

WHEN RECORDED RETURN TO:

V. H. DEVELOPMENT, INC.
8611 N. BLACK CANYON HIGHWAY
PHOENIX, ARIZONA 85021

414524

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

PROP RSTR (PR)

THIS DECLARATION, made on this 27th day of October, 1978, by V. H. DEVELOPMENT, INC., an Arizona corporation, hereinafter referred to as "Declarant".

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain property in the County of Maricopa, State of Arizona, which is more particularly described as:

Lots 139 through 194, inclusive, and
Lots 214 through 227, inclusive, of
NORTHERN MANOR UNIT TWO AMENDED,
recorded in the plat of record in the
Office of the County Recorder, Maricopa
County, Arizona, in Book 205 of Maps,
Page 13 thereof.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any rights, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

Section 1. "Association" shall mean and refer to NORTHERN MANOR UNIT TWO TOWNHOUSE ASSOCIATION, an Arizona non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities of equitable title (or legal title if equitable title has merged) of any Lot which is a part of the Properties. Owner shall not include a person or entity having an ownership interest merely as security for the performance of an obligation. In the case of Lots, the fee simple title to which is vested of record in a Trustee pursuant to Arizona Revised Statutes, Section 33-801, et seq., legal title shall be deemed to be in the Trustor.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall be synonymous and shall mean all real property and improvements thereon owned by the Association for the common use and enjoyment of the owners. The Common Area shall be that described and designated as Tract I on Exhibit B attached hereto and incorporated herein by reference. The Common Area shall be owned by the Association at the time of the Conveyance of the first Lot.

THIS INSTRUMENT IS BEING RERECORDED TO REPLACE PAGES 1, 10, 13 AND EXHIBITS "A" AND "B".

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Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to V. H. DEVELOPMENT, INC., an Arizona corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Developer" and "Builder" shall be synonymous and shall mean and refer to V. H. DEVELOPMENT, INC., an Arizona corporation, and its successors and assigns, and to any other contractor who builds for resale a significant number of the houses on the subject property.

The aforesaid definitions shall be applicable to this Declaration and also any supplemental Declaration (unless the context shall prohibit), filed pursuant to Article X hereof.

ARTICLE II

Property Rights

Section 1. Owners Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title of every Lot, subject to the following provisions:

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

(b) The right of the Association to impose fines and suspend recreational facility use privileges and voting rights for nonpayment of assessments during any period which any assessment against the owner's Lot remains unpaid, or to impose the same sanctions for other breaches of this Declaration, to amend the Association By-Laws or its published rules and regulations after due notice and hearing. This provision shall be subject to the terms of ARTICLE III, Section 4 of this Declaration.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

(d) The right of the Association to limit the number of guests of members.

(e) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area and the recreational facilities thereon.

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(f) The right of Developer (and its sales agents and representatives) to the non-exclusive use of the Common Area and Facilities for display, sales and exhibit purposes, which right Declarant hereby reserves to Developer, for the period of time limited to the development phase of the project.

Section 2. Delegation of Use. Any Owner may delegate in accordance with the Bylaws, his right of enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Waiver of Use. No member may exempt himself from personal liability for assessments duly levied by the Association, nor release the Lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area and the facilities thereon or by abandonment of his Lot.

ARTICLE III

Membership and Voting Rights

Section 1. Membership in the Association, except for membership of the incorporators, the Declarant and the first Board of Directors, shall be limited to record owners of equitable title (or legal title if equitable title has merged) of Lots constructed or planned to be constructed on the property described above or in any duly annexed property. Unofficial Document An owner of a Lot shall automatically, upon becoming the owner of a Lot, be a member of the Association, and shall remain a member of the Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. Ownership of a Lot shall be the sole qualification and criteria for membership. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

A membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale for such lot and then only to such purchaser, or by intestate succession, testamentary disposition, foreclosure or mortgage of record or other legal process. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. The Association shall record the transfer upon the books of the Association and issue a new membership to a purchaser and thereupon the old membership outstanding in the name of the seller shall be null and void.

The record owner of equitable title (or legal title if equitable title has merged) of each Lot shall be entitled to one membership in the Association, for himself and his family, which membership shall be subject to all of the provisions of the Association's Articles of Incorporation, Bylaws, Management Agreement and these Restrictions, as now in effect or duly adopted or amended.

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Section 2. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 3. The Association shall have two 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 vote for each Lot owned, when more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot 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

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

Section 4. In the event any owner is in arrears in the payment of any amount due, pursuant to any provision of this Declaration, for a period of fifteen (15) days, or shall be in default in the performance of any provisions of Declaration for a period of fifteen (15) days, that Owner's right to vote as a member of the Association shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied.

ARTICLE IV

Covenant For Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Parcel owned within Properties, hereby covenants, and each owner of any Parcel by acquiring an Ownership interest therein, whether or not it shall be so expressed in the conveying document, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and (2) special assessments as authorized by the Association's Board of Directors, such assessments to be established and collected as provided herein.

The annual and special assessments, together with interests, costs of collection and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs of collection and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

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The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them, or unless prior to the transfer of title as evidenced by the records of the County Recorder or other appropriate governmental agency, a lien for such assessments shall have been filed or recorded with the County Recorder.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and general welfare of the residents of the Properties, and for the improvements and maintenance of the Common Area and of the improvements situated upon the Properties. The Assessments shall cover the cost of all repairs, replacement and maintenance of the Common Area and all other authorized activities and facilities, including, but not limited to, common yard maintenance, sprinkler system, swimming pool, recreational buildings, exterior walls and exterior painting of townhouses, costs of additional common facilities and improvements, taxes and insurance, as may, from time to time, be authorized by the Association's Board of Directors.

Section 3. Establishment of Assessment. Declarant and each owner of a Lot covenants for themselves and their heirs, successors and assigns, that such Lot shall be subject to an assessment, in an amount to be determined by the Association, as permitted by this Declaration of Covenants, Conditions and Restrictions. The amount to be prorated among the members of the Association shall be established annually by the Board of Directors.

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Section 4. Maximum Annual Assessment. Until the first annual meeting of the Association, the maximum annual assessment per each Lot conveyed shall be an amount equal to Forty-One Dollars (\$41.00) per month.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than Three percent (3%) above the maximum assessment for the previous year without a vote of the membership.

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

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

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area or replacement of damaged or destroyed common elements or dwellings where the owner or owners thereof have failed to replace or rebuild pursuant to Article IX herein, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of a two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, or at an annual meeting.

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Section 6. Notice and Quorum For Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4 and 5 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 fifty percent (50%) of all 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.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring, without electing a remedy, any and all actions and seek any and all relief against the owner personally obligated to pay the same, and/or to foreclose the lien against the property in a like manner as a mortgage of real property, and such owner hereby expressly grants to the Association the power of sale in connection with said lien. No owner may waive or otherwise escape liability for the assessments provided for hereby by non-use of the Common Area, recreational facilities, or abandonment of his Parcel. In any action taken against an owner to collect delinquent assessments, whether through lien foreclosure or otherwise, the owner shall be obligated to pay, in addition to any and all other amounts required herein, all costs and all attorneys' fees incurred by the Association in such action.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed or assessment lien. However, the sale or transfer of any Parcel pursuant to mortgage foreclosure, deed of trust sale, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Parcel from liability for any assessments thereafter becoming due or from the lien thereon.

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ARTICLE V

Architectural Control

No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after the plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

Party Walls

The rights and duties of the owners of any Lots within this townhouse project with respect to party walls shall be governed by the following:

(a) Each wall, including patio walls, which is constructed as part of the original construction of the townhouse multi-family structure, any part of which is placed on the dividing line between separate townhouse units, shall constitute a party wall. With respect to any such wall, each of the adjoining owners shall assume the burdens and be entitled to the benefits of these restrictive covenants, and, to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.

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

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

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

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

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

(g) In the event of a dispute between owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then, upon written request of one of such owners addressed to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association. If no such rules have been adopted, then the matter shall be submitted to three arbitrators, one chosen by each of the owners and the third by the two so chosen, or, if the arbitrators cannot agree as to the selection of the third arbitrator ^{within} five (5) days, then by any Judge of the Superior Court of Maricopa County, Arizona. A determination of the matter signed by any two of the three arbitrators shall be binding upon the owners, who shall share the cost of arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after personal receipt of a request in writing for arbitration from the other party, then the other party shall have the right and power to choose both arbitrators.

(h) These covenants shall be binding upon the heirs and assigns of any owners, but no person shall be liable for any act or omission respecting any party wall except such as took place while an owner.

ARTICLE VII

Exterior Maintenance

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder as follows: Paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such lot is subject.

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ARTICLE VIII

Interior and Other Maintenance

Each owner shall be responsible for the upkeep and maintenance of the interior of his townhouse and for the upkeep and maintenance of individual patios, all other areas, features, or parts of his townhouse and property not otherwise maintained by the Association. All fixtures and equipment installed within a townhouse unit, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the exterior walls of a townhouse unit, shall be maintained and kept in repair by the owner thereof. Termite control shall be the responsibility of the owner. An owner shall do no act nor any work that will impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other townhouse units or their owners.

ARTICLE IX

Damage or Destruction of Property

In the event any common element is damaged or destroyed by an owner or any of his guests, tenants, licensees, agents, or members of his family, such owner does hereby irrevocably authorize the Association to repair the ^{Unofficial Document}damaged element, and the Association shall so repair the damaged element in good workmanlike manner in substantial conformance with the original plans and specifications. The owner shall then repay the Association in the amount actually expended for such repairs.

In the event any townhouse is damaged or destroyed by an owner or any of his guests, tenants, licensees, agents, or members of his family, such owner shall, within sixty (60) days from the date of the occurrence of the damage or destruction, enter into a binding bona fide contract for the repair and rebuilding of the exterior of the townhouse and any damage to the exterior of adjacent townhouses or property in a good workmanlike manner in conformance with the original plans and specifications used in the construction of the townhouse. In the event such owner refuses or fails to so repair and rebuild any and all such damage to the exterior of the townhouse and adjacent property within a reasonable time, not to exceed six (6) months from the date of the occurrence of the damage or destruction, the Association, by and through its Board of Directors, is hereby irrevocably authorized by such owner to repair and rebuild any such townhouse and/or adjacent property in a good workmanlike manner in conformance with the original plans and specifications of the townhouses. The owner shall then repay the Association in the amount actually expended for such repairs.

Each lot owner further agrees that these charges for repairs, if not paid within ten (10) days after completion of the work, shall be delinquent and shall become a lien upon owner's lot and townhouse and shall continue to be such lien until fully paid. The lien shall be subordinate to any first mortgage or encumbrance on the subject property. Said charges shall bear interest from the date of delinquency at the rate of six percent (6%) per annum. The amount of principal and interest owed by the owner to the Association shall be a debt, and shall be collectable by any lawful procedure allowed by the laws of the State of Arizona.

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Each such owner, by his acceptance of a deed to a lot and townhouse, hereby expressly vests in the Association or its agent the right and power to bring all actions against such owner for the collection of such charges and to enforce the aforesaid lien by all methods available for the enforcement of such liens and such owner hereby expressly grants to the Association a power of sale in connection with the lien.

Nothing contained in this Article IX shall be construed in any way so as to relieve any insurance company from the payment of any and all amounts which would be payable under any policy or policies, had not this Article been inserted.

In the event of a dispute between an owner and the Board of Directors with respect to the cause of damage or the extent of repairs necessitated or with respect to the cost thereof, then, upon written request of the owner, addressed to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association or its Board of Directors. If no such rules have been adopted, then the matter shall be submitted to three arbitrators, one chosen by the Board of Directors, one chosen by the owner, and these two arbitrators shall then choose a third arbitrator. If the two arbitrators cannot agree as to the selection of the third arbitrator, then by any Judge of the Superior Court of Maricopa County, Arizona. A determination by any two of the three arbitrators shall be binding upon the owner and the Association, who shall share the cost of arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after personal receipt of a request in writing for arbitration from the other party, then the other party shall have the right and power to choose both arbitrators.

ARTICLE X

Annexation

Section 1. Additional residential property and Common Areas may be annexed to the Properties with the consent of two-thirds (2/3rds) of each class of members, either directly or by merger or consolidation with any other similar association.

Section 2. Additional land within the area described in the plat of record in the Office of the County Recorder, Maricopa County, Arizona, in Book 205 of Maps, Page 13, thereof, attached hereto, and made a part hereof as though set forth in full, may be annexed by the Declarant without the consent of members within five (5) years of the date of recordation of this instrument, provided that such annexation be determined to be in accord with the general development plan theretofore approved by H.U.D. and V.A.

Section 3. The additions authorized under the foregoing paragraphs shall be made by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions, or similar instrument, with respect to the additional properties which shall extend the scheme of this Declaration to such properties.

Such supplementary Declarations contemplated herein may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall any such Supplementary Declarations, merger or consolidation revoke, modify or add to the covenants established by this Declaration.

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ARTICLE XI

Use Restrictions

Section 1. The premises are hereby restricted to residential dwellings for residential use. All buildings or structures erected upon the premises shall be of new construction and no buildings or structures shall be moved from other locations onto the premises, and no subsequent buildings or structures other than townhouses, being residence units joined together by party walls, shall be built on any parcel where the builder theretofore programmed and constructed a townhouse. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other out building shall be used on any portion of the premises at any time as a residence, either temporarily or permanently.

Section 2. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the builder of a major portion of the development to maintain during the period of construction and sale of the townhouses, upon such portion of the premises as such builder may choose, such facilities as in the sole opinion of the builder may be reasonably required, convenient or incidental to the construction and sale of the townhouses, including, but without limitation, a business office, storage area, construction yards, signs, model units, and sales office.

Section 3. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes.

Section 4. No advertising signs (except one of not more than five (5) square feet "for rent" or "for sale" sign per parcel), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any townhouse or any resident thereof. Further, no business activities of any kind whatsoever shall be conducted in any building or on any portion of the premises; provided further, however, the foregoing covenants shall not apply to the buildings, if any, of the builder, its agents and assigns during the construction and sale period, and of the Association, its successors and assigns, in the furtherance of its powers and purposes, as herein set forth.

Section 5. All clotheslines, equipment, garbage cans, service yards, woodpiles, or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring townhouses and streets. All rubbish, trash or garbage shall be regularly removed from the premises, and shall not be allowed to accumulate thereon. All clotheslines shall be confined to patio areas.

Section 6. No vehicle of any type which is abandoned or inoperable shall be stored or kept on any lot, private street or drive within this subdivision in such a manner as to be seen from any other lot or from any streets, drives or alleyways within this subdivision.

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Section 7. Except in the individual patio areas, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the premises, except such as are installed in accordance with the initial construction of the buildings located thereon or as approved in accordance with Architectural Control provisions in Article V herein.

Section 8. The common elements shall remain undivided and shall, at all times, be owned by the Association or its successors, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the operation and management of the common elements.

Section 9. Without prior written approval and the authorization of the Board of Directors, no exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the premises, nor upon any structure situated upon the real property, other than an aerial for a master antenna system, should any such master system or systems be utilized and require any such exterior antenna.

ARTICLE XII

Easements

There is hereby created a blanket easement upon, across, over and under the Common Area for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewers, gas, telephones, and electricity, and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on the property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the townhouses. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the premises, except as initially programmed and approved by the major building of the premises. This easement shall in no way affect any other recorded easements on the premises.

Each townhouse and the common elements shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed and for the maintenance of same, so long as it stands, shall and does exist. In the event the multi-family structure is partially or totally destroyed and then rebuilt, the owners of townhouses agree that minor encroachments of parts of the adjacent townhouse units or common elements due to construction shall be permitted and that a valid easement for the encroachment and the maintenance thereof shall exist. Notwithstanding any provision herein to the contrary, any encroachment permitted herein shall not exceed one (1) foot.

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ARTICLE XIII

Water

In addition to maintenance upon the Common Area, the Association shall provide water for all the properties herein for domestic consumption and landscape maintenance. The costs of the water shall be paid by the Association from assessments levied pursuant to Article IV. That portion of the assessments collected for payment of the water costs shall be segregated and maintained separately from other Association funds.

ARTICLE XIV

Phase Development

The property which is the subject of this Declaration is a planned unit development known as NORTHERN MANOR UNIT TWO AMENDED:

PHASE I Lots 139 through 194, inclusive, and
 Lots 214 through 227, inclusive, as
 of recording of this Declaration of
 Covenants, Conditions and Restrictions,

and

PHASE II Lots 195 through 213, inclusive, and
 Lots 228 through 286, inclusive, which
 shall become subject to this Declaration
 upon recording, pursuant to Article X,
 Section 2 of a Declaration of Annexation.

In the event any of the phases are not completed, no Parcel may be withdrawn from NORTHERN MANOR UNIT TWO AMENDED Planned Unit Development without the consent of the owners of all Parcels within the Planned Unit Development. Developer may, however, sell any undeveloped Parcels to another Developer for purposes of developing and completing the Parcels as part of the Planned Unit Development.

ARTICLE XV

General Provisions

Section 1. Attorneys' Fees. In the event the Association employs an attorney or attorneys to enforce the collection of any amounts due pursuant to this Declaration or in connection with any lien provided for herein, or the foreclosure thereof, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, the owner, owners and parties against whom the action is brought shall pay all attorneys' fees, costs and expenses thereby incurred by the Association in the event the Association prevails in any such action.

Section 2. Enforcements. The covenants, restrictions, reservations and conditions contained herein shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing, occupying, owning or otherwise having an interest in any Lot, their heirs, executors, administrators, successors, grantees and assigns. After the date on which this instrument has been re-recorded, these covenants, restrictions, reservations and conditions may be enforced by the Association, or its Board of Directors, which shall have the right and duty to enforce the same and expend Association monies in pursuance thereof, and also may be enforced by the owner of any Lot or the builder of the major portion of the townhouses or by the holder of any first mortgage, or deed of trust, or any one or more of said parties. Any lien, liability or obligation arising as the result of a breach of the covenants, restrictions, reservations and conditions shall be binding upon and effective against any owner of the premises, other than one whose title thereto is

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acquired by foreclosure of a mortgage, or deed of trust sale, or deed in lieu of foreclosure or sheriff's sale or equivalent proceedings. Any person or entity taking title to said premises, other than one whose title thereto is acquired by foreclosure of a mortgage, or deed of trust sale, or deed in lieu of foreclosure, or sheriff's sale, or equivalent proceedings, shall take such title subject to the lien hereof for all the charges pursuant to the provisions of this Declaration that have accrued up to the time of such taking of title, and subject to the lien hereof for all the charges that shall accrue subsequent to the taking of such title. Any person or entity acquiring title by foreclosure of a mortgage, or deed of trust sale, or deed in lieu of foreclosure, or sheriff's sale or equivalent proceedings, shall take title subject to the liens hereof for only those charges that accrue subsequent to the taking of such title. The breach of any of the covenants, restrictions or conditions may be enjoined, abated or reviewed by appropriate proceedings, notwithstanding the lien or existence of any mortgage or deed of trust. All instruments of conveyance of any interest of all or any part of a Lot shall contain reference to this instrument and shall be subject to covenants, restrictions, reservations and conditions herein as fully as though the terms and conditions of this instrument shall be binding upon all persons affected by its terms, whether or not express reference is made to this instrument in any such instrument of conveyance. Enforcements shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

Unofficial Document

Section 3. Saving Clause. The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this instrument or any part thereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained herein should be invalid or should operate to render this agreement invalid, this agreement shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs or section or sections had not been inserted. In the event that any provision or provisions of this instrument appear to be violative of the Rule against Perpetuities, such provision or provisions shall be construed as being void and of no effect as of twenty-one (21) years after the death of the last surviving incorporator of NORTHERN MANOR UNIT TWO TOWNHOUSE ASSOCIATION, or twenty-one (21) years after the death of the last survivor of all of the incorporators' children or grandchildren who shall be living at the time this instrument is executed, whichever is the later.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the owners of not less than ninety percent (90%) of the Parcels, and, thereafter, by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Parcels. Lienholders' signatures are not required for any amendment to be valid. Any amendment must be recorded.

As long as there is a Class B membership, the following actions will require the approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

DKT 1329970433

~~DKT 13241PS-617~~

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) or the Government National Mortgage Association (GNMA) have 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 or GNMA without obtaining written approval and consent of FNMA and GNMA.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 4th day of October, 1978.

V. H. DEVELOPMENT, INC.

By *George H. Vincent*

STATE OF ARIZONA)
) ss.
County of Maricopa)

Unofficial Document

On this 4th day of OCTOBER, 1978, before me, a Notary Public, personally appeared GEORGE H. VINCENT, known to me to be one of the officers of the corporation and that he executed the within instrument and acknowledge to me that such corporation executed the same.

Victoria M. Lipton
Notary Public



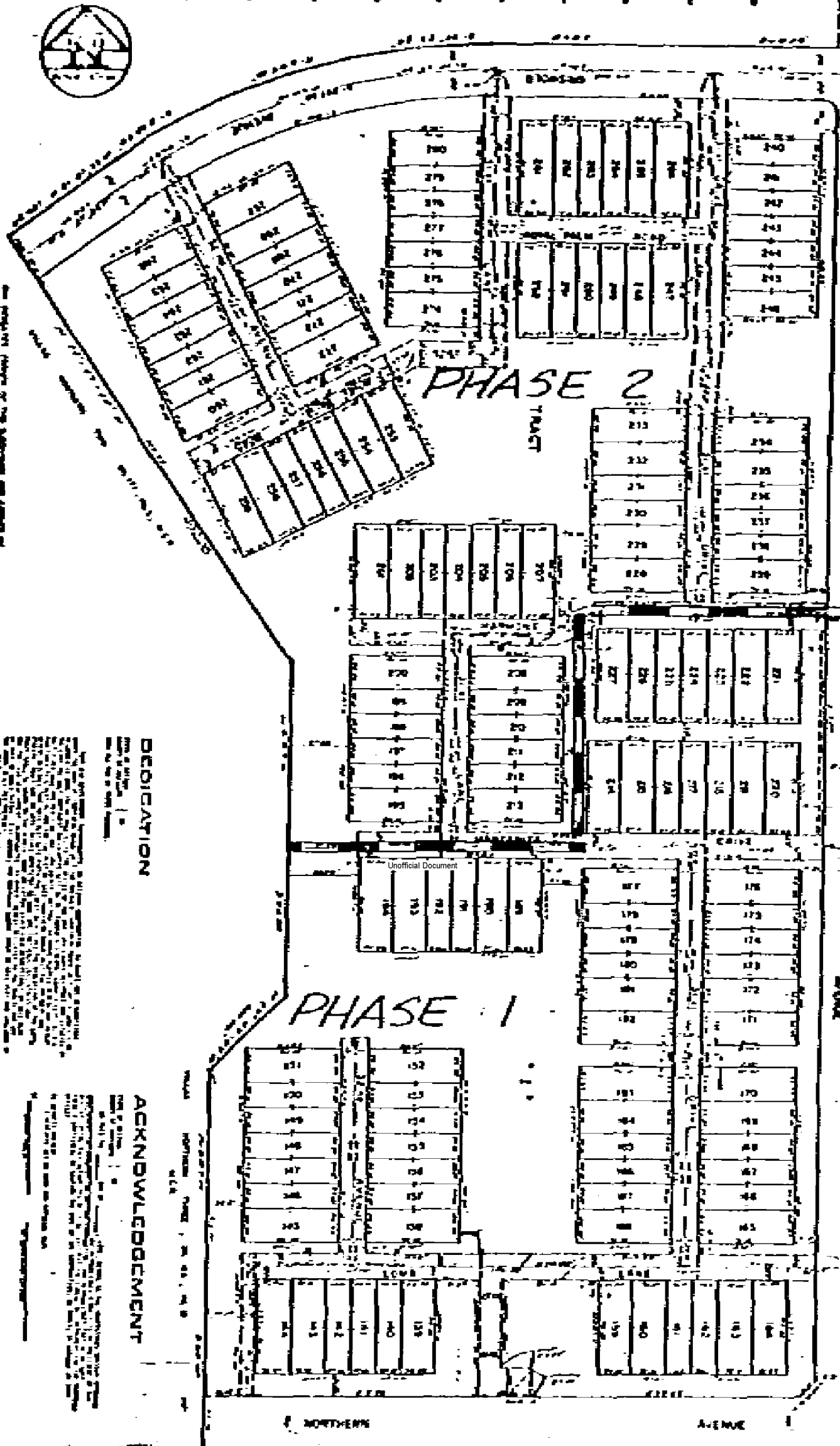
My Commission Expires:
My Commission Expires March 3, 1979

DKT 13299 MO 434

N O R T H E R N A R I Z O N A C O U N T Y R E C O R D E R

OF NORTHERN MANOR UNIT TWO A SUBDIVISION RECORDED IN BOOK 156 ON PAGE 5, IN THE OFFICE OF THE MARICOPA COUNTY RECORDER AND SITUATED IN THE E/2 SW/4 SECTION 35, T8N, R2E, G5S, R6B, MARICOPA COUNTY, ARIZONA

RESUBDIVISION
ISSUE NO. 1
DATE 11/28/78



1. ALL LOTS ARE TO BE CONVEYED TO THE BUYER BY DEED.

2. THE BUYER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL GOVERNMENT AGENCIES.

3. THE BUYER SHALL BE RESPONSIBLE FOR THE COST OF ALL RECORDING FEES AND TAXES.

4. THE BUYER SHALL BE RESPONSIBLE FOR THE COST OF ALL UTILITY CONNECTIONS AND SERVICE FEES.

5. THE BUYER SHALL BE RESPONSIBLE FOR THE COST OF ALL INSURANCE PREMIUMS.

6. THE BUYER SHALL BE RESPONSIBLE FOR THE COST OF ALL TITLE INSURANCE PREMIUMS.

7. THE BUYER SHALL BE RESPONSIBLE FOR THE COST OF ALL ATTORNEY FEES.

8. THE BUYER SHALL BE RESPONSIBLE FOR THE COST OF ALL SURVEYING FEES.

9. THE BUYER SHALL BE RESPONSIBLE FOR THE COST OF ALL ENGINEERING FEES.

10. THE BUYER SHALL BE RESPONSIBLE FOR THE COST OF ALL ARCHITECTURAL FEES.

DEDICATION

The undersigned hereby dedicates to the public use of the State of Arizona the following described property:

1. A certain parcel of land, more particularly described as follows: [Description of property]

2. A certain parcel of land, more particularly described as follows: [Description of property]

3. A certain parcel of land, more particularly described as follows: [Description of property]

ACKNOWLEDGEMENT

I, the undersigned, do hereby acknowledge that I am the owner of the above described property and that I have executed this instrument of dedication voluntarily and without any duress, fraud, or coercion.

CERTIFICATION

I, the undersigned, do hereby certify that the above described property is situated within the boundaries of the State of Arizona and that the same is being dedicated to the public use of the State of Arizona.

APPROVALS

Notary Public for the State of Arizona

EXHIBIT "A"

726-20-01

August 18, 1978

DKT13299MO435

DESCRIPTION

TRACT "I" OF PHASE 1 OF
NORTHERN MANOR UNIT TWO AMENDED

That part of the East half of the Southwest quarter of Section 35, Township 3 North, Range 2 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the South quarter corner of said Section 35;
Thence, West along the South line of the Southwest quarter of said Section 35, 610.00 feet;
Thence, leaving said South line, North 50.00 feet to a point on the North right of way line of Northern Avenue, said point being the true point of beginning.

Thence, North 310.00 feet along the West boundary line of "Northern Manor Unit Two Amended," a subdivision recorded in the office of the Maricopa County Recorder in Book , Page ;
Thence, North 45°03'25" East, 100.00 feet;
Thence, North 144.20 feet;
Thence, East 280.58 feet;
Thence, North 223.00 feet;
Thence, East 227.33 feet to a point on the West right of way line of 31st Avenue;
Thence, South 00°07'18" West along the West right of way line of 31st Avenue, said right of way line being parallel to and 33.00 feet West, measured at right angles, of the monument line of 31st Avenue, 733.85 feet;
Thence, South 44°56'21" West, 19.78 feet to a point on the North right of way line of Northern Avenue;
Thence, West along the North right of way line of Northern Avenue, said right of way line being parallel to and 50.00 feet North, measured at right angles, of the monument line of Northern Avenue, 563.16 feet to the true point of beginning.

EXCEPT Lots 139 through 194 and 214 through 227 inclusive of said "Northern Manor Unit Two Amended."

ML

STATE OF ARIZONA }
County of Maricopa } ss

I hereby certify that the within instrument was filed and recorded at request of

USLIFE TITLE COMPANY OF ARIZONA

NOV 28 1978 - 8 00

In District 13299

on case 419-435

Witness my hand and official seal the day and year aforesaid.

Bill Steag

County Recorder
By *[Signature]*
County Recorder

EXHIBIT "B"



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