordance with the provisions of the Condominium Constituent Documents. Each Unit Owner shall be a member of the Association and have one vote in the Association for each unit owned, so long as he shall be an Owner, and such membership shall automatically terminate when he ceases to be an Owner and upon the transfer of his ownership interest the new Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association.

13.2 Board of Directors of the Association. The Board of Directors shall be elected by the members of the Association. The first annual meeting of the members of the Association of the corporation shall be held within sixty (60) days after the builder has constructed and conveyed sixty-six percent (66%) of the total number of residence units to be constructed within the entire Project, including all Phases, or within one (1) year from the date of incorporation, whichever is sooner. Thereafter, the annual meeting of the members of the Association shall be on the anniversary of the first annual meeting of the membership.

13.3 Board's Determination Binding. The Board of Directors of the Association shall be the management body of the Project. Decisions of the Board not otherwise requiring a vote of the Owners and approval of the first mortgagees shall be final and binding upon all members of the Association. If a decision cannot be reached by the Board upon any matter submitted to or considered by the Board, it shall be determined by the members of the Association at a duly authorized and noticed meeting of the Association.

13.4 Voting Rights. The Association shall have two (2) classes of voting membership as follows:

Class A. Class A member(s) shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or

(b) Within five (5) years from the date of this Declaration.

14. Assessments. In accordance with and subject to the Condominium Constituent Documents, the Association shall levy, make and collect assessments against the Owners so as to provide for the payment of the Common Expenses. It will be the responsibility of each Owner to pay for his own Apartment's utilities. Assessments will commence as to all Units in each phase when a unit is completed, ready for occupancy and the phase has been annexed.

14.1 Common Expenses. The total amount to be assessed shall be the total of the Common Expenses which shall include:

14.1 (a) All expenses of administration of the Condominium Project (including but not limited to legal, accounting and management fees); all utility services for the Common Elements only; insurance required hereunder and otherwise as determined by the Board; costs of maintenance, operation, repair, replacement and betterment of the Common Elements (including but not limited to painting, landscaping, repairs, replacements, alterations, additions, reconstruction, services, supplies, labor, materials, equipment and other related items); taxes levied on the Association, as a whole, if any; and any valid charge against the Condominium Project as a whole as determined by the Board of Directors (including but not limited to all costs of enforcing compliance with this Declaration, deficiencies due to nonpayment by Owners, and such costs as are deemed necessary to meet the purposes of the Association).

14.1 (b) Such amounts as determined by the Board for the establishment and maintenance of a reserve fund, which reserve fund shall be adequate to meet the costs and expenses of maintenance, repairs and replacements of those Common Elements which must be maintained, repaired and replaced on a periodic basis. Such reserve fund shall be funded and derived from the regular assessments payable in regular installments and not by means of a special assessment or levy.

14.2 Amount of Assessment. Each Condominium and the Owner thereof, subject to the terms hereof, shall be assessed an amount of the Common Expense equal to the Condominiums percentage ownership interest in the Common Elements, and in addition thereto, and by means of a special assessment:

14.2 (a) If a Condominium Owner fails to perform maintenance, repairs, and replacements which are his obligation, then, after written notice from the Board to perform such maintenance, repairs or replacements within a reasonable time limit as may be set by the Board, the Board may perform such needed maintenance, repairs, and replacements, and shall levy an assessment against such Owner thereof equal to the amount so expended.

14.2 (b) All costs incurred in the enforcement of the provisions of this Declaration against any Owner, including but not limited to attorney's fees and court costs shall be assessed to the Condominium and the Owner against whom enforcement is sought.

14.2 (c) Written notice of any meeting called for the purpose of taking any action authorized under Section 14.2 and Section 16 herein shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

14.2 (d) Special assessments must be approved by a two-thirds (2/3) vote of the membership at a duly called meeting of the Association.

14.3 Determination by Board. The total amount of the regular assessment and each Owner's share thereof, as set forth herein, shall be determined and established by the Board at reasonable intervals, and in accordance with the terms of the Articles and By-Laws. Each Owner's share of the total assessment shall be paid, as directed by the Board and set forth in sub-paragraph 14.2 (a), (b), (c) and (d) above, special assessments are hereby authorized in the event of unanticipated costs or expenses and any such special assessments for unanticipated costs or expenses shall be charged to the Condominiums in the same proportion as regular assessments, subject to the provisions described in Section 14.2 above. Notwithstanding the foregoing, any first mortgagee shall have no obligation to pay any assessments or installments that accrued prior to the time it became entitled to actual possession of or took title to the Condominium whichever is first.

14.4 Accounting. The Board of Directors, at all times, shall keep, or cause to be kept, true and correct records of account in accordance with generally accepted accounting principles, and shall have available for the inspection of all voting Owners and First Mortgagees, at reasonable times, such books which shall specify in reasonable detail all expenses incurred and funds accumulated from assessments or otherwise.

14.5 Payment of Assessments and Lien Rights.

14.5 (a) The Board or its designated representative shall notify the Owners of Condominiums of the Condominium's share of the total assessment and when such amounts are due and payable, all assessments shall be payable in regular installments. Each Owner, for himself, his heirs, successors, grantees, and assigns, covenants that with respect to charges so determined during the period that he is an Owner, he will remit these charges to the Association of the party or parties as directed by the Board.

14.5 (b) Assessments attributable to Condominiums and/or installments thereof shall be paid on or before the dates established by the Board, and all sums not so paid may bear interest at the rate of ten percent (10%) from the due date until paid, at the election of the Board. All payments on account shall be first applied to interest and then to the assessment payment first due.

14.5 (c) No Owner may exempt himself from paying such assessments or charges by being a non-user of the General Common Elements or by abandoning the Unit of which he is the record Owner, or by otherwise avoiding such obligations.

14.5 (d) Each assessment or any other charge made on a Condominium pursuant to the Condominium Constituent Documents shall constitute a lien on such Condominium to secure the payment of such amounts, which lien and the right to foreclose the same shall be in addition to and not in substitution of all the rights and remedies which the Association and the Board may have in accordance with the provisions of this Declaration or otherwise.

14.5 (e) Each Owner by his acceptance of a deed to a Condominium hereby expressly vests in the Association or its agents the right and power to bring all actions against such Owner personally for the collection of all such assessments or charges as a debt, and to enforce the lien securing same by all methods available for the enforcement of such liens including foreclosure by an action brought in the name of the Association in the like manner as a mortgage of real property and/or as a mechanic's lien, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this paragraph 14.5 shall be in favor of the Association and shall be for the benefit of all other Unit Owners. The Association shall have the power to bid in any foreclosure sale pursuant to such foreclosure, and to acquire and hold, lease, mortgage and convey the Condominium so purchased. The Association may institute suit to recover a money judgment for unpaid obligations of the Owner without being required to foreclose its lien on the Condominium involved and without waiving the lien which secures such obligations.

14.6 The provisions of this part 14 are expressly declare to be subject to the provisions of part 19 below.

15. Insurance. Insurance shall be carried by the Association on the Condominium Property and shall be governed by the following provisions:

15.1 Authority to Purchase. The Board shall purchase and maintain certain insurance upon the Condominium Property, including but not limited to the insurance described in paragraph 15.2, below, which insurance is to be purchased by the Association for the benefit of the Association, the Unit Owners, and the First Mortgagees, as their interests may appear. Provisions shall be made for the issuance of certificates of endorsement to the First Mortgagee of any First Mortgage. Such policies and endorsements thereon, or copies thereof, shall be deposited with the Association. The Board shall deliver a copy of the policies, or by and through their agent advise the Unit Owners of the coverage of said policies to determine which particular items are included within the coverage so that the Unit Owners may insure themselves as they see fit if certain items are not insured by the Association. Without limiting the generality of the foregoing, it shall be each Owner's responsibility



ity to provide for himself Owner's liability insurance, theft, or other insurance which is not carried by the Association as the Unit Owner desires.

15.2 Coverage. The Association shall maintain and pay for policies of insurance as follows:

15.2 (a) A multi-peril type policy covering the entire Condominium Project providing, as a minimum, fire and extended coverage, and all other coverage in kinds and amounts customarily acquired or required for projects similar in construction, location and use, including but not limited to vandalism and malicious mischief, in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement costs).

15.2 (b) A comprehensive policy of public liability insurance covering all of the Common Elements and public ways in the Condominium Project in a minimum amount of at least one million dollars (\$1,000,000.00) per occurrence, for personal injury and/or property damage. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association and its agents or other Unit Owners. The scope of such coverage shall include all other coverage in the kinds and amounts customarily acquired or required by projects similar in construction, location and use.

15.2 (c) If there is a steam boiler in operation in connection with the Condominium Project, there must be in force boiler explosion insurance evidenced by the standard form of boiler and machinery insurance policy and providing, as minimum coverage, fifty thousand dollars (\$50,000.00) per accident per location.

15.2 (d) The Association must obtain fidelity coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the name insured and shall be written to provide protection which is in no event less than one and one-half times the insured's estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any person who serves without compensation shall be added if the policy would not otherwise cover volunteers.

15.2 (e) A workmen's compensation policy, if necessary to meet the requirements of law.

15.2 (f) Flood insurance, if necessary, according to Veterans Administration regulations.

15.2 (g) Such other insurance as the Board shall determine from time to time to be desirable.

15.3 Provisions Required. The insurance policies purchased by the Association shall, to the extent possible, contain the following provisions:

15.3 (a) The coverage afforded by such policies shall not be brought into contribution or proration with any

insurance which may be purchased by Unit Owners or First Mortgagees.

15.3 (b) The conduct of any one or more Unit Owners shall not constitute grounds for avoiding liability on any such policies.

15.3 (c) There shall be no subrogation with respect to the Association, its employees, Unit Owners and members of their household and their families and employees, or the policy (ies) should name said persons as additional insureds.

15.3 (d) A "severability of interest" endorsement shall be obtained which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners.

15.3 (e) A statement of the name of the insured shall be included in all policies, in form and substance similar to the following:

"CENTER COURT VILLAS HOMEOWNERS ASSOCIATION, INC., for the use and benefit of the individual owners" (designated by name, if required).

15.3 (f) A standard mortgage clause which must be endorsed to provide that any proceeds shall be paid to the CENTER COURT VILLAS HOMEOWNERS ASSOCIATION, INC., for the use and benefit of First Mortgagees as their interest may appear, or which must be otherwise endorsed to fully protect the interest of First Mortgagees, their successors and assigns.

15.3 (g) For policies of hazard insurance, a standard mortgage clause shall provide that the insurance carrier shall notify the First Mortgagee named at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.

15.3 (h) Any "no other insurance" clause shall exclude insurance purchased by Unit Owners or First Mortgagees.

#### 15.4 First Mortgagee Protection.

15.4 (a) The Association shall provide each First Mortgagee who requests, in writing, to be notified with a letter wherein the Association agrees to give written notice to each First Mortgagee, or Servicer of a mortgage, or any entity or person designated by such First Mortgagee or Servicer, whenever:

1. Damage to a Unit covered by a First Mortgagee exceed one thousand dollars (\$1,000.00); and/or
2. Damage to the Common Elements and related facilities exceeds ten thousand dollars (\$10,000.00), and/or
3. Any casualty or liability loss that exceeds one thousand dollars (\$1,000.00); and/or
4. Any change in an insurance policy's coverage, amount or company.

15.4 (b) Each hazard insurance policy shall be in writing by a hazard insurance carrier which has a financing rating by Best's Insurance Reports of Class VI or better, or if such rating be discontinued, by a successor thereto or a similar such rating service.

15.4 (c) Each insurance carrier must be specifically licensed or authorized by law to transact business within the State of Arizona.

15.4 (d) Policies shall not be utilized where:

1. Under the terms of the carrier's charter, By-Laws or policy, contributions or assessments may be made against the Unit Owner or First Mortgagee or any entity or person purchasing or guaranteeing any First Mortgage; or
2. By the terms of the carrier's charter, By-Laws or policy, loss payments are contingent upon action by the carrier's Board of Directors, policyholders or members; or
3. The policy includes any limiting clauses (other than insurance condition) which could prevent any Unit Owner or the First Mortgagee, its successors or assigns from collecting insurance proceeds.

15.4 (e) The mortgagee clause of each insurance policy shall be properly endorsed, and there must have been given necessary notices of transfer, and any other action required to be taken must be taken in order to fully protect, under the terms of the policies and applicable law, the interest of all First Mortgagees, their successors and assigns. Where permissible, the insurance carrier shall be required to name the Servicer of a First Mortgage, or "(name of servicer) of assigns", as First Mortgagee, under the mortgage clause. If permissible, where a deed of trust is utilized, the insurance carrier shall be required to use ("[name of trustee] for the benefit of [name of servicer])" instead of only the name of trustee under the deed of trust.

15.4 (f) All insurance drafts, notices, policies, invoices, and all other similar documents, or their equivalent, shall be delivered directly to each Servicer involved regardless of the manner in which the mortgagee clause is endorsed. The Servicer's address on any First Mortgagee endorsement on a policy shall be used in the endorsements in lieu of the address of the First Mortgagee if requested by the First Mortgagee.

15.4 (g) First Mortgagees may pay overdue premiums, or may secure new insurance coverage on the lapse of a policy, with respect to any insurance required to be maintained by the Association as provided in this part, and First Mortgagees making expenditures therefor shall be owed immediate reimbursement by the Association.

15.5 Non-Liability of Association/Board. Notwithstanding the duty of the Association to obtain insurance coverage as stated herein, neither the Association nor any Board member shall be liable to any Owner or any other party if any risks or hazards, other than those covered above, are not covered by insurance and it shall be the responsibility of each Unit Owner to ascertain the coverage and protection af-

forded by the Association's insurance and to procure and pay for such additional insurance coverage and protection the said Unit Owner may desire.

15.6 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that the amount of increase over any annual or other premium occasioned by the use, misuse, occupancy or abandonment of an Apartment Unit or its appurtenances, or of the Common Elements by an Owner, shall be assessed against that particular Owner.

15.7 Insurance Claims. The Association, acting by and through its Board, is hereby irrevocably appointed agent for each Owner and for each holder of a first mortgage or other lien upon a Unit, and for each Owner of any other interest in the Condominium Property, subject to the provisions contained herein, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims, and the Board has full and complete power to act for the Association in this regard.

15.8 Benefit. Except as otherwise provided herein, all insurance policies purchased by the Association shall be for the benefit of the Association, the Unit Owners and First Mortgagees as their interests may appear.

16. Maximum Annual Assessment. Until January 1, of the year immediately following the conveyance of the first Unit to an Owner (other than Declarant), the maximum annual assessment per each Unit conveyed shall be Five hundred and seventy-six dollars (\$576.00), an amount equal to Forty-eight dollars (\$48.00) per month.

16. (a) From and after January 1, of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased each year not more than twelve percent (12%) above the maximum assessment for the previous year without a vote of the membership.

16. (b) From and after January 1, of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased each year an amount above twelve percent (12%) by a vote of two-thirds (2/3) of members who are voting in person or by proxy, at a meeting duly called for this purpose.

16. (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

17. Damage and Repair. If all or any part of the Condominium Property or any Property in which the Association owns an interest is damaged or destroyed by fire or other hazard, whether or not it shall be repaired or reconstructed, shall be determined in the following manner:

17.1 Common Elements. If the damaged property is part of the Common Elements or any property in which the Association owns an interest, it shall be repaired or reconstructed, unless it is determined in the manner thereafter provided that the Condominium shall be terminated.

17.2 Insurance Proceeds. An undivided share of such proceeds on account of damage to Common Elements shall be

allocated to the Unit Owners according to their shares in the Common Elements set forth in part 5 above. Proceeds, if any, on account of damage to Apartment Units shall be held for the Owners of damaged Apartment Units in proportion to the cost of repairing the damage suffered by each Apartment Unit Owner, which cost shall be determined by the Association. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held in trust for the First Mortgagee and the Unit Owner as their interests may appear.

17.3 Manner of Disbursement. The proceeds from assessments and insurance shall be disbursed in the following manner:

17.3.(a) That portion of the insurance proceeds, if any, representing damage, the reconstruction and repair of which is the responsibility of the Apartment Unit Owner, shall be paid to the Apartment Unit Owner, or, if there is a mortgagee endorsement, then to the Apartment Unit Owner and the First Mortgagee jointly, who may use such proceeds as they may determine; provided, however, to the extent that any damage to an Apartment Unit affects in any way the Common Elements or any other Owner's Apartment Unit, the proceeds must be used for the reconstruction and repair of such damage.

17.3 (b) The portion of insurance proceeds representing damage, the reconstruction and repair of which is the responsibility of the Association, shall be disbursed in payment of the costs of such repair and reconstruction in the manner required by the Board and upon approval of an architect qualified to practice in Arizona and employed by the Association to supervise the work.

17.4 Termination. If it is determined in the manner above provided that the building or buildings containing Condominium Units shall not be repaired or reconstructed because of damage or destruction, then and in such event, this Condominium may be terminated by the Owners and the mortgagees and lienholders of record of all of the Units in accordance with Arizona Revised Statutes §33-556.

18. Management Agreements. Each Unit Owner hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association acting through the Board. A copy of all management agreements shall be available to each Unit Owner. Any agreement for professional management of the Condominium Project, or any other contract providing for services shall not exceed a term of one (1) year, renewable for successive one (1) year periods, and any such agreement shall provide for termination by the Association, with or without cause, without payment of a termination fee, upon thirty (30) days written notice thereof.

19. Rights and Duties of First Mortgagee. Notwithstanding and prevailing over any other provisions of this Declaration, the Articles of Incorporation, By-Laws, or any rules, regulations or management agreements, the following provisions shall apply to and benefit each holder of a First Mortgagee upon a Condominium:

19.1 There shall be no "right of first refusal" in this condominium regime.

19.2 Any first Mortgagee or third party purchaser at a foreclosure sale or trustee's sale under a deed of trust who obtains title to a Condominium pursuant to the remedies provided in the First Mortgage for foreclosure of the mortgage will not be liable to such Condominium unpaid dues, charges or assessments which may accrue prior to the acquisition (including the expiration of any period of redemption) of title to such Condominium by the First Mortgagee.

19.3 Unless seventy-five percent (75%) of all First Mortgagees (based upon one [1] vote for each first mortgage owned), and Owners of Units having two-thirds (2/3) of the ownership of the Common Elements, or such higher percentage as required in this Declaration, or by applicable law, have given their prior written approval, the Association shall not be entitled to:

19.3 (a) By act or omission, seek to abandon or terminate this Declaration or the Condominium Project hereby established.

19.3 (b) Change the pro rata interest or obligation of any individual Condominium for the purpose of (1) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or (2) determining the pro rata share of ownership of each Condominium in the Common Elements.

19.3 (c) Partition or subdivide any Apartment Unit or Units.

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

19.3 (e) Use hazard insurance proceeds payable or paid due to losses to any Condominium Property or portion thereof (whether to Apartment Units or to Common Elements) for other than the repair, replacement or reconstruction of such Condominium Property, except as provided herein or by statute. First Mortgagees shall have the right to participate in the adjustment and settlement of any claim under any insurance maintained by the Association.

19.4 All taxes, assessments and charges which may become liens prior to a First Mortgage under local law shall relate only to the individual Condominium and not to the Condominium Project as a whole.

19.5 No provision of the Condominium Constituent Documents shall give an Owner, or any other party, priority over any rights of the first mortgagee of the Units pursuant to its first mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or taking of Condominiums and/or Common Elements.

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19.6 All amenities pertaining to the Condominium Project and located on the Property (such as parking, recreation and service areas) are a part of the Condominium Project and shall be covered by and subject to a mortgage on a Unit to the same extent as are the Common Elements.

19.7 Any institutional holder of a first mortgage on the Unit in the Project will, upon request, be entitled to: (a) inspect the books and records of the project during normal business hours; and (b) receive an annual, audited financial statement of the project within ninety (90) days following the end of any fiscal year of the project; and (c) written notice of all meetings of the Owners' Association and be permitted to designate a representative to attend all such meetings; and (d) be advised of any default or failure in the performance by the Unit's Owner to comply with the provisions, assessments and regulations under the Condominium Constituent Documents which are not cured within sixty (60) days.

19.8 At such time as the first mortgagee shall become Record Owner of a Condominium, the first mortgagee shall be subject to all of the terms and conditions of this Declaration including, but not limited to, the obligation to pay all assessments and charges accruing thereafter, in the same manner as any other Unit Owner.

19.9 The first mortgagee, or any other party acquiring title to a mortgaged Condominium through foreclosure of the first mortgage or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure or acquiring title at a trustee's sale under a first deed of trust, shall acquire title free and clear of any lien authorized by or arising out of any of the provisions of this Declaration which secures the payment of any assessment for charges accrued prior to the final conclusion of any such foreclosure or equivalent proceedings, including the expiration day of any period of redemption. Nevertheless, in the event the Unit Owner against whom the original assessment was made is the purchaser or redemptionor, the lien shall continue in effect and the said lien may be enforced by the Association.

19.10 Any lien which the Owner's Association may have on any Condominium in the Project for the payment of common expenses, assessments attributable to such Condominiums will be subordinate to the lien or equivalent secured interest of any First Mortgage on the Condominium recorded prior to the date any such common expenses, assessments became due.

19.11 Notwithstanding any provision in the Condominium Constituent Documents to the contrary, no provision of this Declaration or the Condominium Constituent Documents related to costs, use, set-back, minimum size, building materials, architectural, aesthetic or similar matters shall provide for reversion or foreclosure of title to a Condominium in the event of violation thereof. No breach or any violation of any provision of the Condominium Constituent Documents shall effect, impair, defeat or render invalid the interest or lien of any First Mortgagee.

19.12 This Declaration shall be interpreted in conformity with all rules, regulations and requirements of the Veterans Administration, and of the institutional mortgage holders, including both mortgagees and trustee beneficiaries, and including expressly but not limited to the Federal Home

Loan Mortgage Corporation and Federal National Mortgage Association, applicable to conventional mortgages on Condominiums, in effect as of this date or as hereafter amended, and any provision hereof which is inconsistent therewith shall be deemed modified to conform thereto. The Articles, By-Laws, and all rules and regulations of the Association shall be governed by this Declaration and all provisions of the Association shall be governed by this Declaration and all provisions thereof which are inconsistent herewith shall be void.

20. Covenants Running with the Land. It is intended and is hereby declared that the provisions of this Declaration shall be covenants running with the land, and such provisions, except as otherwise provided herein, shall apply to and be binding to the fullest extent permitted by law, on all successors in interest and shall benefit and be enforceable by every person who now, or at any time hereafter, owns or holds an interest in the Property.

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

22. Use of the Common Elements. Each Owner shall have the right to use the Common Elements in common with all other Owners as may be required for the purposes of access and ingress and egress to, and use, occupancy and enjoyment of, the respective Apartment Units owned by such Owner, and for such other related purposes as from time to time may be prescribed by the Board. Such right to use the Common Elements shall extend to each Owner and the agents, servants, tenants, family members and invitees of each Owner. Such rights to use and possess the Common Elements shall be subject to and governed by the provisions of this Declaration and all other Condominium Constituent Documents as well as rules and regulations promulgated by the Board of Directors of the Association.

23. Violation of Declaration; Remedies. The following provisions are in addition to and not in lieu of any other terms and conditions contained in the Declaration relating to remedies.

23.1 If any Owner (either by his conduct or by the conduct of any Occupant of his Apartment Unit) shall violate any of the provisions of this Declaration, or the provisions of the other Condominium Constituent Documents, as then in effect, and such violation shall continue for fifteen (15) days after notice in writing, or shall occur repeatedly during any fifteen (15) day period after written notice or request to cure



such violation, then the Association acting through the Board, or any authorized agents, or any other Owner, shall have the power to file an action against the defaulting Owner for a judgment or injunction against the Owner or Occupant requiring the defaulting Owner to comply with the provisions of this Declaration, the Articles, or the By-Laws or the rules and regulations, and granting other appropriate relief including money damages, reasonable attorneys' fees, court costs. Likewise, any Unit Owner shall have the power to file an action against the Association for a judgment or injunction against the Owner or Occupant requiring the Association to comply with the provisions of this Declaration, the Articles, or the By-Laws or the rules and regulations of the Association and granting other appropriate relief, including money damages, reasonable attorneys' fees and court costs. Anything to the contrary herein notwithstanding, any breach of any of the covenants, restrictions, reservations, conditions and servitudes provided for in this Declaration shall not defeat or adversely affect the lien of any First Mortgagee upon any Unit.

#### 24. Miscellaneous.

24.1 Parking Rights. The parking spaces to be provided on the Property including assigned parking spaces shall be used only for parking motor vehicles which are in operating condition and are classed by manufacturers rating as not exceeding three-fourths (3/4) of a ton. In no event shall parking spaces or private driveways be used for parking, repairing, or reconstruction of recreational vehicles, motor homes, mobile homes, trailers of any kind, campers or boats.

24.2 FHA/VA Approval. Providing the Federal Housing Administration or the Veterans Administration has issued firm commitments to insure one or more mortgages upon the Properties, and as long as there is a Unit owned by the Declarant, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Common Area, and amendment of this Declaration.

24.3 Notices. All notices, requests, demands or other communications to or upon the person referred to herein shall be deemed to have been given or made when deposited in the mail, properly addressed, postage prepaid, or in the case of telegraphic notice, when delivered to the telegraph company. No other method of giving notice is hereby precluded.

24.4 No Waiver; Remedies Cumulative. No failure or delay on the part of any person in exercising any right, power or privilege hereunder and no course of dealing between or among the persons subject hereto, shall operate as a waiver of any provision hereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof nor the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which any persons subject hereto would otherwise have. No notice to or demand on any person in any case shall entitle such person to any other or further notice or demand in similar or other circumstances or constitute a waiver of rights to any other or further action in any circumstances.

24.5 Interpretation. If there is any conflict among or between the Condominium Constituent Documents, the provisions

of this Declaration shall prevail, thereafter, priority shall be given first to the Articles, then to the By-Laws and then to the rules and regulations of the Association.

24.6 Descriptive Headings. The descriptive headings of the several sections of this instrument are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

24.7 Governing Law. This instrument and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the laws of the State of Arizona.


24.8 Binding Effect. Subject to the provisions contained herein, this instrument shall be binding upon and inure to the benefit of the successors, assigns, purchasers, mortgagees, trustees, donees and lienors of and from Declarant and upon and unto their respective successors, assigns, purchasers, mortgagees, trustees and beneficiaries of deeds of trust, encumbrancers, grantees, donees and lienors.


24.9 Amendments or Supplements to Declaration. Except as otherwise permitted or restricted in this Paragraph 24.9, the provisions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Unit Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Unit Owners; provided, however, that the holders of seventy-five percent (75%) of all first mortgagees then covering Units shall have consented, in writing, if the amendment is a material change. An eligible first mortgage holder who receives a written request to approve additions or amendments, who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request, in writing.

24.10 Annexation. Additional land may be annexed by the Declarant without the consent of the membership within four (4) years of the date of this instrument, provided that the FHA and VA determine that the annexation is in accord with the general plan heretofore approved by them. Additional residential property and Common Area may be annexed to the Property subsequent to the four (4) year term with the consent of two-thirds (2/3) of the members of the Association and two-thirds (2/3) of the eligible mortgage holders.

24.11 FNMA Approval. For as long a period of time as may be required to fully amortize any mortgage upon any of the residence units in which the Federal National Mortgage Association (FNMA) has any interest, no amendment shall be made which would be deemed to be in conflict with, or contrary to, the terms of any promissory note, mortgage, regulatory agreement or document executed by the Association or any of the Owners of residence units for the purpose of obtaining insurance or financing involving FNMA without written approval and consent of FNMA.

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the 15<sup>th</sup> day of February, 1983.

  
JOHN G. STELZMILLER

  
LAVETA STELZMILLER

83 065429

STATE OF ARIZONA        )  
                                  ) ss.  
County of Maricopa     )

On this 15th day of February, 1983,  
before me, the undersigned Notary Public, personally appeared  
JOHN G. STELMILLER and LAVETA STELMILLER  
as Declarant, and executed the within instrument for the pur-  
poses therein contained.

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

Michelle Lear  
Notary Public

MY COMMISSION EXPIRES:

November 20, 1986

83 065429

All that certain parcel of land within Lot No. 1, Block 3 and Lot No. 1, Block 2 as shown on Fontana II, Final Plat No. 110 as recorded in book 159 at page 42 of the Records of Maricopa County, State of Arizona, known as Center Court Villas as recorded in book 241 at page 6 of the Records of Maricopa County, State of Arizona being more particularly described as follows;

Beginning at the Northwest Corner, Section No. 11, Township 3 North, Range 6 East, G & S.R.B. & M., Maricopa County, Arizona;

Thence South  $07^{\circ} 33' 25''$  East a distance of 1493.47 feet to a point on the Northerly boundary line of said Center Court Villas being the most Northwesterly corner of said Lot 1, Block 2 and the True Point of Beginning;

Thence Southeasterly along a curved line being concave to the Northeast having a radius of 430.00 feet, through a central angle of  $00^{\circ} 21' 40''$ , an arc distance of 2.71 feet;

Thence South  $50^{\circ} 40' 00''$  East a distance of 503.76 feet;

Thence South  $62^{\circ} 44' 37''$  West a distance of 136.22 feet;

Thence South  $50^{\circ} 40' 00''$  East a distance of 5.45 feet;

Thence South  $62^{\circ} 44' 37''$  West a distance of 205.55 feet;

Thence North  $82^{\circ} 47' 00''$  West a distance of 66.83 feet;

Thence South  $60^{\circ} 20' 48''$  West a distance of 50.00 feet;

Thence North  $82^{\circ} 47' 00''$  West a distance of 35.00 feet to a point within said Lot No. 1, Block 2;

(For reference purposes the last said point is located 680.83 feet at a bearing of North  $11^{\circ} 51' 59''$  West from the East  $1/4$  Corner of Section 10 Township 3 North, Range 6 East, G. & S.R.B. & M.)

Thence Continuing, North  $07^{\circ} 13' 00''$  East a distance of 130.99 feet;

Thence North  $82^{\circ} 47' 00''$  West a distance of 10.00 feet;

Thence North  $07^{\circ} 13' 00''$  East a distance of 138.29 feet;

Thence North  $82^{\circ} 47' 00''$  West a distance of 10.00 feet;

Thence North  $07^{\circ} 13' 00''$  East a distance of 185.00 feet;

Thence South  $82^{\circ} 47' 00''$  East a distance of 10.00 feet;

Thence North  $50^{\circ} 40' 0''$  West a distance of 19.26 feet to the beginning point of a tangent curve being concave Northerly and having a radius of 395.00 feet;

Thence Northwesterly along said curve through a central angle of  $13^{\circ} 30' 00''$ , an arc distance of 93.06 feet to the end point of said tangent curve;

Thence North  $64^{\circ} 10' 00''$  West a distance of 138.21 feet to the beginning point of a tangent curve going concave northerly and having a radius of 84.00 feet;

Thence Northwesterly along said curve through a central angle of  $18^{\circ} 37' 00''$ , an arc distance of 27.29 feet to the end point of said tangent curve and the beginning point of a tangent Curve being concave Northwesterly and having a radius of 20.00 feet;

Thence Westerly along said curve through a central angle of  $90^{\circ} 00' 00''$ , an arc distance of 31.42 feet to the end point of said tangent curve;

Thence North  $07^{\circ} 13' 00''$  East a distance of 68.31 feet;

Thence South  $64^{\circ} 10' 00''$  East a distance of 199.40 feet to the beginning point of a tangent curve going concave to the Northeast and having a radius of 430.00 feet;

Thence Southeasterly along said curve through a central angle of  $13^{\circ} 08' 20''$ , an arc distance of 98.61 feet to the original

Except that certain interior portion of said Center Court Villas which shall be known as Phase II, Center Court Villas more particularly described as follows:

Beginning at the Northwest Corner, Section No. 11, Township 3 North, Range 6 East, G. & S.R.B. & M., Maricopa County, Arizona;

Thence South  $07^{\circ} 33' 25''$  East a distance of 1493.47 feet to a point on the Northerly boundary line of said Center Court Villas;

Thence Southeasterly along a curved line going concave to the Northeast having a radius of 430.00 feet, through a central angle of  $00^{\circ} 21' 40''$ , an arc distance of 2.71 feet;

Thence South  $50^{\circ} 40' 00''$  East a distance of 503.76 feet;

Thence South  $83^{\circ} 29' 46''$  West a distance of 143.93 feet to the True Point of Beginning;

Thence South  $62^{\circ} 44' 37''$  West a distance of 95.00 feet;

Thence North  $27^{\circ} 15' 23''$  West a distance of 17.00 feet;

Thence South  $62^{\circ} 44' 37''$  West a distance of 81.00 feet;

Thence North  $27^{\circ} 15' 23''$  West a distance of 64.00 feet;

Thence North  $07^{\circ} 13' 00''$  East a distance of 113.98 feet;

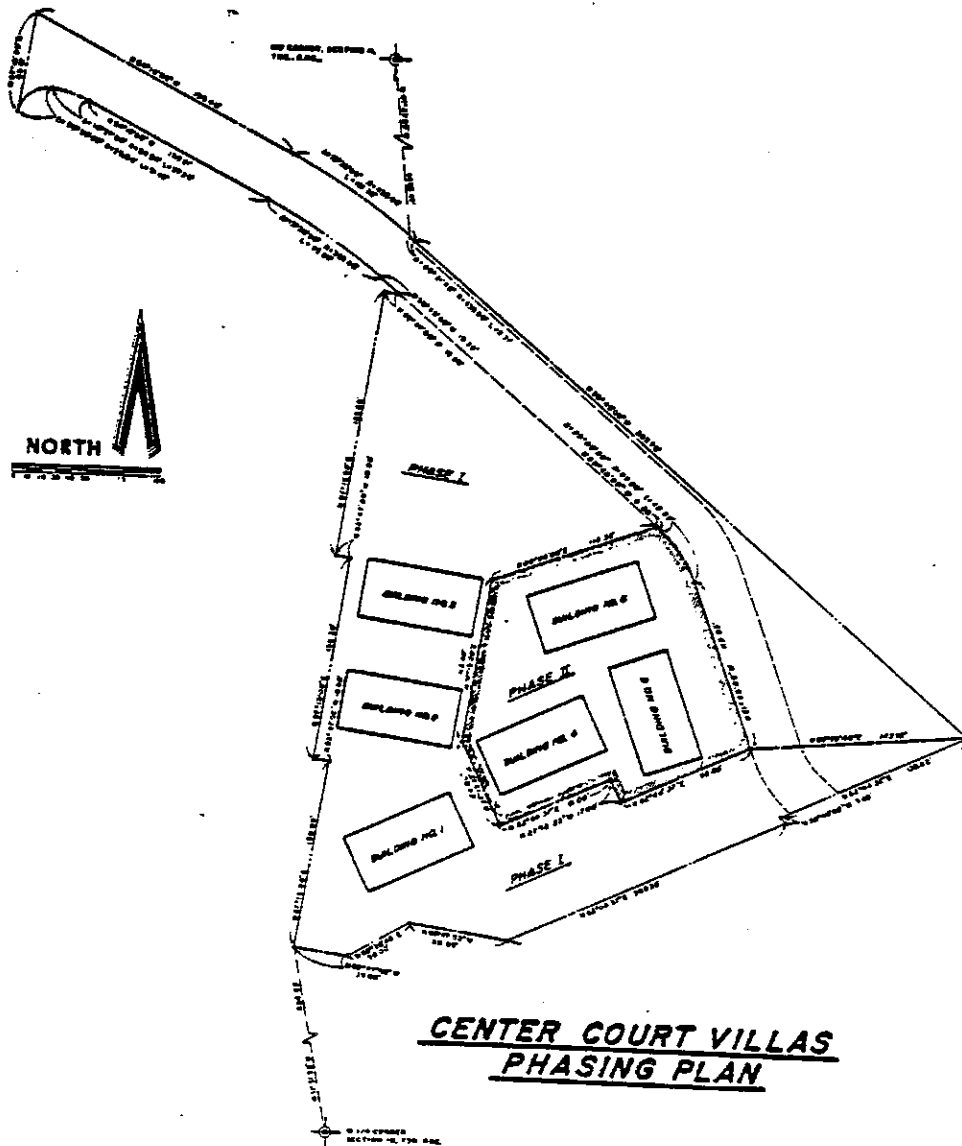
Thence North  $68^{\circ} 20' 00''$  East a distance of 113.52 feet;

Thence South  $50^{\circ} 40' 00''$  East a distance of 4.00 feet;

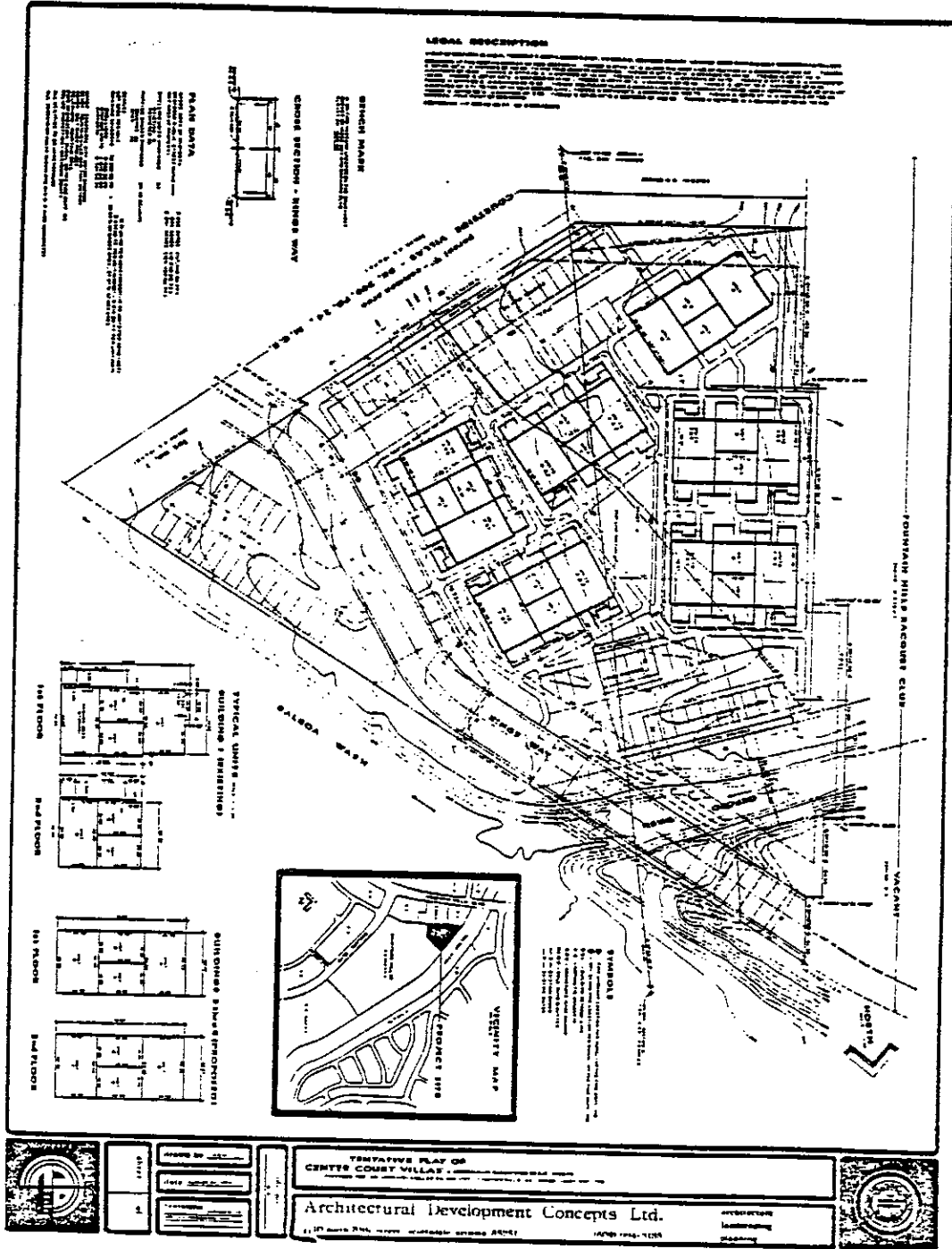
Thence Southeasterly along a curved line being concave to the Northeast having a radius of 84.00 feet, through a central angle of  $29^{\circ} 00' 00''$ , an arc distance of 42.52 feet;

Thence South  $21^{\circ} 40' 00''$  East a distance of 119.05 feet to the original True Point of Beginning.

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**CENTER COURT VILLAS**  
**PHASING PLAN**



Legal Description - Phase I, Center Court Villas

(Page 1 of 2)

83 065429

All that certain parcel of land within Lot No. 1, Block 3 and Lot No. 1, Block 2 as shown on Fontana II, Final Plat No. 110 as recorded in book 159 at page 42 of the Records of Maricopa County, State of Arizona, known as Center Court Villas as recorded in book 241 at page 6 of the Records of Maricopa County, State of Arizona being more particularly described as follows;

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(For reference purposes the last said point is located 680.83 feet at a bearing of North  $11^{\circ} 51' 59''$  West from the East  $1/4$  Corner of Section 10 Township 3 North, Range 6 East, G. & S.R.B. & M.)

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Thence South  $64^{\circ} 10' 00''$  East a distance of 199.40 feet to the beginning point of a tangent curve being concave to the Northeast and having a radius of 430.00 feet;

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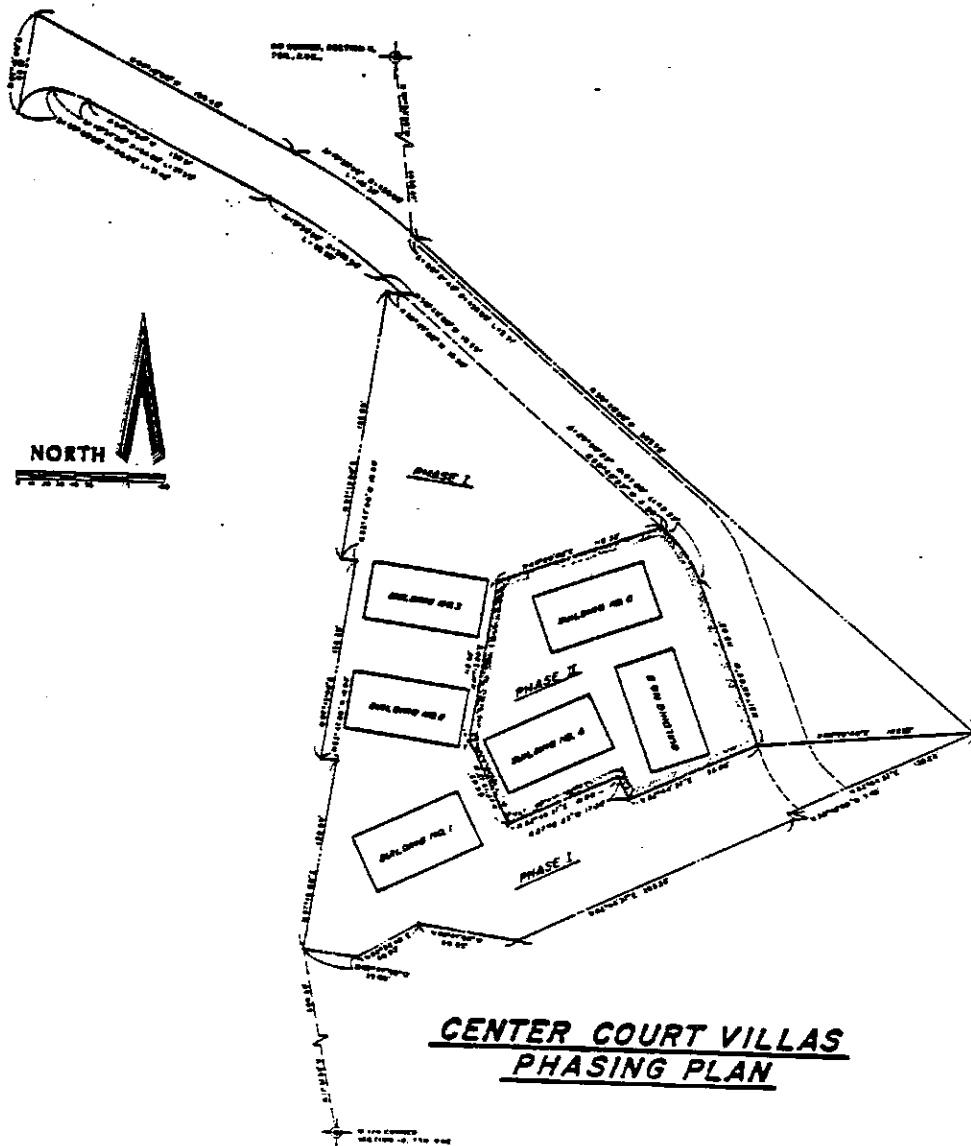


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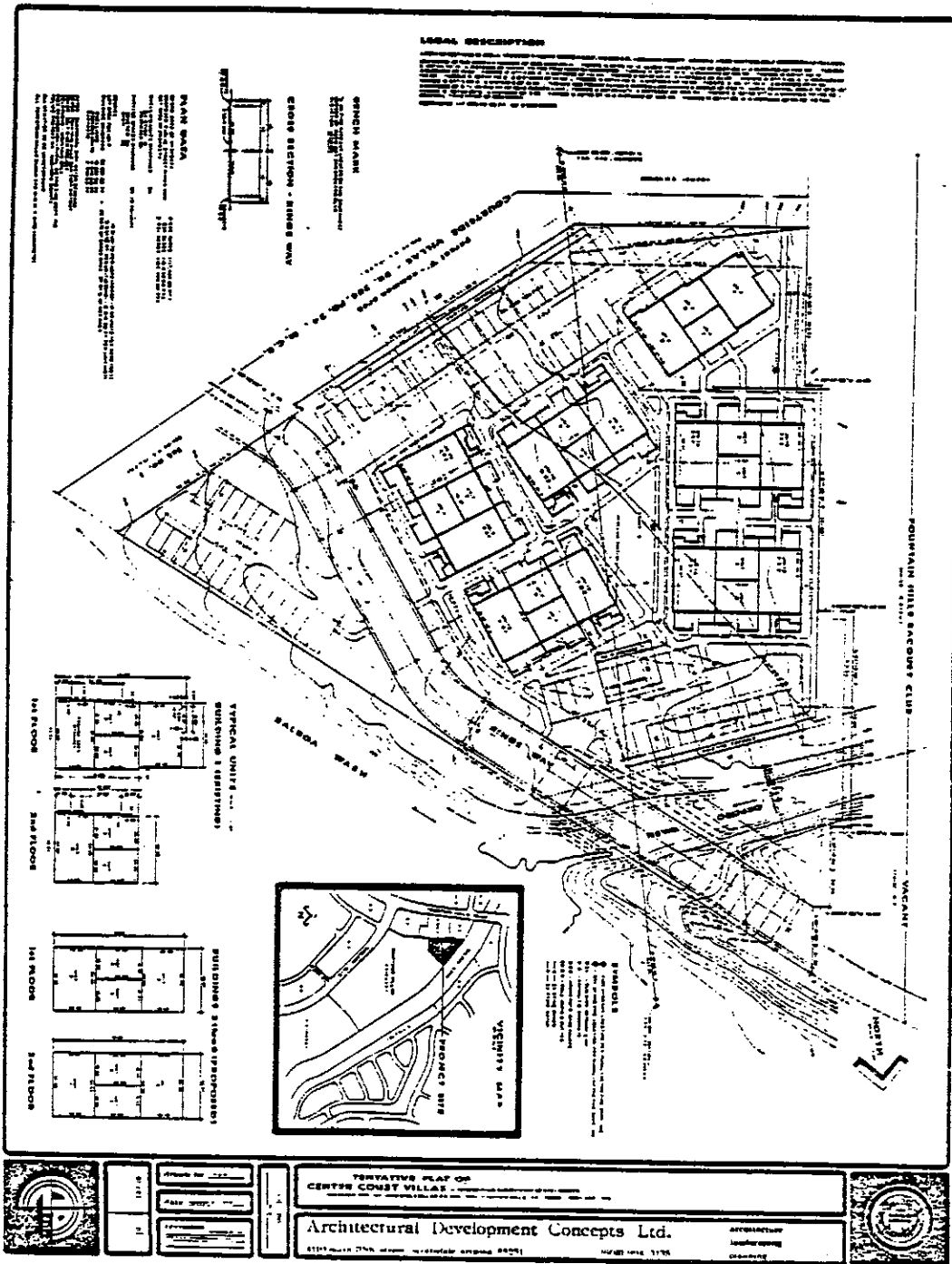
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 Thence South  $83^{\circ} 29' 46''$  West a distance of 143.93 feet to the True Point of Beginning;  
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 Thence North  $68^{\circ} 20' 00''$  East a distance of 115.52 feet;  
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Beginning at the Northwest Corner, Section No. 11, Township 3 North, Range 6 East, G & S.R.B. & M., Maricopa County, Arizona;

89 424356

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Legal Description - Phase I, Center Court Villas

(Page 2 of 2)

Except that certain interior Portion of said Center Court Villas which shall be known as Phase II, Center Court Villas more particularly described as follows:

Beginning at the Northwest Corner, Section No. 11, Township 3 North, Range 6 East, G. & S.R.B. & M., Maricopa County, Arizona;

- Thence South  $07^{\circ} 33' 25''$  East a distance of 1493.47 feet to a point on the Northerly boundary line of said Center Court Villas;
- Thence Southeasterly along a curved line going concave to the Northeast having a radius of 430.00 feet, through a central angle of  $00^{\circ} 21' 40''$ , an arc distance of 2.71 feet;
- Thence South  $50^{\circ} 40' 00''$  East a distance of 503.76 feet;
- Thence South  $83^{\circ} 29' 46''$  West a distance of 143.93 feet to the True Point of Beginning;
- Thence South  $62^{\circ} 44' 37''$  West a distance of 95.00 feet;
- Thence North  $27^{\circ} 15' 23''$  West a distance of 17.00 feet;
- Thence South  $62^{\circ} 44' 37''$  West a distance of 81.00 feet;
- Thence North  $27^{\circ} 15' 23''$  West a distance of 64.00 feet;
- Thence North  $07^{\circ} 13' 00''$  East a distance of 113.98 feet;
- Thence North  $68^{\circ} 20' 00''$  East a distance of 115.52 feet;
- Thence South  $50^{\circ} 40' 00''$  East a distance of 4.00 feet;
- Thence Southeasterly along a curved line being concave to the Northeast having a radius of 84.00 feet, through a central angle of  $29^{\circ} 00' 00''$ , an arc distance of 42.52 feet;
- Thence South  $21^{\circ} 40' 00''$  East a distance of 119.05 feet to the original True Point of Beginning.

Legal Description - Phase II, Center Court Villas

(Page 3 of 3)

A portion of a certain parcel of land within Lot No. 1, Block 3 and Lot No. 1, Block 2 as shown on Fontana II, Final Plat No. 110 as recorded in book 159 at page 42 of the Records of Maricopa County, State of Arizona, known as Center Court Villas as recorded in book 241 at page 6 of the Records of Maricopa County, State of Arizona being more particularly described as follows:

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Legal Description - Phase II, Center Court Villas

(Page 1 of 1)

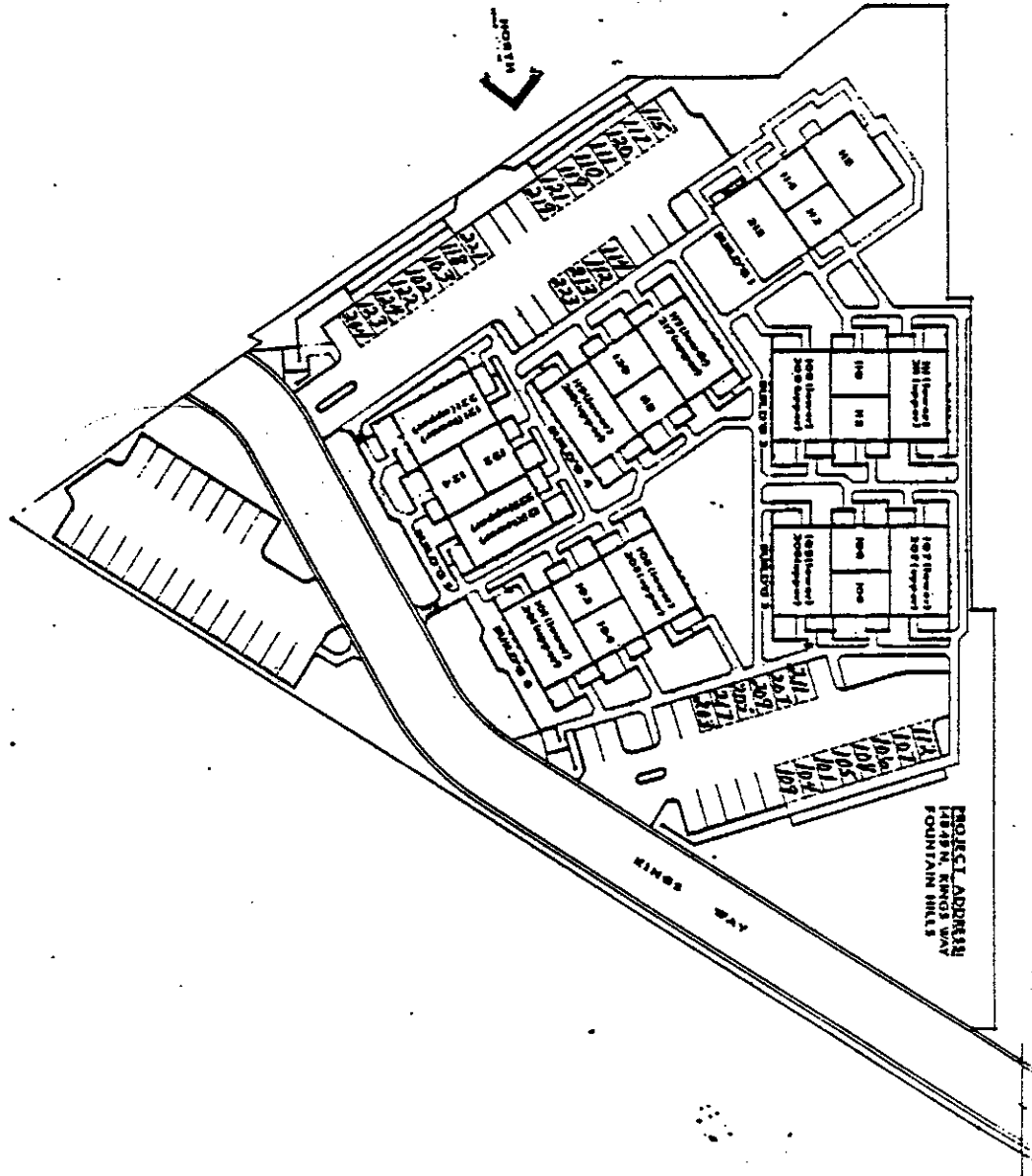
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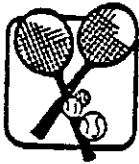
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PARKING ALLOCATIONS

83 065429







CENTER COURT VILLAS  
P. O. BOX 17871  
FOUNTAIN HILLS, AZ 85208

83 065429

Center Court Villas  
Project Address: *14847 H* Kings Way

Phase I

Unit #1 (Existing)

A - 115  
B - 114  
C - 116  
D - 213

Unit #2

A - 111  
B - 110  
C - 112  
D - 109  
E - 211  
F - 209

Unit #3

A - 107  
E - 106  
C - 108  
D - 105  
E - 207  
F - 205

Phase II

Unit #4

A - 117  
B - 120  
C - 118  
D - 119  
E - 217  
F - 219

Unit #5

A - 121  
B - 124  
C - 122  
D - 123  
E - 221  
F - 223

Unit #6

A - 103  
B - 102  
C - 104  
D - 101  
E - 203  
F - 201

DECLARATION OF ANNEXATION

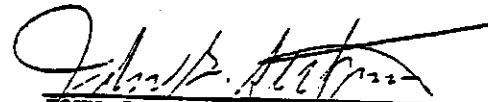
83 065429


JOHN G. STELZMILLER and LAVETA STELZMILLER, husband and wife, Declarant of the Declaration Submitting Property to Horizontal Property Regime Together with Covenants, Conditions and Restrictions for Center Court Villas, as recorded in Document No. \_\_\_\_\_, and under the provisions of Section 24.10 of said Declaration, hereby annexes to the terms and conditions of said Declaration, the following described real property.

The property hereby annexed is and shall be subject to each and all of the terms, provisions, conditions, restrictions, covenants, liens and assessments contained in said Declaration Submitting Property to Horizontal Property Regime, Together with Covenants, Conditions and Restrictions for Center Court Villas, as if fully contained and described therein as originally recorded.

Notwithstanding any other provisions of the Covenants, Conditions and Restrictions, these documents may be amended at any time by the Declarant, or by the Homeowners Association, to comply with loan guarantee requirements of Veterans Administration or Federal Housing Administration insurance programs.

IN WITNESS WHEREOF, we have hereunto affixed our signatures this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_.

  
JOHN G. STELZMILLER

  
LAVETA STELZMILLER



When Recorded Return To:  
K. Bellamy Brown  
MURPHY & POSNER  
3200 E. Camelback, #300  
Phoenix, Arizona 85018

FIRST AMENDMENT TO DECLARATION SUBMITTING PROPERTY  
TO HORIZONTAL PROPERTY REGIME TOGETHER WITH  
COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
CENTER COURT VILLAS

This Amendment to Declaration entered into this 24th  
day of April, 1987.

WITNESSETH:

WHEREAS, the Undersigned represent ninety percent or  
more of the unit owners of Center Court Villas Condominiums; and

WHEREAS, pursuant to paragraph 24.9 of that certain  
Declaration Submitting Property to Horizontal Property Regime  
Together with Covenants, Conditions and Restrictions for Center  
Court Villas recorded at recording number 83-065429 in the Office  
of the Maricopa County Recorder's Office, the provisions of the  
Declaration may be amended by not less than ninety percent of the  
unit owners; and

WHEREAS, the Undersigned desire to amend the  
Declaration to provide for two nonmaterial changes;

NOW, THEREFORE, THE UNDERSIGNED DECLARE AS FOLLOWS:

1. Paragraph 24.10 of the Declaration is amended to  
read as follows:

24.10 Annexation. No change in the  
percentage interests in the common elements  
may be effective pursuant to the phasing plan  
described in Section 5.7 more than seven  
years (7) after the date of the Declaration  
of Condominium.

2. Section 18 of the Declaration is hereby amended to  
provide that any management agreement shall provide for  
termination by either the association or the professional



STATE OF ARIZONA )  
 ) ss.  
COUNTY OF MARICOPA )

The foregoing instrument was acknowledged before me, the undersigned notary public, this 24th day of April, 1987 by Laveta Stelzmilller.

Lynn M. Campbell  
Notary Public

My Commission Expires:

My commission expires Jan. 5, 1991

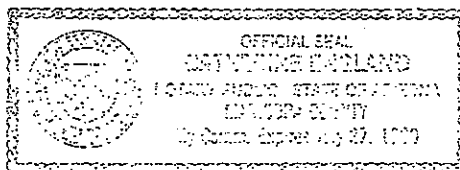
STATE OF ARIZONA )  
 ) ss.  
COUNTY OF MARICOPA )

The foregoing instrument was acknowledged before me, the undersigned notary public, this 23rd day of April, 1987 by Gary A. Martinson, the General Partner of Synergy International Limited Partnership, an Arizona limited partnership, for and on behalf of such partnership.

Catherine England  
Notary Public

My Commission Expires:

July 27, 1990



AMENDMENT TO PROPERTY MANAGEMENT AGREEMENT

This Amendment to Property Management Agreement dated this 31st day of March, 1987 by and between CENTER COURT VILLAS HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as "Association") and GM PROPERTY MANAGEMENT (hereinafter referred to as "Agent").

W I T N E S S E T H:

WHEREAS, Association and Agent have entered into that certain Management Agreement (hereinafter referred to as "Agreement") dated March 1, 1987 for the management of common area facilities at Center Court Villas Condominiums in Fountain Hills, Arizona; and

WHEREAS, the parties desire to amend a portion of the termination provision of said agreement.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The parties agree that the termination provision of the Agreement is amended to provide that either party may terminate the Agreement upon thirty days (30) of written notice from the other.
2. All the other terms and conditions of the Agreement remain in full force and effect.

GM PROPERTY MANAGEMENT

By *Juanita H. Weisched*  
Its Management Assistant

CENTER COURT VILLAS HOMEOWNERS  
ASSOCIATION, INC.

By *[Signature]*  
Its Director

