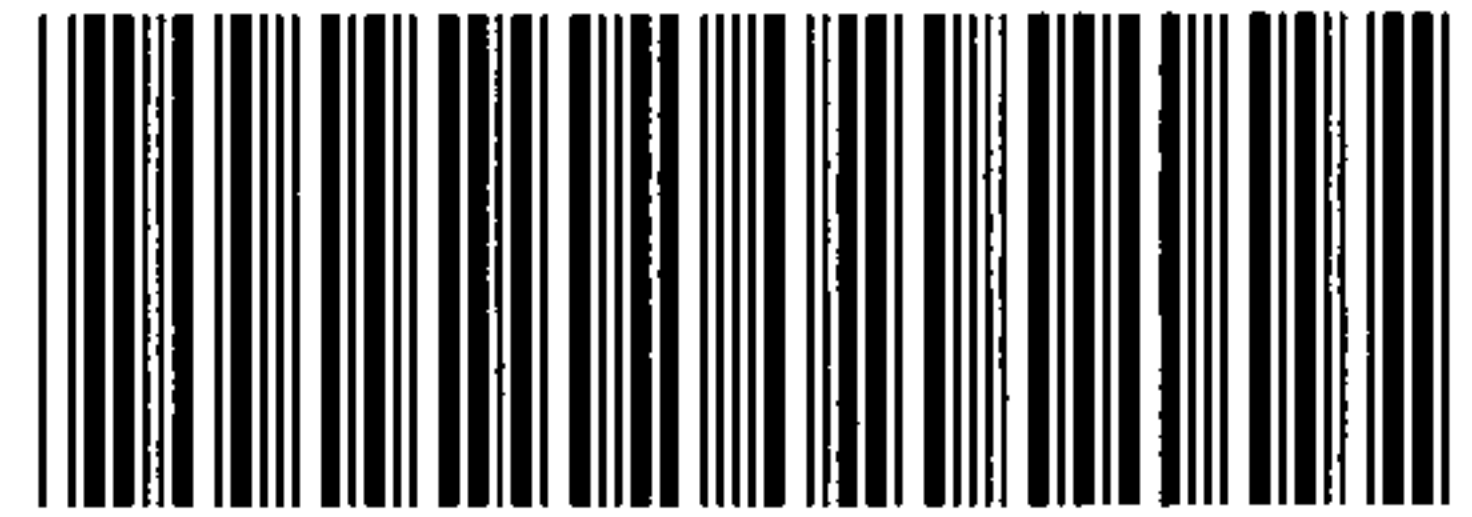


RETURN VIA
FLEXIBLE CITY SERVICE
250-1155



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

94-0532546 07/11/94 04:26

FRANK 4 OF 4

When recorded return to:
Pinnacle Builders
4715 North 32nd Street
Suite 104
Phoenix, Arizona 85018
Attn: Roger Williams

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
WESTERN SKIES ESTATES
GILBERT, MARICOPA COUNTY, ARIZONA**

ARTICLE 1

Definitions	-3-
Section 1.1	"Additional Master Common Area"	-3-
Section 1.2	"Additional Master Common Area Assessment"	-3-
Section 1.3	"Alterations"	-3-
Section 1.4	"Annexable Property"	-3-
Section 1.5	"Assessment"	-3-
Section 1.6	"Assessment Lien"	-3-
Section 1.7	"Association"	-3-
Section 1.8	"Board" or "Board of Directors"	-3-
Section 1.9	"Committee"	-4-
Section 1.10	"Co-Declarants"	-4-
Section 1.11	"Declaration"	-4-
Section 1.12	"Eligible First Mortgagee"	-4-
Section 1.13	"First Mortgage"	-4-
Section 1.14	"First Mortgagee"	-4-
Section 1.15	"Golf Course"	-4-
Section 1.16	"Golf Course Deed of Trust"	-4-
Section 1.17	"Golf Course Lienholder"	-4-
Section 1.18	"Golf Course Operator"	-4-
Section 1.19	"Ground Lease"	-4-
Section 1.20	"Homebuilder"	-5-
Section 1.21	"Lakes"	-5-
Section 1.22	"Lot"	-5-
Section 1.23	"Lot Improvements"	-5-
Section 1.24	"Master Common Area"	-5-
Section 1.25	"Member"	-6-
Section 1.26	"Minimum Maintenance"	-6-
Section 1.27	"Multi-Use Parcels"	-6-
Section 1.28	"Official Records"	-6-
Section 1.29	"Option"	-6-
Section 1.30	"Owner"	-6-
Section 1.31	"Party Wall"	-7-
Section 1.32	"Phase 1"	-7-
Section 1.33	"Plat(s)"	-7-
Section 1.34	"Project"	-7-
Section 1.35	"Project Documents"	-7-
Section 1.36	"Property"	-7-
Section 1.37	"Residential Parcels"	-7-
Section 1.38	"Subassociation"	-7-
Section 1.39	"Suboption"	-8-
Section 1.40	"Trust"	-8-
Section 1.41	"Western"	-8-

ARTICLE 2

Administration, Membership, Voting Rights of the Association, and Rights between Co-Declarants	-8-
Section 2.1 Basic Duties Of The Association	-8-
Section 2.2 Membership	-8-
Section 2.3 Transfer Of Membership	-8-
Section 2.4 Membership Classes	-9-
Section 2.5 Association Voting Requirements	-10-
Section 2.6 Vesting Of Voting Rights	-10-
Section 2.7 Meetings Of The Association	-10-
Section 2.8 Board Of Directors	-10-
Section 2.9 Rights Between Co-Declarants and Homebuilder(s)	-10-

ARTICLE 3

Duties and Powers of the Association	-11-
Section 3.1 Master Common Area	-11-
Section 3.2 Insurance	-11-
Section 3.3 Enforcement, Penalties And Remedies	-12-
Section 3.4 Easements	-13-
Section 3.5 Management And Other Contracts	-13-
Section 3.6 Rules	-13-

ARTICLE 4

Assessments and Charges	-13-
Section 4.1 Assessment Obligations	-13-
Section 4.2 Purpose Of Assessments	-14-
Section 4.3 Annual Assessments	-14-
Section 4.4 Special Assessments	-15-
Section 4.5 Reserves And Working Capital	-15-
Section 4.6 Procedures For Voting On Assessments	-16-
Section 4.7 Allocation Of Assessments	-16-
Section 4.8 Commencement Of Assessments	-16-
Section 4.9 Effect Of Transfer Of Lot By Sale Or Foreclosure	-16-
Section 4.10 Remedies For Nonpayment	-17-
Section 4.11 Suspension Of Rights	-17-
Section 4.12 Other Remedies	-18-
Section 4.13 Unallocated Taxes/Payment By First Mortgages	-18-

ARTICLE 5

Use Restrictions	-18-
Section 5.1 Use Of Lots As A Single Family Subdivision; Leases; No Partition	-18-

Section 5.2	Nature Of Buildings/Structures On Lots	-19-
Section 5.3	Animals On Lots	-19-
Section 5.4	Signs; Restrictions On Commercial Uses Of Lots	-19-
Section 5.5	Use Of Garages On Lots	-20-
Section 5.6	Solar Collectors	-20-
Section 5.7	Antennas And Satellite Dishes On Lots	-21-
Section 5.8	Storage Sheds And Swings On Lots	-21-
Section 5.9	Screening Materials On Lots	-21-
Section 5.10	Lot Maintenance Requirements; Nuisances; Garbage And Rubbish; Storage Areas	-21-
Section 5.11	Vehicles On Lots And Adjacent Streets	-22-
Section 5.12	Lights; Radios And Other Speakers On Lots	-22-
Section 5.13	Sanitary Facilities On Lots	-22-
Section 5.14	Window Cover Materials On Lots	-22-
Section 5.15	Drilling And Mining	-23-
Section 5.16	Landscaping On Lots; No Change Of Drainage Affecting Golf Course	-23-
Section 5.17	Risks Associated With Water Features	-23-
Section 5.18	Homebuilder Not Responsible For Design, Construction, Operation Or Maintenance Of Golf Course And Related Improvements; Trust Not Responsible For Design, Construction Or Maintenance Of Residential Parcels, Lots Or Master Common Area	-24-
Section 5.19	No Warranty Of Enforceability	-24-
Section 5.20	Use Of The Multi-Use Parcels	-24-
 ARTICLE 6		
Fences, Party Walls and Easements		-25-
Section 6.1	Fence Requirements	-25-
Section 6.2	Fences As Party Walls	-25-
Section 6.3	Easements	-26-
 ARTICLE 7		
Architectural Control		-28-
Section 7.1	Creation Of Committee	-28-
Section 7.2	Review By Committee	-28-
Section 7.3	Variances	-29-
Section 7.4	Fee	-29-
 ARTICLE 8		
General		-30-
Section 8.1	Effect Of Declaration And Remedies	-30-

Section 8.2	Plurals; Gender	-30-
Section 8.3	Severability	-31-
Section 8.4	Transfer By Homebuilder	-31-
Section 8.5	Rights Of First Mortgagees And Insurers Or Guarantors Of First Mortgages	-31-
Section 8.6	Miscellaneous	-32-
Section 8.7	Amendments	-32-
Section 8.8	Beneficiary Disclosures.	-33-
Section 8.9	Counterpart	-34-

ARTICLE 9

Phased Plan of Development; Subassociations; Additional Master Common Area Provisions	-34-
Section 9.1	Phased Plan Of Development -34-
Section 9.2	Ratification Of Subjecting The Multi-Use Parcels To Only Portions Of This Declaration -34-
Section 9.3	Subassociations And Parcel Declarations -34-
Section 9.4	Additional Master Common Area Provisions -34-

ARTICLE 10

Annexation of Annexable Property; Adjustments of Boundaries	-36-
Section 10.1	Homebuilder's Reservation Of Rights To Annex And Irrevocable Commitment Of Annexable Property -36-
Section 10.2	No Limitations On Development -37-
Section 10.3	Adjustments Of Boundaries -38-

ARTICLE 11

Golf Course	-38-
Section 11.1	Use Of Golf Course -38-
Section 11.2	Association Not Responsible For Golf Course -39-
Section 11.3	Assumption Of Risk for Golf Ball Damage. -40-
Section 11.4	Golf Course Easements. -40-
Section 11.5	Restrictions As To Golf Course Lots -41-
Section 11.6	Golf Carts -41-
Section 11.7	Entry Features On Golf Course -41-
Section 11.8	Other Matters -42-

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
WESTERN SKIES ESTATES
MARICOPA COUNTY, ARIZONA**

This Declaration is made and entered into as of the date set forth at the end hereof by:

Walter P. Conner, as Trustee under Trust Agreement dated November 6, 1973, also known as the Robert W. and Fay G. Conner Irrevocable Trust (the "Trust");

Western PB Limited Partnership, an Arizona limited liability partnership ("Western") (The Trust and Western are collectively "Co-Declarants");

Val Vista Golf Course Partnership, an Arizona general partnership ("Golf Course Operator"); and

Pinnacle Builders, Inc., an Arizona corporation ("Homebuilder").

The Trust is the fee owner of the Property with the exception only of Phase 1 of the Residential Parcels. Western is the fee owner of Phase 1 of the Residential Parcels and holds an optionee's interest in portions of the Property comprised of Residential Parcels and the Multi-Use Parcels (other than Phase 1 of the Property, which Western presently owns), pursuant to an Option. Homebuilder has a sub-optionee's interest in the portions of the Property comprised of the Residential Parcels and the Multi-Use Parcels pursuant to a Suboption with Western. Golf Course Operator is the tenant of the portion of the Property comprised of the Golf Course pursuant to the Ground Lease.

This Declaration is consented to by RRH Financial, doing business as R. R. Hensler, Inc. ("Golf Course Lienholder"). Golf Course Lienholder holds a lien on the Golf Course pursuant to the Golf Course Deed of Trust.

The Golf Course, the Multi-Use Parcels (to the extent provided herein) and the Residential Parcels constitute Western Skies Estates (the "Project"), which is located in the Town of Gilbert, Maricopa County, Arizona.

If developed as single family residential homes, the Multi-Use Parcels shall be and remain subject to all of the rights, obligations, benefits and burdens of this Declaration. If developed as a multi-family residential project, the Multi-Use Parcels will be subject only to the restrictions contained in Sections 5.1A (as to restrictions to multi-family use), 5.17, 5.18, 6.2C, the architectural control provisions contained in Article 7 of this Declaration, 11.3 and 11.5 and shall not be otherwise subject to the rights, obligations, benefits and burdens of this Declaration, unless and until such Multi-Use Parcels, developed as a multi-family residential project, are thereafter resubmitted and annexed (if ever) to the remaining provisions of this Declaration as Annexable Property under Section 10.1 below. In such event of annexation, the Multi-Use Parcels shall again be part of the Project for all purposes.

Co-Declarants, with the joinder of Golf Course Operator and of Homebuilder, and with the consent of Golf Course Lienholder, hereby declare that all portions of the Project shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved subject to the following declarations, limitations, easements, covenants, conditions and restrictions, all of which are and shall be interpreted to be for the purpose of enhancing and protecting the value and attractiveness of the Project. All of the limitations, covenants, conditions and restrictions shall constitute covenants which shall run with the land and shall be binding upon Co-Declarants, and their respective successors and assigns and all parties having or acquiring any right, title or interest in or to any part of the Project; provided, however, Co-Declarants and Homebuilder, and their successors and assigns, as parties having an interest in the Multi-Use Parcels, will be subject to and bound by this Declaration as hereinabove set forth based upon the development of the Multi-Use Parcels as either single family residential homes or a multi-family residential project, as applicable.

This Declaration may be executed in any number of counterparts. Each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one declaration.

ARTICLE 1

Definitions

Section 1.1 "Additional Master Common Area" shall mean Master Common Area within any platted Subdivision in the Project which is intended for the benefit and use of the Owners of Lots within that Subdivision, and not for the general benefit and use of all Owners, as provided in Section 9.4, provided the Association has approved the designation of such property as Additional Master Common Area as provided in that Section.

Section 1.2 "Additional Master Common Area Assessment", "Costs", "Exempt Costs", "Maximum Additional Master Common Area Assessment" and "Subdivision" are defined in Section 9.4.

Section 1.3 "Alterations" has the meaning set forth in Section 7.2.

Section 1.4 "Annexable Property" has the meaning set forth in Article 10.

Section 1.5 "Assessment" shall mean that portion of the cost of maintaining, improving, repairing, operating, insuring and managing, as applicable, the Master Common Areas and operating the Association, which is to be paid by each Lot Owner as determined by the Association and as provided herein, exclusive of Additional Master Common Area Assessments. The Owner(s) of the Golf Course shall never have any liability for Assessments, nor shall the Golf Course be subject to lien therefor. In addition to the other limitation contained herein: The Trust shall have no liability for Assessments until such time as the Option has either lapsed or terminated and the Trust has platted thereafter such remaining portions of the Residential Parcels and Multi-Use Parcels, and then only with respect to the portions of the Residential Parcels and Multi-Use Parcels so platted. If the Multi-Use Parcels are otherwise subject to Assessments, no portion of the Multi-Use Parcel initially developed as a multi-family residential project shall have any liability for Assessments or be subject to the lien therefor. The Owner(s) of those portions of the Multi-Use Parcels shall be liable for Assessments unless and until such time (if ever) as the Multi-Use Parcels are thereafter developed or redeveloped as a multi-family residential project (at which point the Owner(s) of those portions of the Multi-Use Parcels developed as a multi-family residential project shall not have any liability for Assessments for such portions, and such portions shall not be subject to the lien therefor).

Section 1.6 "Assessment Lien" has the meaning set forth in Section 4.1.

Section 1.7 "Association" shall mean the WESTERN SKIES ESTATES HOMEOWNER'S ASSOCIATION, an Arizona nonprofit corporation. The Association shall be established by the filing of its Articles of Incorporation (the "Articles") and governed by its Bylaws (the "Bylaws").

Section 1.8 "Board" or "Board of Directors" shall mean the governing body of the Association.

Section 1.9 "Committee" shall mean the Architectural Control Committee for the Project established pursuant to Article 7 of this Declaration.

Section 1.10 "Co-Declarants" shall be the Trust and Western, and their successors and assigns. The rights, duties and obligations of the Trust and Western, as Co-Declarants, shall be governed by Section 2.9 below.

Section 1.11 "Declaration" shall have the meaning set forth in the Recitals.

Section 1.12 "Eligible First Mortgagee" shall have the meaning set forth in Section 8.6.

Section 1.13 "First Mortgage" shall mean any mortgage (which includes a recorded deed of trust and a recorded contract of sale as well as a recorded mortgage) which is a first priority lien on any Lot, including the Golf Course Deed of Trust as defined in Section 1.16 below.

Section 1.14 "First Mortgagee" shall mean the holder of a First Mortgage.

Section 1.15 "Golf Course" shall mean that certain real property described on the attached Exhibit "1.15" which is incorporated herein by this reference.

Section 1.16 "Golf Course Deed of Trust" shall mean that certain Deed of Trust, Assignment of Rents and Leases and Security Agreement dated June 10, 1993 executed by Golf Course Operator as trustor, for the benefit of Golf Course Lienholder, as beneficiary, and recorded on June 15, 1993, in the Official Records as Instrument No. 93-0378305.

Section 1.17 "Golf Course Lienholder" shall have the meaning set forth in the Recitals.

Section 1.18 "Golf Course Operator" shall initially mean Val Vista Golf Course Partnership, an Arizona general partnership. Thereafter, Golf Course Operator shall mean any person or entity which has possession of and operates the Golf Course, which may either be the Trust itself, any lessee of the Golf Course from the Trust pursuant to the Ground Lease or otherwise which operates the Golf Course, or any manager or operator of the Golf Course designated as the "Golf Course Operator" pursuant to a contract therefor with the Trust or a lessee of the Golf Course which is recorded in the Official Records.

Section 1.19 "Ground Lease" shall mean that certain Ground Lease dated as of May 6, 1991, between the Trust, as landlord, and the Golf Course Operator, as tenant, as amended by that certain First Amendment to Ground Lease and Consent to Assignment dated as of March 31, 1992, for approximately 150 acres of real property lying contiguous to portions of the Residential Parcels and the Multi-Use Parcels and within the Project and as further amended by that certain Second Amendment to Ground Lease and Memorandum of Ground Lease dated _____, and recorded in the Official Records on _____ as Instrument No. _____ (the "Second Ground Lease Amendment"). The Ground Lease is

evidenced by a Memorandum of Ground Lease and Option dated May 6, 1991 and recorded on May 6, 1991 as Instrument No. 91-203246 in the Official Records, as amended by the Second Ground Lease Amendment.

Section 1.20 "Homebuilder" shall mean Pinnacle Builders, Inc., an Arizona corporation, and the successor Owners of all or any of the Residential Parcels, or any portion thereof only if such successor is specifically named as a successor Homebuilder in an instrument recorded in Official Records and executed by Homebuilder; provided, however, the Trust shall become a Homebuilder automatically at such time as the Option has either lapsed or terminated and the Trust has platted any of the remaining portions of the Residential Parcels and Multi-Use Parcels, but only with respect to those portions of the Residential Parcels and Multi-Use Parcel so platted, without specifically being named as a successor Homebuilder in an instrument recorded in the Official Records executed by Homebuilder. The Owner of the Multi-Use Parcels, or any portion thereof, constructed or being constructed as single family residential homes (as opposed to a multi-family residential project), for the purpose of the original development, construction and sale thereof, but shall be a Homebuilder upon that property, and such Owner may exercise all rights of a Homebuilder with respect thereto, including making a recorded designation of a successor Homebuilder therefor as provided above.

Section 1.21 "Lakes" shall have the meaning set forth in Section 5.17.

Section 1.22 "Lot" shall mean one of the separately designated Lots in the Project as shown on a recorded Plat, together with any improvements thereon. Each Lot shall consist of at least 3200 square feet and be at least 30 feet in width. Until a Plat dividing the Residential Parcels into Lots is recorded in Official Records, that Parcel shall be deemed to contain the number of Lots permitted by the zoning for that Parcel, for voting (subject to Section 2.6 hereof), assessment (subject to Section 4.3 hereof) and all other purposes hereunder. Each numbered and lettered parcel in the Project is a separate freehold estate. Lots in the Project shall include any portion of the Multi-Use Parcels developed as single family residences and platted.

Section 1.23 "Lot Improvements" shall have the meaning set forth in Section 5.16.

Section 1.24 "Master Common Area" shall mean any Master Common Area tracts designated as Master Common Area on any Plat as provided in Section 1.33, including all structures, facilities, improvements and landscaping thereon and all rights, easements and appurtenances relating thereto. Title to any tract of Master Common Area shall be conveyed to the Association by Co-Declarants or Homebuilder free and clear of all monetary liens and encumbrances for the benefit of all of the Lot Owners (except Additional Master Common Area, as provided in Section 9.4) and Co-Declarants (but only for the express purposes described in Sections 11.3 and 6.3 below) upon the completion of all of the improvements designed therefor and approval by the Veterans Administration or Federal Housing Administration (if either agency has approved the proposed development plan of the Project) and the Town of Gilbert, and prior to the conveyance of the first Lot in the Residential Parcel which includes that tract to an Owner other than Co-Declarants or Homebuilder. Every Owner shall have a right and easement of ingress and egress and enjoyment in, over and to the Master Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the right of the Association to suspend Master

Common Area use rights as provided in Sections 3.3 and 4.11 below, the right of the Association (with requisite Owner consent) to dedicate or transfer Master Common Area to any public agency, authority or utility company as provided in the Articles and, with respect to any Additional Master Common Area, as provided in Section 9.4. Any Owner may delegate, in accordance with the Project Documents, his right of enjoyment to the Master Common Area and facilities thereon to members of his family, tenants and contract purchasers who reside on his Lot. The Owners, tenants or other users of (x) the Golf Course and (y) to the extent the same are developed as a multi-family residential project, the Multi-Use Parcels, shall have no right to use or enjoy the Master Common Area, except as provided in Sections 11.3 and 6.3 below.

Section 1.25 "Member" shall mean those persons entitled to membership (a "Membership") in the Association as provided herein.

Section 1.26 "Minimum Maintenance" shall have the meaning set forth in Section 11.1.

Section 1.27 "Multi-Use Parcels" shall mean that certain real property described on the attached Exhibits "1.27-A" and "1.27-B" which are incorporated herein by this reference.

Section 1.28 "Official Records" shall mean the official records of Maricopa County, Arizona, Recorder's Office.

Section 1.29 "Option" shall mean that certain option granted under that certain Option Agreement dated as of May 6, 1991, by and between the Trust, as optionor, and Western, as optionee and as successor in interest by assignment from Conner Properties Limited Partnership, an Arizona limited partnership, as amended by First Amendment to Memorandum of Option dated as of June 9, 1993, wherein Western has the option to acquire all or part of the Residential Parcels and Multi-Use Parcels in fee title from the Trust as optionor and as further amended by Second Amendment to Memorandum of Option dated _____. The Option Agreement is evidenced by a Memorandum of Option dated February 27, 1991, and recorded in the Official Records on May 6, 1991, as Instrument No. 91-203245, which has been assigned by Conner Properties Limited Partnership to Western. The First Amendment to Memorandum of Option is recorded in the Official Records as Instrument No. 94-104590. The Second Memorandum of Option is recorded in the Official Records as Instrument No. _____.

Section 1.30 "Owner" shall mean the record holder of title to a Residential Parcel or Lot in the Project, subject to provisions below in this Section 1.30. This shall include any person having fee simple title to any Lot in the Project, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. Further, if a Lot or other property is sold under a recorded contract of sale or subdivision trust to a purchaser, the purchaser, rather than the fee owner, shall be considered the Owner as long as he or a successor in interest remains the contract purchaser or purchasing beneficiary under the recorded contract or subdivision trust. The owner(s) of the Golf Course is not an Owner for purposes of this definition and this Declaration. Notwithstanding anything in this Declaration to the contrary, the Owner of any Residential Parcel or Lot in the Project for the purposes of voting, assessment and other purposes hereunder, prior to the vesting of fee title in such Residential Parcel or Lot in Homebuilder or

another purchaser for value, shall be Western as optionee under the Option (and not the Trust) for so long as the Option is in effect and Western is not then in default thereunder. Upon the lapse of the Option by the passage of time, a default thereunder or otherwise, the status of Owner for such portion of the Project then owned by the Trust, for the purposes of voting, assessment and other purposes hereunder, shall revert automatically from Western to the Trust as fee owner thereof.

Section 1.31 "Party Wall" shall have the meaning set forth in Section 6.1.

Section 1.32 "Phase 1" shall mean a parcel contained in the Residential Parcels as established in the Plat recorded in Book 376 of Maps, Page 4 of the Official Records, with a Certificate of Correction recorded in the Official Records as Instrument No. 94-381444A.

Section 1.33 "Plat(s)" shall mean that plat of Phase 1 and the plat of every subsequent phase to the Project, each phase of which shall be individually platted, together with the other plats of the Project or portions thereof as hereinafter provided, as any of the same may be amended from time to time. Western or Homebuilder will, subject to Committee approval, record additional Plats for the Residential Parcels in Official Records, and the same may designate Master Common Areas to be owned and maintained by the Association as provided herein and the designations of Master Common Areas on the Plats shall be binding upon all parties. No Plat may be amended without the approval of the Committee. Even if all or any portion of the Golf Course or the Multi-Use Parcels, if developed as a multi-family residential project, are subjected to a subdivision plat recorded in Official Records, that shall not be a Plat for purposes of this Declaration, nor shall the lots or parcels created thereby be Lots for purposes of this Declaration.

Section 1.34 "Project" shall mean only the Golf Course, the Residential Parcels, and to the extent provided herein, the Multi-Use Parcels.

Section 1.35 "Project Documents" shall mean and include this Declaration, as it may be amended from time to time, the exhibits, if any, attached hereto, the Plats, the Articles and Bylaws and any "Rules and Regulations" adopted from time to time by the Association as provided herein or in the Bylaws.

Section 1.36 "Property" shall mean that certain real property described on the attached Exhibit "1.36" which is incorporated herein by this reference.

Section 1.37 "Residential Parcels" shall mean all Lots and Master Common Areas included in the Plats and all real property described on the attached Exhibits "1.37-A" through "1.37-D" which is incorporated herein by this reference, exclusive of any areas now or hereafter dedicated or otherwise conveyed to the Town of Gilbert or other governmental entities.

Section 1.38 "Subassociation" is a homeowners association created for the benefit of Owners of Lots in and with respect to one or more specific Residential Parcels, or a portion thereof, as provided in Section 9.3.

Section 1.39 "Suboption" shall mean that certain suboption granted under that certain Option Agreement dated January 24, 1994, by and between Western, as optionor, and Homebuilder, as optionee, recorded in the Official Records as Instrument No. 94-0104592, wherein Homebuilder has the option to acquire all or part of the Residential Parcels and Multi-Use Parcels in fee title from Western.

Section 1.40 "Trust" shall have the meaning set forth in the Recitals.

Section 1.41 "Western" shall have the meaning set forth in the Recitals.

ARTICLE 2

Administration, Membership, Voting Rights of the Association, and Rights between Co-Declarants

Section 2.1 Basic Duties Of The Association. The management of the Master Common Area shall be vested in the Association in accordance with this Declaration and the Articles and Bylaws. The Owners covenant and agree that the administration of the Project shall be in accordance with the provisions of the Project Documents, subject to the standards set forth in all applicable laws, regulations and ordinances of any governmental or quasi-governmental body or agency having jurisdiction over the Project. In addition to the duties and powers enumerated in the Bylaws and the Articles, and without limiting the generality thereof, the Association shall have the duties and powers as set forth in Article 3 below and elsewhere in this Declaration.

Section 2.2 Membership. The Owner of a Lot shall automatically, upon becoming the Owner of same, be a Member of the Association and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his Membership in the Association shall automatically cease. Tenants shall not have any voting or Membership rights in the Association by virtue of their occupancy of any Lot or house thereon. The owner(s) of the Golf Course is not a Member. The owner(s) of the Multi-Use Parcels developed as a multi-family residential project is not a Member. Notwithstanding anything in this Declaration to the contrary, the Membership of any Residential Parcel or Lot in the Project, prior to the vesting of fee title in such Residential Parcel or Lot in Homebuilder or another purchaser for value, shall be Western as optionee under the Option for so long as the Option is in effect and Western is not then in default thereunder. Upon the lapse of the unexercised Option by the passage of time, a default thereunder or otherwise, status as Member for such portion of the Project subject to the unexercised Option and then owned by the Trust, shall revert automatically from Western to the Trust as fee owner thereof.

Section 2.3 Transfer Of Membership. Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the transfer of ownership of the Lot to which it is appurtenant, and then automatically to the new Owner as provided in Section 2.2. The transfer of Membership for a Lot subject to the Option or Suboption shall be conveyed upon exercise of the Option or the Suboption. Any attempt to make a prohibited transfer is void. Upon the transfer of an ownership interest in a Lot, the Association shall record the transfer upon its books, causing an automatic transfer of Membership as provided in Section 2.2.

Section 2.4 Membership Classes. The Association shall have two (2) classes of voting Membership established according to the following provisions:

A. Class A Membership shall be that held by each Owner of a Lot other than Co-Declarants and Homebuilder (while two classes of Membership exist), and each Class A Member shall be entitled to one (1) vote for each Lot owned. If a Lot is owned by more than one (1) person, each such person shall be a Member of the Association but there shall be no more than one (1) vote for each Lot.

B. Class B Membership shall be that held by Co-Declarants (subject to the provisions of Section 2.2 above vesting such Membership in Western during the term of the Option), Homebuilder and, in certain instances the Trust, (but with respect to the Trust, only to the extent that the Option has lapsed or terminated, and then only to the extent provided in Section 2.2 above), which shall be entitled to three (3) votes for each Lot owned by Co-Declarants, Homebuilder and the Trust, to the extent set forth above, in proportion to the number of Lots owned by each respectively, provided that Class B Membership shall be converted to Class A Membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

(1) When Homebuilder has conveyed seventy-five percent (75%) of the Lots in the Project (including, for this purpose, the Multi-Use Parcels if such parcels have not, at the time of measurement, been developed as a multi-family residential parcel) to Owners other than Homebuilder; or

(2) The tenth anniversary of the close of escrow for the sale of the first Lot by Homebuilder.

In the event there is more than one Homebuilder under Sections 1.20 and 8.4 hereof, the voting rights of all Lots owned by all Homebuilders shall be added together solely for purposes of determining the conversion of Class B Membership to Class A Membership. Notwithstanding the foregoing, Co-Declarants or a Homebuilder or the Trust may voluntarily convert all or a portion of its respective Class B Membership to Class A Membership without the prior consent of the other Co-Declarant, Homebuilder(s) or the Trust at any time by giving written notice to the Association, but the same will not affect the Class B Membership rights of the other Co-Declarant, Homebuilder(s) or the Trust.

Subject to the provisions of Section 2.6 below, until a Residential Parcel, or a portion thereof, is subject to a Plat dividing the same into Lots, that Residential Parcel, or portion thereof, shall be deemed to contain the number of Lots permitted by the applicable zoning thereof, for purposes of this Section 2.4 and Article 4.

Subject to the provisions of Section 2.6 below, until a Multi-Use Parcel not then developed as a multi-family residential project, or a portion thereof, is subject to a Plat dividing the same into Lots, that Multi-Use Parcel, or portion thereof, shall be deemed to contain the number of Lots permitted by the applicable zoning thereof, for the purposes of this Section 2.4 and

Article 4. Multi-Use Parcels developed as a multi-family residential project shall not be deemed to contain Lots.

Section 2.5 Association Voting Requirements. Any action by the Association which must have the approval of the Association Membership before being undertaken shall require (i) the affirmative vote of not less than fifty-one percent (51%) of the Membership present and voting at a duly called and held meeting of the Membership; or (ii) the written consent of not less than fifty-one percent (51%) of the Membership unless, in either case, another percentage is specifically prescribed by a provision within this Declaration, the Bylaws or the Articles.

Section 2.6 Vesting Of Voting Rights. Voting rights attributable to all Lots owned by Homebuilder shall vest immediately by virtue of Homebuilder's ownership thereof. Voting rights in all Lots subject to the Option shall be vested in Western automatically by virtue of Western's Option interest therein, provided, however, the voting rights applicable to Lots subject to the Option which automatically vests in Western pursuant to the preceding clause, shall automatically vest in the Trust at such time as the Option has either lapsed or terminated. Notwithstanding the foregoing or anything in this Declaration to the contrary, no Owner of any Lot shall have any voting rights attributable to that Lot until the Plat for such Lot has been recorded in the Official Records. In addition, notwithstanding the foregoing or anything in this Declaration to the contrary, except for Western and Homebuilder, no Owner of any Lot shall have any voting rights attributable to that Lot until an Assessment has been levied against that Lot and Owner by the Association pursuant to Article 4 below. Western and Homebuilder shall have voting rights attributable to its Lot(s) notwithstanding that an Assessment has not yet been levied against that Lot and Owner by the Association pursuant to Article 4 below.

Section 2.7 Meetings Of The Association. Regular and special meetings of members of the Association shall be held with the frequency, at the time and place and in accordance with the provisions of the Bylaws.

Section 2.8 Board Of Directors. The affairs of the Association shall be managed by a Board of Directors which shall be established and which shall conduct regular and special meetings according to the provisions of the Bylaws.

Section 2.9 Rights Between Co-Declarants and Homebuilder(s). Co-Declarants and Homebuilder(s), for purposes of this Declaration, shall be deemed to be the Owner of the Lots contained in the Residential Parcels owned by each respectively, subject to the other provisions of this Declaration respecting the vesting of certain ownership rights in Western during the duration of the Option. At such time as Western, pursuant to its optionee's interest under the Option, or Homebuilder, pursuant to its suboptionee's interest under the Suboption, becomes the Owner of all or portions of the Residential Parcels, then the number of Lots deemed to be owned by Co-Declarants and Homebuilder shall be adjusted accordingly.

ARTICLE 3

Duties and Powers of the Association

Section 3.1 Master Common Area

A. General Obligation. The Association shall maintain, paint, repair, replace, restore, operate and keep in good condition all of the Master Common Area and all facilities, improvements, furnishings, equipment and landscaping thereon, provided that each Owner shall be responsible to reimburse the Association for all costs incurred by the Association as a result of repairs or replacements arising out of or caused by the willful or negligent act or neglect of that Owner or his tenants, or their respective family members, guests or invitees. The Association shall be entitled to commence an action at law or in equity to enforce this provision. Liability hereunder shall be limited to that provided for or allowed in the statutory or case law of the State of Arizona.

Section 3.2 Insurance.

A. Public Liability Insurance. The Association shall obtain and continue in effect comprehensive public liability insurance insuring the Association, the Homebuilders, the Co-Declarants, the agents and employees of each and the Owners and their respective family members, guests and invitees against any liability incident to the ownership or use of the Master Common Area, including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured and a "severability of interest" endorsement precluding the insurer from denying coverage to one Owner because of the negligence of other Owners, other insureds or the Association. Such insurance shall be in amounts deemed appropriate by the Board but in no event shall the limits of liability for such coverage be less than \$1,000,000 for each occurrence with respect to bodily injury and property damage. In the event insurance proceeds are inadequate to fully discharge the liability of the Association and its agents and employees, then the Association may levy a special Assessment on Lot Owners therefor as provided in Article 4. The Association's use of funds from its general account or levy of a special Assessment shall not constitute a waiver of the Association's or any Owner's right to institute any legal proceeding or suit against the person or persons responsible purposely or negligently, for the damage.

B. Fidelity Bonds And Other Insurance. The Association shall obtain and maintain (and/or cause a professional manager employed by the Association to obtain and continually maintain) bonds covering all persons or entities which handle funds of the Association, including, without limitation, any such professional manager employed by the Association and any of such professional manager's employees, in amounts not less than the maximum funds that will at any time be in the possession of the Association or any professional manager employed by the Association but in no event less than the total of Assessments for a three (3) month period on all Lots and all reserve funds maintained by the Association. With the exception of a fidelity bond obtained by a professional manager covering such professional manager's employees, all fidelity bonds shall name the Association as an obligee. In addition, all such bonds shall provide that the same shall not be terminated, canceled or substantially modified without at least thirty (30) days' prior written notice to the Association. The Association shall also obtain and maintain any insurance which may be required by law, including, without limitation, workers' compensation

insurance and director's and officer's liability insurance. Further, unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each First Mortgage owned) or Owners (other than the Co-Declarants and Homebuilders) of the individual Lots have given their prior written approval, the Association shall not be entitled to (i) use hazard insurance proceeds for losses to any Master Common Area other than for the repair, replacement or reconstruction of such Master Common Area or (ii) fail to maintain hazard insurance on any insurable amenities, if any, on the Master Common Area. The Association shall have the power and authority to obtain and maintain other and additional insurance coverage, including multi-peril insurance providing at a minimum fire and extended coverage on a replacement cost basis for the Master Common Area improvements, if any, which additional insurance shall meet the insurance requirements established by the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC"), as applicable, so long as either FNMA or FHLMC is a First Mortgagee or Owner of a Lot, except to the extent that such coverage is not available or has been waived in writing by FNMA or FHLMC. A First Mortgagee may pay overdue premiums on hazard insurance policies or secure new coverage for the Master Common Area in case of lapse of a policy, and the Association shall immediately reimburse the First Mortgagee therefor.

C. Repair And Replacement Of Damage Or Destroyed Property. Any Master Common Area improvements damaged or destroyed shall be repaired or replaced promptly by the Association unless (i) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (ii) Owners owning at least eighty percent (80%) of the Lots vote not to rebuild or restore them. The cost of repair or replacement in excess of insurance proceeds or condemnation awards and reserves shall be paid by the Association and, as provided above, the Association may specially assess the Owners therefor. Any excess or remaining insurance or condemnation proceeds which are not needed to restore the Master Common Area as provided above, and which are not utilized to fund any previously unfunded reserve requirements of the Association, shall be distributed to the Owners on the basis of an equal share for each Lot. No provisions of the Project Documents shall give a Lot Owner or any other person priority in the case of payment to the Lot Owner of insurance proceeds or condemnation awards for losses to Master Common Area over any rights of a First Mortgagee.

Section 3.3 Enforcement, Penalties And Remedies. The Association shall enforce the provisions of this Declaration and the other Project Documents by appropriate means, including, without limitation, the expenditure of funds of the Association, the employment of legal counsel and the commencement of legal actions. The Association may adopt a schedule of reasonable monetary penalties for violation by Owners (and others for whom Owners are responsible as provided herein) of the provisions of the Project Documents and impose the same according to procedures in the Bylaws. Further, if an Owner is in default and the applicable cure period, if any, has expired, the Board may suspend the Master Common Area use rights (except with respect to any private streets) and/or the Association voting rights of the Owner until the default is fully cured, in accordance with the procedures set forth in the Bylaws. The Association shall have the additional rights and remedies set forth in Section 8.1, and in Article 4 with respect to delinquent Assessments and Charges as defined below.

Section 3.4 Easements. The Association may grant and reserve easements where necessary for utilities and sewer facilities over the Master Common Area to serve the Master Common Area and the Lots, and for other purposes as set forth in Section 6.3.

Section 3.5 Management And Other Contracts. The Association shall have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, subject to the Bylaws and restrictions imposed by any governmental or quasi-governmental body or agency having jurisdiction over the Project. Any agreement for professional management of the Project or any agreement providing for services by Co-Declarants or Homebuilder (or any affiliate of Co-Declarants or Homebuilder) shall provide for termination by either party without cause or payment of a termination fee upon thirty (30) days' written notice or for cause upon thirty (30) days' or less written notice and without payment of a termination fee. Such agreement shall further provide for a reasonable contract term of from one (1) to three (3) years and be renewable only by consent of the Association and the other party.

Section 3.6 Rules. The Association may adopt reasonable Rules and Regulations not inconsistent with this Declaration, the Articles or the Bylaws relating to the use of the Master Common Area and all facilities thereon and the conduct of Owners and their tenants, and their respective family members, guests and invitees with respect to the Project and other Owners.

ARTICLE 4

Assessments and Charges

Section 4.1 Assessment Obligations. Each Owner of any Lot, by acceptance of a deed or recorded contract of sale or beneficial interest in a subdivision trust therefor, whether or not it shall be so expressed in such document, is deemed to covenant and agree to pay to the Association (a) regular annual Assessments; (b) special Assessments for capital improvements and unexpected expenses and (c) other charges made or levied by the Association against the Lot and the Owner thereof including, without limitation, interest, late charges, collection costs, costs and reasonable attorneys' fees incurred by the Association in enforcing compliance with this Declaration or any other Project Document (whether or not a lawsuit or other legal action is instituted or commenced), which charges are collectively referred to herein as the "Charges". Such Assessments and Charges shall be established and collected as provided herein and in the Bylaws. Any part of any Assessment or Charge not paid within thirty (30) days of the due date therefor as established in this Article 4 shall bear interest at the rate of twelve percent (12%) per annum from the due date until paid and shall be subject to a reasonable late charge of \$25.00. The annual and special Assessments and any Charges made against a Lot and the Owner thereof pursuant to this Declaration or the Bylaws shall be a charge and a continuing lien upon the Lot (hereinafter "Assessment Lien") without further action by the Association or any other party. Each such Assessment and Charge shall also be the personal obligation of the person who was the Owner of such Lot at the time the Assessment or other Charge fell due as provided in this Article 4 or elsewhere in this Declaration, but this personal liability shall not pass to successor Owners unless specifically assumed by them. The Assessment Lien on each Lot shall be prior and superior to all

other liens except (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto and (b) the lien or charge of any First Mortgage on that Lot. No Owner of a Lot may exempt himself from liability for Assessments and Charges by waiver of the use or enjoyment of any of the Master Common Area or by the abandonment of his Lot.

Notwithstanding anything contained in this Declaration to the contrary and in addition to any other limitations contained herein (including, without limitation, the limitations contained in Section 1.5 above): (i) in no event shall Assessments or Charges be levied on any Lot until after the Plat thereof is recorded in the Official Records, (ii) the Golf Course shall never be subject to or have any liability for Assessments or Charges or the expenses of the Association, (iii) the Multi-Use Parcels shall not be subject to or have any liability for Assessments or Charges or the expenses of the Association if developed as a multi-family residential project and (iv) for so long as the Option is in effect, no Lot (even if platted) owned by Trust but subject to the unexercised Option shall be subject to the levy of Assessments and Charges.

Section 4.2 Purpose Of Assessments. The Assessments by the Association shall be used exclusively to promote the recreation, health, safety and welfare of all the residents in the Project, for the improvement and maintenance (including utility costs incurred by the Association under Section 3.5) of the Master Common Area as provided herein and for the common good of the Project. Annual Assessments shall include an adequate reserve fund for taxes, insurance, maintenance (including utility costs incurred by the Association), repairs and replacement of the Master Common Area and other improvements which the Association is responsible for maintaining.

Section 4.3 Annual Assessments. The maximum annual Assessment amount in the year that Homebuilder first closes escrow for the sale of any Lot in the Project to an Owner other than Homebuilder shall be \$180.00 per annum. The annual Assessment shall be prorated based on the number of months remaining before December 31 of such year as well as any partial months remaining. Without the vote or approval of the Members of the Association, the maximum annual Assessment amount set forth above shall be automatically increased each calendar year after the first year during which a Lot in the Project is assessed by the greater of ten percent (10%) of the previous year's maximum annual Assessment or a percentage equal to the percentage increase, if any, in the Consumer Price Index - United States City Average for Urban Wage Earners and Clerical Workers - All Items (published by the Department of Labor, Washington, D.C.) for the year ending with the preceding July (or a similar index chosen by the Board if the above-described Index is no longer published). The Board shall annually apply the foregoing formula and determine and fix the amount of the annual (calendar year) Assessment against each Lot. The maximum annual Assessment amount may be increased by an amount in excess of the amount produced by the foregoing formula or decreased by more than twenty percent (20%) of the annual Assessment against Lots for the prior calendar year only if such increase or decrease is approved by the affirmative vote of two-thirds (2/3) of each of the voting power of Class A Members and Class B Members (while Class B Membership exists) voting in person or by proxy at a meeting duly called for this purpose.

Notwithstanding anything to the contrary stated in this Article, until Class B Membership is terminated pursuant to Section 2.4B above, no annual Assessment shall be paid by

Western, Homebuilder or the Trust, to the extent it holds Class B Membership as provided in Section 2.4B above, owning any Lot; the obligations with respect to such Lots being limited to the Homebuilder(s) funding any deficiency as hereafter provided in this Section 4.3 and Homebuilder(s) funding reserves in accordance with Section 4.5 below. Neither Western nor the Trust shall have any liability for funding any deficiency as hereafter provided in this Section 4.3 or funding reserves in accordance with Section 4.5 below except to the extent they are also a Homebuilder within the definition of Section 1.20.

Until Class B Membership is terminated pursuant to Section 2.4B above, any Homebuilder(s), in proportion to the number of Lots owned by it, shall be severally responsible on a pro rata basis for the prompt payment on a current basis of all costs and expenses related to maintenance and repair of the Master Common Area and other areas required to be maintained by the Association hereunder, if any, and all other costs incurred by the Association in the performance of its duties, in the event and to the extent that the funds available to the Association are inadequate for payment of such costs and expenses on a current basis. Any Homebuilder's failure to perform the requirements contained in this Section shall constitute a default under this Declaration entitling any Lot Owner or First Mortgagee to record a notice of lien against the defaulting party's property interest in the Project (but not against any other non-defaulting Homebuilder) to enforce the provisions of this Section. If any Homebuilder relinquishes its Class B Membership rights under Section 2.4B and is therefore paying full Assessments, such party shall have no responsibility under this Section for shortfalls/deficits accruing thereafter.

Section 4.4 Special Assessments. In addition to the regular annual Assessments authorized above, the Board 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 (i) any construction, reconstruction, repair or replacement of a capital improvement upon the Master Common Area or other improvements the Association is responsible for maintaining (including fixtures and personal property related thereto); (ii) any unanticipated or underestimated expense normally covered by a regular Assessment; and (iii) where necessary, for taxes assessed against the Master Common Area, provided however, that in all events, no such special Assessment shall be made without the affirmative vote of two-thirds (2/3) of each of the voting power of Class A Members and Class B Members (while Class B Membership exists) voting in person or by proxy at a meeting duly called for this purpose.

Section 4.5 Reserves And Working Capital. Annual Assessments shall include an adequate reserve fund for taxes, insurance, maintenance, repairs and replacement of the Master Common Area, Master Common Area improvements and other improvements which the Association is responsible for maintaining. Homebuilder(s) shall establish a working capital fund for the Association, for the initial months of Project operations, equal to two (2) months' estimated monthly Assessments for each Lot in the Project. Each Lot's share shall be collected and paid to the Association at the time that the sale of that Lot from Homebuilder to another person is closed. Such payment shall be non-refundable and shall not be considered as an advance payment of any Assessments levied by the Association pursuant to this Declaration. The Association may not use any of the working capital funds to defray its expenses, reserve contributions, or construction costs, or make up any budget deficits while Class B Membership exists.

Section 4.6 Procedures For Voting On Assessments. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4.3 or 4.4 of this Article shall be sent to all Owners 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 proxies therefor entitled to cast sixty percent (60%) of all of the votes of the 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. While Class B Membership exists, the quorum requirements described above shall apply to both classes and a quorum shall not exist for a meeting unless a quorum of each class is present.

Section 4.7 Allocation Of Assessments. The Owner of each Lot shall bear an equal share of each regular and special Assessment except as otherwise specified elsewhere in this Declaration, subject to the provisions of Sections 4.3 and 4.5 above.

Section 4.8 Commencement Of Assessments. The regular annual Assessments provided for herein shall commence as to each Lot then existing in the Project on the first day of the month following the close of escrow of the sale of the first Lot in the Project by a Homebuilder to another person. Thereafter, due dates and amounts of Assessments shall be established by the Board and notice shall be given to each Lot Owner at least forty-five (45) days prior to any due date of any special Assessment or any change in the amount or due date of any annual Assessment; provided, however, that Owners shall continue to pay Assessments at the last established rate until the Board gives notification of any change in accordance with this Section 4.8. At the option of the Board, all annual Assessments shall be payable in twelve (12) equal monthly installments or four (4) equal quarterly installments and if Assessments are to be due on a monthly basis, no notice of such Assessment shall be required other than an annual notice setting forth the monthly payment amount and the day of each month on which each payment amount is due.

Section 4.9 Effect Of Transfer Of Lot By Sale Or Foreclosure. The sale or transfer of any Lot shall not affect the Assessment Lien or liability of the former Owner for Assessments or Charges due and payable except as provided below. No sale or transfer of a Lot shall relieve the new Lot Owner from liability for any Assessment or Charge thereafter becoming due or release his Lot from any Assessment Lien.

If the First Mortgagee or another person obtains title to a Lot as a result of the foreclosure, trustee's sale or deed in lieu thereof of any First Mortgage, such First Mortgagee or other person shall not be liable for the Assessments and Charges chargeable to such Lot which became due prior to the acquisition of title to such Lot by the First Mortgagee or other person, and the Assessment Lien therefor shall be extinguished. Such unpaid Assessments and Charges shall be deemed to be common expenses collectible from the Owners of all of the Lots through regular annual or special Assessments, subject to the continuing liability of the transferring or foreclosed Owner. In a voluntary conveyance of a Lot, the grantee of the same shall not be personally liable for Assessments and Charges due to the Association in connection with that Lot which accrued prior to the conveyance unless liability therefor is specifically assumed by the grantee, but the Lot shall remain encumbered by the Assessment Lien therefor. Any grantee, mortgagee or other

lienholder shall be entitled to a statement from the Association setting forth the amount of the unpaid Assessments and Charges due the Association for a reasonable preparation charge. The grantee or other person entitled to receive the statement shall not be liable for, nor shall the Lot conveyed be subject to, unpaid Assessment Liens in excess of the amount set forth in the statement, provided, however, the grantee shall be liable for any such Assessment or Charge becoming due after the date of any such statement.

Section 4.10 Remedies For Nonpayment. When any Assessment or Charge due from an Owner to the Association on behalf of any Lot is not paid within thirty (30) days after the due date, the Assessment Lien therefor may be enforced by foreclosure of the Assessment Lien and/or sale of the Lot by the Association, its attorney or other person authorized by this Declaration or by law to make the sale. The Assessment Lien may be foreclosed and the Lot sold in the same manner as a realty mortgage and property mortgaged thereunder, or the Assessment Lien may be enforced or foreclosed in any other manner permitted by law for the enforcement or foreclosure of liens against real property or the sale of property subject to such a lien. Any such enforcement, foreclosure or sale action may be taken without regard to the value of such Lot, the solvency of the Owner thereof or the relative size of the Owner's default. Upon the sale of a Lot pursuant to this Section, the purchaser thereof shall be entitled to a deed to the Lot and to immediate possession thereof, and said purchaser may apply to a court of competent jurisdiction for a writ of restitution or other relief for the purpose of acquiring such possession, subject to applicable laws. The proceeds of any such sale shall be applied as provided by applicable law but, in the absence of any such law, shall be applied first to discharge costs thereof, including, but not limited to, court costs, other litigation costs, costs and attorneys' fees incurred by the Association, all other expenses of the proceedings, interest, late charges, unpaid Assessments and other Charges due to the Association, and the balance thereof shall be paid to the Owner. It shall be a condition of any such sale, and any judgments or orders shall so provide, that the purchaser shall take the interest in the Lot sold subject to this Declaration. The Association, acting on behalf of the Lot Owners, shall have the power to bid for the Lot at any sale and to acquire and hold, lease, mortgage or convey the same. The Association may utilize Association funds to maintain that Lot and pay First Mortgage payments concerning that Lot during the Association's period of ownership of such Lot. In the event the Owner against whom the original Assessment or Charge was made is the purchaser or redemptioner, the Assessment Lien securing that portion of the Assessment or Charge remaining unpaid following the sale shall continue in effect and said lien may be enforced by the Association or by the Board for the Association as provided herein. Further, notwithstanding any foreclosure of the Assessment Lien or sale of the Lot, any Assessments and Charges due after application of any sale proceeds as provided above shall continue to exist as personal obligations of the defaulting Owner of the Lot to the Association, and the Board may use reasonable efforts to collect the same from said Owner even after he is no longer a Member of the Association.

Section 4.11 Suspension Of Rights. In addition to all other remedies provided for in this Declaration or at law or in equity, the Board may suspend the Association voting rights and/or the right to use the Master Common Area (excluding private streets) of a Lot Owner who is in default in the payment of any Assessment or any other amount due to the Association, as provided in the Bylaws, with such suspension to end upon the Owner's full cure of the default.

Section 4.12 Other Remedies. The rights, remedies and powers created and described in Sections 4.10 and 4.11 and elsewhere in the Project Documents are cumulative and may be used or employed by the Association in any order or combination. Without limiting the foregoing sentence, suit to recover a money judgment for unpaid Assessments and Charges, to obtain specific performance of obligations imposed hereunder and/or to obtain injunctive relief may be maintained without foreclosing, waiving, releasing or satisfying the liens created for Assessments or Charges due hereunder.

Section 4.13 Unallocated Taxes/Payment By First Mortgages. In the event that any taxes are assessed against the Master Common Area or the personal property of the Association, rather than against the Lots, said taxes shall be included in the Assessments made under the provisions of this Article, and, if necessary, a special Assessment may be levied equally against all of the Lots in an amount equal to said taxes, as provided in Section 4.4. First Mortgagees may pay taxes or other charges that are in default and that may or have become charges against the Master Common Area and shall be entitled to immediate reimbursement therefor from the Association.

ARTICLE 5

Use Restrictions

Section 5.1 Use Of Lots As A Single Family Subdivision; Leases; No Partition.

A. Single Family Subdivision. With the exception of the Multi-Use Parcels developed as a multi-family residential project, all Lots within the Residential Parcels and the Multi-Use Parcels of the Project shall be known and described as residential Lots and shall be occupied and used for single family residential purposes only. Any single family house and related improvements on a Lot shall consist of not less than 1,200 square feet. The Multi-Use Parcels shall be occupied and used only for either single family residential purposes or as a multi-family residential project. A portion or portions of the Multi-Use Parcels may be used for single residential purposes and another portion or portions may be used for a multi-family residential project; in such event the portion(s) of the Multi-Use Parcels used as single family residential homes shall be subject to this Declaration in its entirety and the portion(s) developed as a multi-family residential project shall be subject to only portions of this Declaration as herein provided. Business and trade uses within the Lots of the Project shall be restricted as provided in Section 5.4.

B. Leases. No Owner may rent his/her Lot and the single family house and related improvements thereon for transient or hotel purposes or shall enter into any lease for less than the entire Lot. No lease shall be for a rental period of less than thirty (30) days. Subject to the foregoing restrictions, the Owners of Lots shall have the absolute right to lease their respective Lots provided that the lease is in writing and is specifically made subject to the covenants, conditions, restrictions, limitations, and uses contained in this Declaration and the Bylaws and any reasonable Rules and Regulations adopted by the Association. A copy of any such lease shall be delivered to the Association prior to the commencement of the term of the lease. The

Owner is fully responsible for the conduct and actions of his tenants, and his tenant's family members, guests and other invitees.

C. No Partition. No Owner shall bring any action for or cause partition of any Lot, it being agreed that this restriction is necessary in order to preserve the rights of the Owners. Judicial partition by sale of a single Lot owned by two or more persons or entities and the division of the sale proceeds is not prohibited (but partition of title to a single Lot is prohibited). Notwithstanding the foregoing, a vacant Lot may be split between the Owners of the Lots adjacent to such Lot so that each portion of such Lot would be held in common ownership with another Lot adjacent to that portion, subject to any further requirements or restrictions imposed by the Town of Gilbert. No division of any single individual residence into a condominium or time share use shall be permitted within the Project.

Section 5.2 Nature Of Buildings/Structures On Lots. No buildings or structures shall be moved from other locations onto any Lot, and all improvements erected on a Lot shall be of new construction. No structure of a temporary character and no trailer, shack, garage, barn or other out-building shall be used on any Lot at any time as a residence, either temporarily or permanently. No unsightly structure, object or nuisance shall be erected, placed or permitted on any Lot. All buildings and structures on each Lot shall conform with the setback requirements as set forth in the applicable Plat.

Section 5.3 Animals On Lots. No livestock, poultry or other animals shall be raised, bred or kept on any Lot except that customary household pets such as dogs, cats and household birds may be kept, but only such number and types shall be allowed which will not create a nuisance or disturb the health, safety, welfare or quiet enjoyment of other Lot Owners, the Co-Declarants, its employees, invitees or other persons using the Golf Course or its facilities. All animals shall be kept under reasonable control at all times and in accordance with applicable laws and any Rules and Regulations adopted by the Association, and shall be restrained by fence or leash from roaming in or through the Master Common Area or the Golf Course. No Owner (or his tenant, or any of their respective family members, guests or invitees) shall go upon the Golf Course with any pet or other animal for any purpose. All animal wastes must be promptly disposed of in accordance with applicable city or county regulations, and must be immediately removed by the animal's owner from Master Common Areas or any other owner's Lot. Upon the written request of any Owner, the Board shall conclusively determine, in its sole and absolute discretion, whether a particular animal constitutes a customary household pet or is a nuisance (because of noise or otherwise), or whether the number of animals or birds maintained on any portion of the Project is reasonable, and may require the immediate permanent removal of any animal which it determines is violating these provisions. Any decision rendered by the Board shall be final; provided, however, any Owner not satisfied with such decision shall be permitted one mediation session with a board representative as its sole remedy or right of appeal. Owners shall be liable for any and all damage to property and injury to persons and other animals caused by their household pets and the household pets of their tenants and other occupants.

Section 5.4 Signs; Restrictions On Commercial Uses Of Lots. No sign of a commercial nature shall be allowed on a Lot within the Project, except for one "For Rent" or one "For Sale" sign per Lot of no more than five (5) square feet. No institution or other place for the

care or treatment of the sick or disabled, physically or mentally (except as provided by the Arizona Developmental Disabilities Act of 1978 36-581 et seq., or other applicable federal or state law) shall be placed or permitted to remain within the Project and no theater, bar, restaurant, saloon, or other place of entertainment may ever be erected or permitted on any Lot. Further, no trade or business of any kind may be conducted in or from any Lot except that an Owner may conduct a business activity within a single-family house located on a Lot so long as the existence or operation of the business activity (a) is not apparent or detectable by sight, sound, or smell from the exterior of the single-family house; (b) conforms to all zoning requirements for the Project; (c) does not increase the liability or casualty insurance obligation or premium of the Association; (d) is consistent with the residential character of the Project and does not constitute a nuisance or a hazardous or offensive use, including, without limitation, excessive or unusual traffic or parking of vehicles in the vicinity of any Lot or the Master Common Area as may be determined in the sole discretion of the Board; and (e) does not include any use or business which Co-Declarants or the Golf Course Operator may conduct consistent with the golf course nature of such property, including the retail sale of food, beverages, golf course equipment or related materials. The terms "business" and "trade," as used in the previous sentence, shall be construed to have their ordinary and generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves providing goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration regardless of whether (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required therefor.

Notwithstanding any provision contained herein to the contrary, it shall be expressly permissible for Homebuilders or other builders to move, locate and maintain, during the period of construction and sale of Lots, on such portions of the Project owned by that party as that party may from time to time select, such facilities as in the sole opinion of that party shall be reasonably required, convenient or incidental to the construction of houses and sale of Lots, including but not limited to business offices, storage areas, trailers, temporary buildings, construction yards, construction materials and equipment of every kind, signs of any size, models, and sales offices, except that in the case of Homebuilders or builders other than the Homebuilder named in Section 1.20, the foregoing shall be subject to the prior approval of the named Homebuilder.

Section 5.5 Use Of Garages On Lots. No garage on a Lot may be converted to living space without the prior written consent of the Committee except that Homebuilder may use a garage area in a model home or models for a sales office. Lot owners shall keep their garages neat, clean and free from clutter, debris or unsightly objects and shall at all times keep garage doors closed except as reasonably necessary for ingress and egress.

Section 5.6 Solar Collectors. Solar collectors and related equipment may not be installed on roofs of houses but may be located elsewhere on the Lots. An Owner must obtain the prior written approval from the Committee pursuant to Article 7 prior to installing the same, which may include screening requirements, so as to conceal the same from view of adjacent Lots, the Master Common Area, the street and the Golf Course. The Association, through the Committee, may from time to time adopt guidelines concerning the types of solar collectors and related equipment which may be installed in the Project and acceptable means of installation therefor.

Section 5.7 Antennas And Satellite Dishes On Lots. No antenna may exceed eight (8) feet in height and the installation of any antenna shall be subject to Committee approval, which may include screening requirements, so as to conceal the same from view of adjacent Lots, the Master Common Area, the street and the Golf Course. Satellite dishes for the reception of television signals are permitted on individual Lots if the same are not visible from the street, the Master Common Area, adjacent Lots, or the Golf Course, or if partially visible, if the plans for the same are reviewed in advance by the Committee and determined to be predominantly unobtrusive by the Committee. The Committee shall have the right to require the installation of landscaping or other screening around the satellite dish.

Section 5.8 Storage Sheds And Swings On Lots. No storage sheds or similar or related type objects shall be located on any Lot if the height of such object is greater than the height of the fence on or adjoining said Lot or if such object is visible from the front of the Lot. All swings and slides (including those used in connection with a swimming pool) shall be at least seven (7) feet from all fences located on or near perimeter Lot lines, subject to any further requirements or restrictions of the Town of Gilbert. The foregoing improvements shall also be subject to the prior approval of the Committee.

Section 5.9 Screening Materials On Lots. All screening areas, whether fences, hedges or walls, shall be maintained and replaced from time to time on the Lots by the Owners thereof in accordance with the original construction of the improvements by the Homebuilder or other builder, or as approved by the Committee pursuant to Article 7.

Section 5.10 Lot Maintenance Requirements; Nuisances; Garbage And Rubbish; Storage Areas. Each Owner shall maintain, repair, replace, restore and reconstruct his Lot and the improvements constructed thereon (including the house) so as to keep the same in a good, neat and safe order, condition and repair, in full compliance with all applicable laws and legal requirements and in full compliance with this Declaration and the original plans therefor prepared by Homebuilder and/or approved by the Committee under Article 7 below. Without limiting the generality of the foregoing, the Owner shall keep the roof, exterior walls, doors and windows and other improvements visible from other Lots and/or the Master Common Area and/or the Golf Course in good condition by promptly replacing broken roof tiles or windows, periodically repairing stucco cracks and painting, and similar matters. In the event a house is totally or substantially destroyed, the house need not be rebuilt but the Owner shall, within three (3) months, remove all destroyed or damaged improvements and restore the Lot to its condition prior to construction of the house.

No unsightly object or nuisance shall be erected, placed or permitted on any Lot, nor shall any use, activity or thing be permitted which may endanger the health or unreasonably disturb the Owner or occupant of any Lot. No noxious, illegal or offensive activities shall be conducted on any Lot. Each Lot shall be maintained free of rubbish, trash, garbage or other unsightly items and the same shall be promptly removed from each Lot and not allowed to accumulate thereon and further, no garbage, trash or other waste materials shall be burned on any Lot. Garbage cans, clotheslines, woodpiles and areas for the storage of equipment and unsightly items shall be kept screened by adequate fencing or other aesthetically pleasing materials acceptable to the Committee so as to conceal same from the view of adjacent Lots and streets and the Golf

Course. Garbage cans may be in view only on collection days and thereafter they must be promptly stored out of sight as provided herein.

No Owner or occupant of any Lot, nor any of their employees, agents or contractors shall (a) deposit or place lawn or landscaping clippings, leaves, branches or other materials or debris on any part of the Golf Course or Master Common Area; or (b) backwash swimming pools or spas onto any part of the Golf Course or Master Common Area, or (c) otherwise cause or allow swimming pool or spa water to be released onto any part of the Golf Course or Master Common Area.

Section 5.11 Vehicles On Lots And Adjacent Streets. No commercial vehicles or "Recreational Vehicles" (including, without limitation, campers, boats, trailers, mobile homes or similar type vehicles) shall be parked (a) in front of a Lot or in a front driveway or otherwise on a Lot where it can be seen from any street, except for temporary parking only not exceeding four (4) consecutive hours, or (b) in a location which is not concealed from view of adjacent Lots and streets and the Golf Course. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Committee. No vehicles (including commercial vehicles and Recreational Vehicles) or other mechanical equipment may be dismantled or repaired (except for ordinary maintenance and repair of such vehicles and equipment inside an enclosed garage, and emergency repairs elsewhere for a time period not exceeding forty-eight (48) hours) or allowed to accumulate on any Lot or in front of any Lot, or ever parked or used on any Master Common Area, except as required by the Association for it to perform its duties hereunder. No vehicle which is abandoned or inoperative shall be stored or kept on any Lot or in front of any Lot in such manner as to be visible from any other Lot or any street or alleyway within or adjacent to the Project.

Section 5.12 Lights; Radios And Other Speakers On Lots. No spotlights, flood lights or other high intensity lighting shall be placed or utilized upon any Lot or any structure erected thereon which in any manner will allow light to be directed or reflected on any other Lot or adjacent street, or any part thereof except as approved by the Committee. No radio, television or other speakers or amplifiers shall be installed or operated on any Lot so as to be audible from other Lots, the Master Common Area or the Golf Course.

Section 5.13 Sanitary Facilities On Lots. None of the Lots shall be used for residential purposes prior to the installation thereon of water-flushed toilets and all bathrooms, toilets and sanitary conveniences shall be inside the house permitted hereunder on each Lot.

Section 5.14 Window Cover Materials On Lots. Within sixty (60) days after the date of close of escrow, each Owner shall install permanent draperies or suitable window coverings on windows facing the street, exclusive of garage windows.

Prior to installation of any reflective materials on the windows or any portion of the house or any other area on any Lot, approval and consent of color and texture must be obtained from the Committee pursuant to Article 7.

Section 5.15 Drilling And Mining. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind or drilling for water wells shall be permitted upon or in any Lot, nor shall oil or water wells, tanks, tunnels, mineral extractions, or shafts or dry wells be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 5.16 Landscaping On Lots; No Change Of Drainage Affecting Golf Course. Subject to the variance provisions of Section 7.3 below, unless installed by the Homebuilder or other builder the (a) front yard landscaping on each Lot, and (b) the rear yard landscaping on those Lots which are adjacent to the Golf Course or any Master Common Area must be installed and substantially completed in an attractive manner by the Owner within three (3) months from the date of close of escrow based upon plans therefor approved in advance by the Committee pursuant to Article 7 below. The landscape plans submitted to the Committee must include proposed changes in grade to be accomplished as part of the landscaping development. Landscaping at all times must be maintained by each Owner in a neat and attractive manner. Any material alterations or modifications made to the original landscaping of a Lot as originally installed and affecting visibility into the Lot from the Golf Course or any Master Common Area or affecting drainage shall be approved in advance by the Committee. Further, each Owner must maintain, repair and restore any and all grades, slopes, retaining walls and drainage structures (collectively "Lot Improvements") as installed by Homebuilder on a Lot or which has been approved by the Committee. If any Owner does not (i) install and complete approved landscaping within the three (3) month period described above, (ii) maintain his landscaping in a neat and attractive manner, or (iii) maintain all Lot Improvements on a Lot, the Homebuilder of the Lot or the Committee, after giving the Owner fifteen (15) days' written notice to cure any such default, shall have the right to cause the necessary landscaping work or Lot Improvements to be done and the Owner in default shall be responsible for the cost thereof. Additionally, the party expending funds for such work shall have a lien on the defaulting Owner's Lot for the funds expended together with interest thereon at the rate of fifteen percent (15%) per annum until paid. In addition to the foregoing, any party may utilize remedies available under Section 8.1, for such Owner's default.

Section 5.17 Risks Associated With Water Features. Each Owner purchasing a Lot or a Multi-Use Parcel acknowledges that (a) there is an unfenced lake or other bodies of water on or associated with the Golf Course and the Project ("Lakes"), and (b) there is an inherent and unavoidable potential danger and hazard represented by purchasing a parcel in the vicinity of the Lakes. Each Owner, his/her tenants, and their respective family members, guests and other invitees are assuming the various risks involved in living and/or coming upon the Project in the vicinity of the Lakes. Each Owner and tenant shall be solely responsible to ensure the safety of their respective family members, guests and/or other invitees and pets or other domestic animals with respect to the Lakes, including the safety (with respect to the Lakes) of all persons present at the Project with the actual or implied permission or consent of any such person. Without limitation, this shall include the safety of small children or non-swimmers in the vicinity of the Lakes, and the prevention of unauthorized use of the Lakes by persons present with the actual or implied consent of the Owner or tenant. Neither Co-Declarants, any Golf Course Operator, Homebuilder nor the Association will employ or otherwise have available lifeguards, monitors, supervisors or other persons to monitor or supervise the Lakes, or the safety of any persons, and

no actions or omissions by the Co-Declarants, any Golf Course Operator, Homebuilder or Association shall create any responsibility or obligation of Co-Declarants, any Golf Course Operator, Homebuilder, the Association, or any of their respective officers, directors, partners, shareholders, members, employees or agents to monitor or supervise these matters.

Section 5.18 Homebuilder Not Responsible For Design, Construction, Operation Or Maintenance Of Golf Course And Related Improvements; Trust Not Responsible For Design, Construction Or Maintenance Of Residential Parcels, Lots Or Master Common Area. While the Project is a multi-use development containing the Golf Course, Residential Parcels and Multi-Use Parcels, all Owners acknowledge that:

A. Homebuilder did not and will not design or construct the Golf Course or, except to the extent provided in Section 11.7, any related improvements (including but not limited to the clubhouse, driving range, landscaping or irrigation systems or facilities) and has no responsibility therefor or with respect to any matters related thereto.

B. Homebuilder and the Association have no responsibility for the operation, maintenance or repair of the facilities described in subsection A above, or for the manner in which such facilities are operated, maintained or repaired.

C. The Trust did not and will not design or construct the Residential Parcels, any Lot, or any of the Master Common Area within the Project and has no responsibility therefor or with respect to any matters related thereto, unless the unexercised Option shall lapse and the Trust shall thereafter develop portions of the Residential Parcels or the Multi-Use Parcels.

D. The Trust has no responsibility for the operation, maintenance or repair of the facilities described in subsection C above or for the manner in which such facilities were designed or the manner in which they are operated, maintained or repaired, unless the unexercised Option shall lapse and the Trust shall thereafter develop portions of the Residential Parcels or the Multi-Use Parcels.

Section 5.19 No Warranty Of Enforceability. While Co-Declarants have no reason to believe that any of the restrictive covenants contained in this Article 5 or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Co-Declarants make no warranty or representation as to the present or future validity or enforceability of any of the restrictive covenants. Any Owner acquiring a Lot in the Project in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and by acquiring the Lot agrees to hold Co-Declarants harmless therefrom.

Section 5.20 Use Of The Multi-Use Parcels. The parties acknowledge that the Multi-Use Parcels may be developed for single family residential purposes or as a multi-family residential project. Should the Multi-Use Parcels be developed for single family residential purposes, then the Multi-Use Parcels shall be considered Residential Parcels for all purposes under this Declaration (whether or not so described in any applicable Article or Section hereof). Should the Multi-Use Parcels be developed as a multi-family residential project, then solely the provisions of Sections 5.1A (as to restrictions to multi-family use), 5.17, 5.18, 6.2C, Article 7, Sections 11.3

and 11.5 shall apply to the Multi-Use Parcels, but otherwise no restrictions or covenants in this Declaration shall apply thereto.

ARTICLE 6

Fences, Party Walls and Easements

Section 6.1 Fence Requirements. All Lots, when developed, shall be improved with fences as approved by the Committee. Except as may be installed by Homebuilder and subject to the variance provisions of Section 7.3, no side or rear fence and no side or rear wall, other than the wall of the house constructed on said Lot, shall be more than six (6) feet in height. Notwithstanding the foregoing, prevailing governmental regulations shall take precedence over these restrictions if said regulations are more restrictive. Unless otherwise approved by the Committee, all fencing and any materials used for fencing, dividing or defining the Lots must be of cement block construction and of new materials, and erected in a good and workmanlike manner. The color(s) of the fencing for all Lots will be as selected by the builder thereof with the prior approval of the Committee and shall not be changed without the prior approval of the Committee. All fences shall be maintained in good condition and repair, and fences, upon being started, must be completed within a reasonable time not exceeding three (3) months from commencement of construction. If any fence originally installed by an Owner is wholly or partially damaged by any cause, it shall be removed in its entirety or returned to its original condition within three (3) months from the date of damage; any fences originally installed by any builder, or in a location in which a builder-installed fence was originally erected, must be promptly restored to their original condition by such Owner, or Owner(s) of the adjacent Lots if the same is a Party Wall under Section 6.2.

Wherever the words "Party Wall," "fence", "fences" or "fencing" appears in this Declaration, they include block walls, wood fences and other materials used as a fence, fences, wall or walls (except a wall which is part of a house) subject to the provisions of this Section 6.1 requiring cement block construction.

Section 6.2 Fences As Party Walls.

A. Fences which may be constructed by a Homebuilder or other builder upon the dividing line between Lots or between a Lot and Master Common Area, or near or adjacent to said dividing line because of minor encroachments due to engineering errors (which are hereby accepted by all Owners and the Association in perpetuity) or because existing easements prevent a fence from being located on the dividing line, are "Party Walls" and shall be maintained and repaired at the joint cost and expense of the adjoining Lot Owners, or of the adjoining Lot Owner and the Association if the Party Wall divides a Lot and Master Common Area. Paint and/or stucco surfaces shall be maintained and repainted as necessary by the party whose property is enclosed by the painted and/or stuccoed surface. Fences constructed upon the back of any Lot (which do not adjoin any other Lot or Master Common Area) by the Homebuilder or other builder shall be maintained and repaired at the cost and expense of the Lot Owner on whose Lot (or immediately adjacent to whose Lot) the fence is installed. Such Party Walls and fences shall not be altered, or changed in design, color, material or construction from the original installation made by the Homebuilder or other builder without the approval of the adjoining Owner(s), if any, and

the Committee. In the event any Party Wall is damaged or destroyed by the act or acts of one of the adjoining Lot Owners, his family, agents, guests or tenants (or by any employee, agent or contractor of the Association), that Owner or the Association shall be responsible for said damage and shall promptly rebuild and repair the Party Wall(s) to its/their prior condition, at his or its sole cost and expense. In all other events when any Party Wall is wholly or partially damaged or in need of maintenance or repair, each of the adjoining Owners (or the adjoining Owner and the Association, if applicable) shall share equally in the cost of replacing the Party Wall or restoring the same to its original condition. For this purpose, said adjoining Owners (or the adjoining Owner and the Association, if applicable) shall have an easement as more fully described in Section 6.3(A)(2). All gates shall be no higher than the adjacent Party Wall or fence.

B. In the event of a dispute between Owners with respect to the repair or rebuilding of a Party Wall, then, upon written request of one of such Owners addressed to the Committee, the matter shall be submitted to the Committee for arbitration under such rules as may from time to time be adopted by the Committee. If no such rules have been adopted, the matter shall be submitted to three arbitrators, one chosen by each of the Owners and the third arbitrator to be chosen within five (5) days 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 Owner fails to choose an arbitrator within ten (10) days after personal receipt of a request in writing for arbitration from the other Owner, then said requesting Owner shall have the right and power to choose both arbitrators.

C. Fences between any adjoining Lot and the Golf Course shall be painted, maintained and repaired at the sole cost of the Owner of the adjoining Lot, except for damage done or caused by the Golf Course Operator or its agents, employees or contractors, for which the Golf Course Operator will be solely responsible. The Owner of the adjacent Lot shall be solely responsible to paint, maintain, repair and/or replace the fence as necessary due to rust damage from landscaping watering on the Lot and/or Golf Course or golf ball damage.

Section 6.3 Easements.

A. General Easements.

(1) Easements for installation and maintenance of utilities and drainage facilities have been created as shown on the Plat(s), and additional easements may be created by grant or reservation by Co-Declarants or the Homebuilder of a portion of the Project for the foregoing purposes. Except as may be installed by any Homebuilder, no structure, planting or other materials shall be placed or permitted to remain within these easements which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, if any, or which may obstruct or retard the flow of water through the channels in the drainage easements, if any. The easement area of each Lot and all improvements located thereon shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible, and except for any easement area referred to in Subsection 6.3A(3) below, which will be maintained by the Owner of the Lot who has use of the easement.

(2) For the purpose of repairing and maintaining any Party Wall, a temporary easement in any one space not to exceed five (5) feet in width is hereby created over the portion of every Lot immediately adjacent to any Party Wall to allow the adjoining Owner access for maintenance purposes as set forth herein and no other purpose.

(3) In addition to the foregoing, if a Party Wall is not located between Lots, an easement is hereby created for six (6) months after a house is constructed on any Lot for the purpose of constructing and maintaining said Party Wall. With respect to any Party Wall not located on a dividing line between Lots but located near or adjacent to such dividing line, an Owner of a Lot shall have and is hereby granted a permanent easement over any property immediately adjoining said Owner's Lot up to the middle line of said Party Wall for the use and enjoyment of the same.

(4) Each Lot and Master Common Area within the Project is hereby declared to have an easement over all adjoining Lots and the Master Common Area for the purpose of accommodating any encroachment due to minor engineering errors, errors in either the original construction or reconstruction of the buildings on the Lots, or the settlement or shifting of buildings or any other similar cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners.

B. Homebuilder Easements.

(1) Homebuilder shall have the right and an easement to maintain sales or leasing offices, management offices and models throughout the Project on Lots owned by such party and to maintain one or more advertising signs on the Master Common Area while the Homebuilder sells Lots in the Project, and may grant such rights to other builders.

(2) Homebuilder shall have the right and an easement on and over the Master Common Area to construct thereon all buildings and improvements consistent with the approved plans therefor and to use the Master Common Area (until Class B Membership terminates) and any Lots owned by Homebuilder for construction and renovation related purposes, including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Project, and may grant such rights to other builders.

(3) The Homebuilder shall have an easement on, over and through the Lots (but not through any houses thereon) for any access necessary to complete any renovations, warranty work or modifications to be performed by Homebuilder.

C. Association Easements. The following easements are hereby created in favor of the Association and its directors, officers, agents, employees and independent contractors over the Lots (but not the houses thereon):

(1) For inspection of the Lots in order to verify the performance of all Owners of all items of maintenance and repair for which they are responsible;

(2) For inspection, maintenance, repair and replacement of the Master Common Area accessible from the Lots; and

(3) For the purpose of enabling the Association, the Board, the Committee or any other committee appointed by the Board, to exercise and discharge their respective rights, powers and duties under the Project Documents. No Owner shall do any act or create any obstruction which would unreasonably interfere with the right or ability of the Association to perform any of its obligations or exercise any of its rights under the powers or easements reserved under this Declaration.

The Association also has certain easements over the Golf Course as provided in Article 11, below.

ARTICLE 7

Architectural Control

Section 7.1 Creation Of Committee. For the purpose of maintaining the architectural and aesthetic integrity and consistency within the Project, an Architectural Control Committee consisting of five (5) members is hereby established. The first members of said Committee shall be individuals, two (2) of which shall be appointed by Western and three (3) of which shall be appointed by Homebuilder, who shall serve until their resignation or removal. The two (2) members of the Committee representing Western may, at any time, be removed and replaced by Western, and upon resignation of any such representative of Western, Western shall have the sole right to appoint a replacement. The three (3) members of the Committee representing Homebuilder may, at any time, be removed and replaced by the Board, and upon resignation of any such representative of Homebuilder, the Board shall have the sole right to appoint a replacement. Western may waive its rights to appoint some or all Committee members by recording an instrument in the Official Records giving notice of the same, whereupon such right will vest in the Board. The rights of Western under this Section 7.1 shall automatically vest in the Trust at such time as the Option either lapses or is terminated.

A majority of the Committee shall be entitled to take action and make decisions for the Committee. Except for Committee members appointed by Western, all Committee members shall be Owners or representatives of Homebuilders.

Section 7.2 Review By Committee. No buildings or exterior or structural improvements of any kind, fences, walls, Party Walls, solar collectors, antennas (including customary TV antennas), satellite dishes, underground TV apparatuses, broadcasting towers, other structures, Lot Improvements, landscaping or landscaping changes, or changes to the exterior colors of any of the foregoing (collectively, the "Alterations") shall be commenced, erected, made, structurally repaired, replaced or altered (except as set forth below) anywhere in the Project (including, without limitation, the Multi-Use Parcels developed as a multi-family residential project)

until the plans and specifications showing the nature, kind, shape, size, height, color, material, floor plan, location and approximate cost of same shall have been submitted to and approved by the Committee. The Committee shall have the right to refuse to approve any Alteration which is not suitable or desirable in their opinion for aesthetic or other reasons, and they shall have the right to take into consideration (i) the suitability of the proposed Alterations; (ii) the material (including type and color) of which it is to be built; (iii) the site (including location, topography, finished grade elevation) upon which it is proposed to be erected; (iv) the harmony thereof with the surroundings (including color and quality of materials and workmanship); and (v) the effect of the Alterations as planned on the adjacent or neighboring property (including visibility and view). Failure of the Committee to reject in writing said plans and specifications within forty-five (45) days from the date the same were submitted shall constitute approval of said plans and specifications, provided the design, location, color and kind of materials in the Alterations shall be governed by all of the restrictions herein set forth. With respect to reviewing proposed plans and specifications, the Committee shall have the right to employ professional consultants to review the same to assist it in discharging its duties. In the event the Committee elects to employ such consultant, the Committee shall first give notice to the Owner of the fee required for purposes of hiring any such consultant and the Owner shall promptly pay said consultant's fee to the Committee prior to the Committee being obligated to proceed further with its review of said Owner's submission.

The Committee's approval of Alterations shall not be interpreted or deemed to be an endorsement or verification of the safety, structural integrity or compliance with applicable laws or building ordinances of the Alterations and the Owner and/or its agents shall be solely responsible therefor. The Committee and its members shall have no liability for any lack of safety, integrity or compliance thereof. The Committee and its members shall have no personal liability for judicial challenges to its decisions and the sole remedy for a successful challenge to a decision of the Committee shall be an order overturning the same without creating a right, claim or remedy for damages. The Committee may adopt and amend, from time to time, architectural control guidelines consistent with this Section and the Project Documents.

Section 7.3 Variances. The Committee may (with Board approval in its sole discretion and in extenuating circumstances) grant minor variances from the restrictions set forth in Article 5 and Article 6 of this Declaration and any of the requirements set forth in this Article 7 if the Committee determines that (a) either (i) a restriction would create an unreasonable and substantial hardship or burden on an Owner or (ii) a change of circumstances has rendered a restriction obsolete and (b) the activity permitted under the variance will not have a substantially adverse effect on other Owners and is consistent with the high quality of life intended for the Project.

Section 7.4 Fee. A fee of \$50.00 per review may be charged by the Committee whether or not outside consultants are used by the Committee.

ARTICLE 8

General

Section 8.1 Effect Of Declaration And Remedies. The declarations, limitations, easements, covenants, conditions and restrictions contained herein shall run with the land and shall be binding on all persons purchasing (or whose title is acquired by foreclosure, deed in lieu thereof, trustee's sale or otherwise) or occupying any Lot or other property in the Project after the date on which this Declaration is recorded in the Official Records. In the event of any violation or attempted violation of these covenants, conditions, and restrictions, they may be enforced by an action brought by the Association, the Committee or by the Owner or Owners (not in default) of any Lot or Lots or other property in the Project, at law or in equity, in addition to the Association's remedies in Sections 3.3 and 4.10. Co-Declarants and Golf Course Operator shall have the right to enforce any provisions which are intended to benefit the Golf Course or the owner(s) thereof in any manner permitted by applicable law, including, without limitation, by any remedy or procedure provided for in this Declaration. Golf Course Operator's right to enforce is expressly limited to the right to enforce provisions which are intended to benefit the Golf Course or any owner(s) thereof. Co-Declarants, Homebuilder and Golf Course Operator have no duty to take action to remedy any such default. Remedies shall include but not be limited to damages, injunctive relief and/or any and all other rights or remedies pursuant to law or equity and the prevailing party shall be entitled to collect all costs incurred and reasonable attorneys' fees sustained in commencing and/or defending and maintaining such lawsuit. Notwithstanding the foregoing, an Owner's liability for damage to Master Common Area or Lots or other property (including improvements thereon) of other Owners by reason of the acts of the Owner, the Owner's tenants, and their respective family members, guests, invitees or licensees shall be limited to that imposed under applicable Arizona statutory, case and other law. Any breach of these covenants, conditions and restrictions, or any remedy by reason thereof, shall not defeat nor affect the lien of any mortgage or deed of trust made in good faith and for value upon the Lot in question and the breach of any of these covenants, conditions and restrictions may be enjoined, abated or remedied by appropriate proceedings notwithstanding the lien or existence of any such mortgage or deed of trust.

All instruments of conveyance of any interest in any Lot or other property in the Project shall be deemed to contain a reference to this Declaration and shall be subject to the declarations, limitations, easements, covenants, conditions and restrictions herein as fully as though the terms and conditions of this Declaration were therein set forth in full; provided, however, that the terms and conditions of this Declaration shall be binding upon all persons affected by its terms, whether express reference is made to this Declaration or not in any instrument of conveyance. No private agreement of any adjoining property owners shall modify or abrogate any of these restrictive covenants, conditions and restrictions.

Section 8.2 Plurals; Gender. Whenever the context so requires, the use of the singular shall include and be construed as including the plural and the masculine shall include the feminine and neuter.

Section 8.3 Severability. Invalidity of any one or more of these covenants, conditions and restrictions or any portion thereof by judgment or court order shall in no way affect the validity of any of the other provisions and the same shall remain in full force and effect.

Section 8.4 Transfer By Homebuilder. Wherever Homebuilder is granted certain rights and privileges hereunder, Homebuilder shall have the right, but only as to rights and privileges related to portions of the Property owned in fee by Homebuilder, to fully or partially assign and transfer any of such rights and privileges, but only as to rights and privileges related to portions of the Property owned in fee by Homebuilder, to any other party acquiring title thereto as evidenced by a written instrument recorded in the Official Records which describes in detail the particular Homebuilder's right or rights being assigned (if less than all such Homebuilder rights) and said instrument shall state that, in such case, the assignee is a Homebuilder. Upon an assignment by Homebuilder of its rights hereunder, Homebuilder shall thereafter have no further liability, responsibility or obligations for future acts or responsibilities of any successor Homebuilder hereunder and the successor shall be solely responsible therefor (to the extent of the assignment) and all parties shall look to the successor therefor. At any time, any Homebuilder may, by a written, recorded notice, relinquish all or any portion of its rights hereunder and all parties shall be bound thereby, except that no Homebuilder, nor its successors or assigns, may relinquish the rights of any other Homebuilder. Homebuilder may collaterally assign all of its rights and privileges, but only as to rights and privileges related to portions of the Property owned in fee by such Homebuilder, to act as Homebuilder for such portion of the Project to a lender as additional security for any loan from the lender encumbering all or substantially all of the Lots in the Project owned by such Homebuilder, with such assignment to become absolute and final in favor of such lender or a purchaser at a foreclosure or trustee's sale upon that party's acquisition of fee title to the encumbered Lots, unless such party otherwise specifies in an instrument recorded in the Official Records.

Section 8.5 Rights Of First Mortgagees And Insurers Or Guarantors Of First Mortgages. Upon written request to the Association identifying the name and address of the First Mortgagee for any Lot or the insurer or guarantor of any such First Mortgage and the Lot number or address, any such First Mortgagee or insurer or guarantor of such First Mortgage will be entitled to timely written notice of:

A. Any condemnation loss or any casualty loss which affects a material portion of the Project or any Lot on which there is a First Mortgage held, insured or guaranteed by such First Mortgagee or insurer or guarantor, as applicable;

B. Any delinquency in the payment of Assessments or Charges owed or other default in the performance of obligations under the Project Documents by an Owner of a Lot subject to a First Mortgage held, insured or guaranteed by such First Mortgagee or insurer or guarantor which remains uncured for a period of sixty (60) days;

C. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

D. Any proposed action which would require the consent of a specified percentage of Eligible First Mortgagees as described in this Declaration.

Section 8.6 Miscellaneous. This Declaration shall remain and be in full force and effect for an initial term of thirty-five (35) years from the date this Declaration is recorded in the Official Records. Thereafter, this Declaration shall be deemed to have been renewed for successive terms of ten (10) years, unless revoked by an instrument in writing, executed and acknowledged by (a) Co-Declarants (if said Co-Declarants then have any interest in the Project by reason of Class B Membership, by reason of any annexation rights pursuant to Article 10 or by reason of the fee ownership of real property in the Project as evidenced by the Official Records), (b) the then Owners of not less than seventy-five percent (75%) of the Lots in the Project, and (c) "Eligible First Mortgagees" (those First Mortgagees who have filed a written request with the Association requesting notice of certain matters set forth in Section 8.5) holding First Mortgages on Lots which have at least sixty-seven percent (67%) of the votes of Lots subject to First Mortgages held by Eligible First Mortgagees, which said instrument shall be recorded in the Official Records not earlier than ninety (90) days prior to the expiration of the initial effective period hereof, or any ten (10) year extension. If there is any conflict between any of the Project Documents, the provisions of this Declaration shall prevail. Thereafter, priority shall be given to the Project Documents in the following order: the Plat(s), Articles, Bylaws and Rules and Regulations of the Association. As long as there is Class B Membership, the following actions require the prior approval of the Federal Housing Administration or the Veterans Administration if either of those agencies has approved the development plan of the Project: annexation of additional properties, dedication of the Master Common Area, amendment of this Declaration and withdrawal or de-annexation of any property from this Declaration.

Section 8.7 Amendments. At any time, this Declaration may be amended by an instrument in writing, executed and acknowledged by the then Owners of not less than sixty-seven percent (67%) of the platted Lots then existing in the Project; provided however, that (i) the Homebuilder, while Class B Membership exists, acting alone, or (ii) the Co-Declarants, acting alone, may amend this Declaration to comply with the guidelines or regulations of any governmental or quasi-governmental agency insuring, guaranteeing or purchasing loans in the Project, without the consent of any other person (including any Owner, Co-Declarants or any lienholder, including Eligible First Mortgagees). Except as provided in the proviso contained in the preceding sentence, the approval of Eligible First Mortgagees holding First Mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to First Mortgages held by Eligible First Mortgagees shall be required to add to or amend any "material" provisions of the Project Documents which establish, provide for, govern and regulate any of the following:

- A. voting;
- B. Assessments, Assessment Liens or subordination of such liens;
- C. reserves for maintenance, repair and replacement of the Master Common Area;
- D. rights to use of or reallocation of interests in the Master Common Area (other than dedications to governmental agencies and private utilities);

- E. responsibility for maintenance and repair of the various portions of the Project;
- F. expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project;
- G. convertibility of Lots into Master Common Area or Master Common Area into Lots;
- H. imposition of any right of first refusal or similar restriction on the right of a Lot Owner to sell, transfer or otherwise convey his Lot;
- I. any provisions which are for the express benefit of First Mortgagees, Eligible First Mortgagees or insurers or guarantors of First Mortgages on Lots held by Eligible First Mortgagees;
- J. a decision by the Association to establish self-management when professional management had been required previously by the Project Documents or an Eligible First Mortgagee; and
- K. any action to terminate the legal status of the Project after substantial destruction or condemnation occurs.

An addition or amendment to the Project Documents shall not be considered "material" if it is for the purpose of correcting technical errors or for clarification only. An Eligible First Mortgagee which receives a written request to approve additions or amendments pursuant to this paragraph and which does not deliver or post to the requesting party a negative response within thirty (30) days after such notice was delivered thereto by certified or registered mail, return receipt requested, shall be deemed to have approved such request. The consents required under this Section 8.7 shall not apply to amendments recorded by Co-Declarants or Homebuilder to comply with governmental or quasi-governmental agency regulations as described above in this Section 8.7.

No provisions of this Declaration which are for the benefit of the Western, as a Co-Declarant, may be amended without the prior written consent of Western, or its heirs, successors and assigns. No provisions of this Declaration which are for the benefit of the Golf Course may be amended without the prior written consent of the Golf Course Operator, or its heirs, successors and assigns. Further, this Declaration may not be amended to impose any further or additional obligations on the Golf Course, or the owners thereof, without the prior written consent of the owners thereof. So long as the Trust owns any portion of the Property, provisions of this Declaration may not be amended without the prior written consent of the Trust. Such approval shall be deemed given if the Trust does not deliver a response within fifteen days of the Trust's receipt of a request to consent to a Declaration amendment, said request to conform with the notice provision contained in the Option.

Section 8.8 Beneficiary Disclosures. To the extent required by applicable law, the names and addresses of the beneficiaries of the Trust are as set forth on Exhibit "8.8" which is incorporated herein by reference.

Section 8.9 Counterpart. This Declaration may be executed in any number of counterparts. Each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one agreement.

ARTICLE 9

Phased Plan of Development; Subassociations; Additional Master Common Area Provisions

Section 9.1 Phased Plan Of Development. Co-Declarants intend that the Residential Parcels of the Project (and the Multi-Use Parcels, to the extent developed as single family residences) be developed in multiple phases. The time period for such phasing may be an indeterminate period of time.

Section 9.2 Ratification Of Subjecting The Multi-Use Parcels To Only Portions Of This Declaration. To clarify the date as of which only portions of this Declaration applies to a multi-family residential project located on the Multi-Use Parcels, the Owner thereof, with the approval of the Association, may record a notice that the Multi-Use Parcels are developed as a multi-family residential project and not as single family residential homes.

Section 9.3 Subassociations And Parcel Declarations. The Homebuilder of a Residential Parcel or a portion thereof may record separate declarations, covenants, conditions, restrictions, and/or easements, and create Subassociations by executing articles of incorporation and bylaws thereof as such Homebuilder determines is appropriate, to bind property then owned by the Homebuilder provided:

A. The Association approves such documents prior to their execution and recordation in the Official Records.

B. Such documents may provide for the conversion of Lots within such property to common area of the Subassociation, but only with the prior approval of the Association.

C. Such documents shall recite that they are always subject to the provisions of this Declaration and the Articles and Bylaws of the Association, and all Rules and Regulations of the Association adopted pursuant thereto. Such documents may contain additional and/or more restrictive requirements than are set forth herein or in the Articles, Bylaws or Rules and Regulations of the Association but no such documents shall affect, diminish, limit or restrict any of the provisions of this Declaration or the Articles, Bylaws or Rules and Regulations of the Association.

The Association shall have no ownership of or responsibility for maintaining common areas that are to be owned by a Subassociation.

Section 9.4 Additional Master Common Area Provisions. As provided in Sections 1.24 and 1.33 above, Master Common Area is limited to that property owned by the Association which is intended, designed and available for the general use and benefit of all Owners.

Except as permitted below with respect to Additional Master Common Area, any other "common areas" must be owned and maintained by a Subassociation.

If a Homebuilder or a Subassociation desires for a common area within a specific Residential Parcel which is not intended, designed and/or available for the general use and benefit of all Owners to be an Additional Master Common Area, such designation must be approved by the Association and confirmed in a written "Designation of Additional Master Common Area", recorded in the Official Records, subjecting one or more a specific parcels of real Property to this Section as Additional Master Common Area. As an example but not by way of limitation, a Subdivision with a guard or card-gated entry could have the areas containing the guard or card gate and any private streets or other common areas for which access is restricted thereby Additional Master Common Areas, subject to Association approval, in lieu of a Subassociation being responsible therefor. In the event any such Additional Master Common Area is designated:

A. Upon (a) completion of all improvements for the Additional Master Common Area as described on the plans and specifications therefor approved by the Association and all applicable governmental agencies, (b) acceptance of such improvements as required by such government agencies and the Association (subject to any continuing warranty obligations of Owner as the constructor thereof), and (c) receipt of any required approval from any government agencies for the Association to accept the Additional Master Common Area, the Association agrees to accept fee simple title to the Additional Master Common Area, provided that it is conveyed free and clear of all liens (except current prorated real property taxes) by special warranty deed and title is insured by a title insurance policy meeting the requirements of such government agencies.

B. Upon the Association's acceptance of the special warranty deed for the Additional Master Common Area, the same shall, for all purposes, be deemed to the Master Common Area as defined in this Declaration, subject to all terms and provisions of this Declaration applicable to Master Common Area, except as specifically provided herein. The Association shall maintain, repair, replace, insure, pay taxes on and otherwise deal with the Additional Master Common Area in the same manner as any other Master Common Area subject to this Declaration.

C. Notwithstanding the obligations of the Association set forth herein, all costs incurred by the Association with respect to the Additional Master Common Area, including maintenance, landscaping, repair, replacement, taxes, insurance, utility, administrative and other costs and fees (collectively, the "Costs"), shall be periodically assessed by the Association to the Owners of Lots within the platted subdivision ("Subdivision") wherein the Additional Master Common Area(s) are located in installments as the Association deems necessary (the "Additional Master Common Area Assessment"), at a rate specified in the Designation of Additional Master Common Area. From and after January of the year immediately following the Association's acceptance of the Special Warranty Deed for the Additional Master Common Area, the Board may, without the approval of the Owners of the Lots in the Subdivision, annually adjust the Additional Master Common Area Assessment on the basis of the prior year's Cost history and its projections of Costs for the year in question. Subject to the limitations set forth below, the Additional Master Common Area Assessment shall be set at a figure calculated to fully cover all projected Costs of the Additional Master Common Area for the year in question plus/minus any accrued deficits/surpluses therefor carried forward from prior years, and the total of such amounts shall be

divided by the number of Lots in the Subdivision to arrive at the annual Additional Master Common Area Assessment amount for each Lot for the year in question. The Additional Master Common Area Assessments shall be payable in monthly or quarterly installments in advance as determined by the Board.

Notwithstanding the foregoing, the Additional Master Common Area Assessment determined above for any year shall not exceed the Maximum Additional Master Common Area Assessment (as defined below) for that year except with the prior vote or written approval of the Owners of at least two-thirds (2/3) of the Lots in the Subdivision. The "Maximum Additional Master Common Area Assessment" for the year after the Association's acceptance of the Additional Master Common Area shall be an annual rate per Lot equal to the original Additional Master Common Area Assessment as increased by the combination of (a) the projected increases in utility Costs, insurance Costs and real or other taxes for the Additional Master Common Area for the year in question ("Exempt Costs") over the prior year and (b) the greater of (1) the increase in the "Consumer Price Index" (described in Section 4.3 above) for the previous year multiplied by the non-Exempt Costs for the prior year, or (2) ten percent (10%) of the total non-Exempt Costs for the previous year, divided by the number of Lots in the Subdivision. The Maximum Additional Master Common Area Assessment may be increased each subsequent year in the same manner (but shall not be decreased), except that the prior year's Maximum Additional Master Common Area Assessment figure shall be used in lieu of the original Additional Master Common Area Assessment amount. As described above, any deficits/surpluses between the Association's collection of Additional Master Common Area Assessments and the total costs for the Additional Master Common Area for any particular year shall be carried forward and considered in setting the subsequent year's Additional Master Common Area Assessment, with the intent that the Association will fully recover all Costs associated with the Additional Master Common Area from the Owners of the Lots in the Subdivision.

Additional Master Common Area Assessments shall be collected by the Association in the same manner as any other Assessment, including but not limited to the right of the Association to foreclose the Assessment Lien and/or institute suit to collect the same.

ARTICLE 10

Annexation of Annexable Property; Adjustments of Boundaries

Section 10.1 Homebuilder's Reservation Of Rights To Annex And Irrevocable Commitment Of Annexable Property.

A. Co-Declarants and Homebuilder hereby expressly reserves the right, until ten (10) years from the recording of this Declaration, to annex to the Residential Parcels and the Multi-Use Parcels and subject to this Declaration (if not already subject hereto and therefore not part of the Project) without the consent of any Owner or lienholder, all or any portion of any property owned by Co-Declarants or Homebuilder which is currently within the Project or adjacent to any portion of the Project (the "Annexable Property"). The annexation of all or any portion of the Annexable Property shall be accomplished by Homebuilder recording a Declaration of Annexation in the Official Records stating (i) the legal description of the Annexable Property being

annexed; and (ii) a description of any portion of the Annexable Property being added which will be Master Common Area. The Declaration of Annexation may contain additional restrictions or other provisions relating to the Annexable Property which is annexed thereby, provided the same do not adversely affect the Owners of any other Lot.

B. Any portion of the Annexable Property annexed pursuant to this Section shall not become irrevocably annexed as a Residential Parcel until the date on which the first Lot within the annexed portion of the Annexable Property is conveyed to an Owner. If any Declaration of Annexation recorded pursuant to this Section divides a portion of the Annexable Property being annexed into separate phases, then each phase of the property being annexed shall not become irrevocably annexed as a Residential Parcel until the date on which the first Lot within such phase is conveyed to an Owner.

C. Co-Declarants or Homebuilder shall have the right to amend any Declaration of Annexation recorded pursuant to this Section to change the description of phases within the property being annexed, except that Co-Declarants or Homebuilder may not change any portion of the Annexable Property which has already become irrevocably annexed to the Project.

D. At any time prior to the date which is ten (10) years after the recording of this Declaration, the Annexable Property which has not been irrevocably annexed pursuant to the provisions of this Section may be withdrawn as a Residential Parcel or Multi-Use Parcel (and from the Project if the same is not otherwise already part of the Project). Any such withdrawal of property shall be accomplished by Co-Declarant's or Homebuilder's recording of a Declaration of Withdrawal in the Official Records, describing the portion of the property being withdrawn. Upon the recording of any such Declaration of Withdrawal, that portion of the Annexable Property described in the Declaration of Withdrawal shall no longer be eligible for annexation, and, unless already part of the Project under this Declaration, the same shall not be part of the Project.

E. The voting rights and Assessment obligation of the Owners (including Homebuilder) of Lots annexed pursuant to this Section shall be effective as of the date the Lots become irrevocably annexed to the Project.

Section 10.2 No Limitations On Development.

A. The Annexable Property may be added from time to time in one or more portions or as a whole, with no limitations or restrictions as to the order of annexation or the boundaries of Annexable Property. The portions of Annexable Property annexed need not be contiguous.

B. There are no limitations on the locations or dimensions of improvements to be located on the Annexable Property. No assurances are made as to what, if any, further improvements will be made by Co-Declarants or Homebuilder on any portion of the Annexable Property.

C. Homebuilder makes no assurances as to the exact number of Lots which shall be added by annexation of all or any portion of the Annexable Property.

D. All improvements to be constructed on Master Common Area within the Annexable Property annexed into the Residential Parcels will be substantially completed, and all such Master Common Areas must be conveyed to the Association free of liens and encumbrances (except current taxes and assessments) prior to the time at which such portion of the Annexable Property is irrevocably annexed in accordance with the provisions of this Section. If the Annexable Property is divided into phases, only those improvements to be located on Master Common Area within phases irrevocably committed must be completed prior to the time that such phases are so irrevocably committed.

E. All taxes, assessments, mechanic's liens, and other charges affecting the Master Common Area in a new phase or portion of the Annexable Property, covering any period prior to the irrevocable annexation of said real property to the Residential Parcels, shall be paid or otherwise provided for by Homebuilder or its successor or assign seeking to bring the same within the Residential Parcels in a manner satisfactory to the Federal Housing Administration or Veterans Administration, if either such agency has approved the Residential Parcels, before irrevocable annexation of the real property to the Residential Parcels, so that any liens arising in connection with said phase or Annexable Property will not adversely affect the rights of the existing Lot Owners.

F. Prior to irrevocable annexation of any portion of the Annexable Property to this Declaration, Homebuilder shall purchase, at Homebuilder's own expense, a liability insurance policy if required, and in an amount determined by, the Federal Housing Administration or the Veterans Administration, if either such agency has approved the Residential Parcels, to cover any liability to which Owners of Lots in the Residential Parcels might be exposed by reason of the new phase, or the construction of improvements thereon. This policy shall be endorse "as owner's interest might appear."

Section 10.3 Adjustments Of Boundaries. Because of the complexity of the Project and the legal descriptions, plats and other materials affecting the same, the potential exists for necessary modification or corrections of legal descriptions, plats and related materials by deeds, affidavits of correction and the like, the Association, Co-Declarants, Homebuilder, and the other Owner(s) will reasonably cooperate in connection therewith as may be reasonably necessary or appropriate from time to time to carry out the intent of this Declaration.

ARTICLE 11

Golf Course

Section 11.1 Use Of Golf Course. The Golf Course shall be maintained, operated, modified, improved and otherwise used solely for Golf Course, driving range and golf related purposes, for at least five (5) years from the date that Homebuilder conveys the last Lot located in the Residential Parcels owned by Homebuilder to an Owner. Activities and uses permitted on the Golf Course shall include all activities generally associated with the operation and maintenance of a Golf Course. In addition, the Golf Course Operator may permit other community and recreational activities on the Golf Course, including, but not limited to, tournaments, banquets, picnics, charitable events, and meetings or social gatherings, provided that the Golf Course

continues to be improved, operated and maintained as a Golf Course with minimal interruptions due to such uses and activities. Golf Course Operator may light or modify lighting for the Golf Course, provided only "down lighting" or "surface lighting" thereof in a manner approved by the Committee shall be permitted. No building, shed, snack bar, washroom or other similar facility shall be located on the Golf Course within 150 feet of any common boundary line between any Golf Course Lot (or Multi-Use Parcel) and the Golf Course.

At such time as a golf course is not being operated on the Golf Course Property, Golf Course Operator shall maintain, repair and replace as reasonably necessary all landscaping (and all watering systems serving the landscaping) and improvements on the Golf Course visible from any Lot, Master Common Area or street in a neat, orderly and good condition that will not detract from the appearance or attractiveness of the Project (the "Minimum Maintenance"). If Golf Course Operator fails to perform any Minimum Maintenance, the Board may notify Co-Declarants thereof and if Co-Declarants fail to perform the required Minimum Maintenance within twenty (20) days from such notice (or if the required Minimum Maintenance will reasonably require more than twenty (20) days to be completed, if Golf Course Operator does not commence such work within such twenty (20) days and diligently proceed with completion thereof), the Association may (but shall not be required to) perform the Minimum Maintenance, as well as any Minimum Maintenance required thereafter unless Co-Declarants have notified the Association of its willingness and ability to perform such future Minimum Maintenance and provided reasonable evidence to the Association of such ability. The Association shall not perform any work not reasonably required to maintain the landscaping and improvements on the Golf Course visible from any Lot, Master Common Area or street in a neat, orderly and good condition such that it will not detract from the appearance or attractiveness of the Project. The Association shall perform any such work at a cost representing a reasonably competitive price in the marketplace. All such costs incurred by the Association, plus interest thereon at the rate of ten per cent (10%) per annum from the date paid until the date reimbursed, shall be payable by Golf Course Operator upon demand, and shall be secured by a lien upon the Golf Course, which shall be prior to all other liens except real estate taxes and assessments and any First Mortgage, and which may be foreclosed in the same manner as a real property mortgage under Arizona law. Before beginning any such Minimum Maintenance, the Association or its contractor shall have liability insurance with minimum coverage of at least \$1,000,000.00 combined single limits coverage, and workmen's compensation insurance as required by law, and such liability insurance shall include Co-Declarants as an additional insured as evidenced by a Certificate of Insurance. The Association shall indemnify and hold Co-Declarants harmless from and against any and all liability, losses, claims, causes of action, expenses or attorneys' fees incurred or sustained by Co-Declarants as a result of the activities of the Association and its agents, employees and contractors on the Golf Course under this Section.

The provisions of this Section 11.1 above shall apply to the Golf Course, but otherwise no restrictions or covenants in Article 5 related to Lots shall apply thereto.

Section 11.2 Association Not Responsible For Golf Course. The Association shall have no obligation to maintain, repair or otherwise care for the Golf Course.

Section 11.3 Assumption Of Risk For Golf Ball Damage. Portions of the

Residential Parcels and the Multi-Use Parcels are located adjacent to or in the vicinity of the Golf Course. Each Owner hereby assumes personally and for such Owner's tenants, and their respective guests, family members and invitees, all risk associated with owning or occupying property immediately adjacent to the Golf Course, including, without limitation, the possibility of personal injury or property damage as a result of the flight of golf balls, the noise and other effects associated with the play of golf and the use, operation and maintenance of the Golf Course, and all other usual activities associated with the existence, operation, maintenance, improvement and use of the Golf Course. Each Owner agrees to release, indemnify, and hold harmless the Co-Declarants (including successive owners of the Golf Course), any Golf Course Operator, any Homebuilder and the Association and each of their respective owners, officers, directors, partners, agents, employees, contractors, invitees, guests, and members from and against any and all claims, damages, liabilities, and losses arising from personal injury, property damage or other injury or damage sustained by such Owner, any tenant of Owner, or any of their respective family members, invitees, guests, visitors, or other persons using or occupying any Residential Parcel, any Multi-Use Parcel, Lot, Master Common Area or any other Project land adjoining the Golf Course and from all other claims, damages, liabilities and losses relating to the effects upon such persons or upon such Owner's property of the activities conducted on the Golf Course, including the flight of golf balls over and onto any Residential Parcel, any Multi-Use Parcel, Lot, Master Common Area or any other Project land adjoining the Golf Course.

The Trust, as owner of the Golf Course, hereby reserves an easement across all Residential Parcels, all Multi-Use Parcels, Lots, Master Common Areas, Subassociation Common Areas, and any other Project land adjoining the Golf Course, and the air space above all such property, for the following purposes: the flight, entry, landing, and resting on, around or over such property of golf balls and for all other usual activities associated with the existence, operation, maintenance, improvement and use of the Golf Course. The easements reserved hereunder shall run with and burden the Residential Parcels, Multi-Use Parcels, Lots, Master Common Areas, Subassociation Common Areas and any other Project land adjoining the Golf Course and shall benefit the Golf Course. The foregoing covenants of all Owners shall be binding on all successor Owners, and shall inure to the benefit of the Co-Declarants (including the successive owners of the Golf Course), Homebuilder and any Golf Course Operator.

Section 11.4 Golf Course Easements. In addition to the easement rights granted in Section 11.3 above, the parties acknowledge that the Golf Course, and any Golf Course Operator, may require easement or license rights over or concerning portions of the Master Common Area for the operation, maintenance and/or repair of the Golf Course. The Association, by action of the Board, shall grant easements and licenses from time to time over or concerning portions of the Master Common Area to Co-Declarants (for its benefit and the benefit of the Golf Course Operator and their respective employees, agents and contractors), provided:

A. The Board determines that such easement(s) or license(s) are reasonably necessary for the appropriate operation, maintenance and/or repair of the Golf Course consistent with this Declaration,

B. The Board determines that such easement(s) or license(s) and the use thereof will not materially and adversely affect the Association, Owners, Lots or Master Common Area, and

C. The Board imposes such reasonable conditions, limitations and restrictions as it deems necessary or appropriate to protect and ensure the interests of the Association, Owners, Lots and Master Common Area.

Section 11.5 Restrictions As To Golf Course Lots. The following additional restrictions shall apply to Golf Course Lots (including Multi-Use Parcels located adjacent to the Golf Course):

A. The boundaries of all Lots adjacent to the Golf Course shall be fenced by the Homebuilder or Owner with fencing consistent in materials, color and quality as originally installed by Homebuilder or Owner, for the purpose of preserving and protecting the views of the Golf Course from all adjoining property and views of adjoining land from the Golf Course. Owners of Golf Course Lots, prior to installing or modifying fences or walls on a Golf Course Lot, shall obtain written approval for such construction or changes from the Committee. Further, no fence other than a fence consistent in materials, color and quality as originally installed by Homebuilder or Owner shall be installed or constructed immediately adjacent to the boundary between a Golf Course Lot (or Multi-Use Parcel) and the Golf Course without the prior written approval of Co-Declarants.

B. The Owner(s) of a Lot adjacent to the Golf Course shall be solely responsible for maintaining the fences required under subsection A above concerning that Lot (or Multi-Use Parcel) and all improvements within the Lot (or Multi-Use Parcel) visible from the Golf Course in a neat, clean and attractive manner consistent with the Golf Course and the Project.

C. Co-Declarants shall have the right to enforce the foregoing provisions with respect to Golf Course Lots (or Multi-Use Parcel) in any manner allowed by applicable law, including, without limitation, by lien right or other remedy or procedure permitted herein, in addition to all other enforcement provisions and rights for Co-Declarants and the Association in this Declaration.

D. The provisions of this Section 11.5 shall control over an inconsistent provision contained in Section 6.1.

Section 11.6 Golf Carts. No Owner or tenant or any of their respective family members, guests or invitees shall operate or use any golf cart on the Golf Course, for the purpose of playing golf or otherwise, except for golf carts owned by Co-Declarants and/or the Golf Course Operator and rented or the use of which is otherwise obtained in connection with the authorized playing of rounds of golf on the Golf Course.

Section 11.7 Entry Features On Golf Course. The Golf Course Operator shall maintain, repair and replace all improvements heretofore or hereafter installed by Homebuilder on any portion of the Golf Course, including but not limited to, main entrance features created with

the initial development of the Golf Course and the costs of such maintenance, repair and replacement will be paid solely by Golf Course Operator. Upon Homebuilder's completion of improvements relating to any such portion of the Golf Course, the Golf Course Operator and Co-Declarants will confirm by written agreement the improvements for which the Golf Course Operator is responsible.

Section 11.8 Other Matters. In no event shall Assessments or Charges be levied against the Golf Course. In no event shall the Golf Course be subject to or have any liability for the expenses of the Association. The Owner(s) of the Golf Course is not a member of the Association.

DATED as of this 7th day of July, 1994.

Walter P. Conner Trustee
Walter P. Conner, as Trustee under Trust Agreement dated November 6, 1973, also known as the Robert W. and Faye G. Conner Irrevocable Trust

[Trust]

WESTERN PB LIMITED PARTNERSHIP, an
Arizona limited partnership

By: PB Investment I, L.L.C., an Arizona
limited liability company, Its
Administrative General Partner

By: Pinnacle Builders, Inc., an Arizona
corporation, its member

By _____

Its _____

[Western]

the initial development of the Golf Course and the costs of such maintenance, repair and replacement will be paid solely by Golf Course Operator. Upon Homebuilder's completion of improvements relating to any such portion of the Golf Course, the Golf Course Operator and Co-Declarants will confirm by written agreement the improvements for which the Golf Course Operator is responsible.

Section 11.8 Other Matters. In no event shall Assessments or Charges be levied against the Golf Course. In no event shall the Golf Course be subject to or have any liability for the expenses of the Association. The Owner(s) of the Golf Course is not a member of the Association.

DATED as of this 7th day of July, 1994.

Walter P. Conner, as Trustee under Trust Agreement dated November 6, 1973, also known as the Robert W. and Faye G. Conner Irrevocable Trust

[Trust]

WESTERN PB LIMITED PARTNERSHIP, an
Arizona limited partnership

By: PB Investment I, L.L.C., an Arizona
limited liability company, Its
Administrative General Partner

By: Pinnacle Builders, Inc., an Arizona
corporation, its member


By [Signature]
Its Vice-President

[Western]

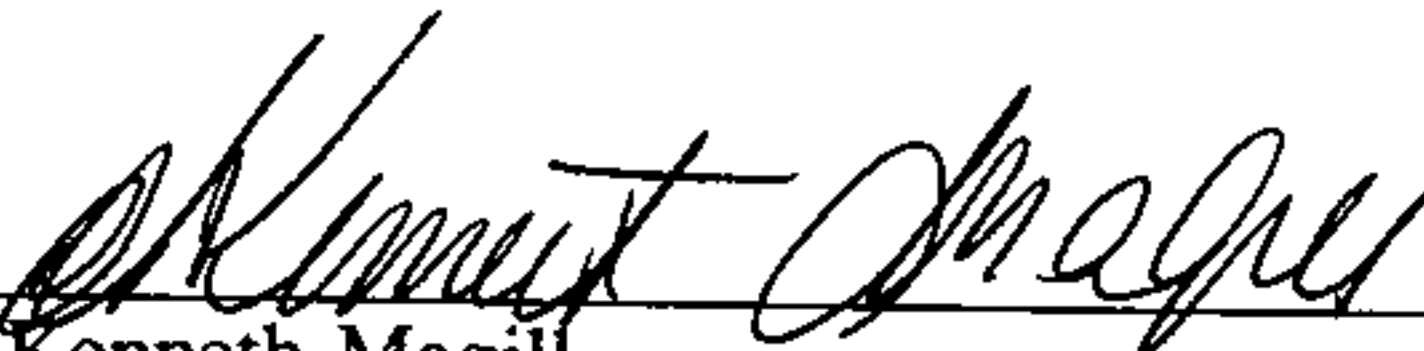
VAL VISTA GOLF COURSE PARTNERSHIP,
an Arizona limited partnership

By: DJK&T Limited Partnership, an Arizona
limited partnership, Its General Partner

By: DJK&T Corp., an Arizona
corporation, its general partner


By: 
Donald M. Switzenberg
President

By: Kencorp., Inc., a Michigan corporation, its
general partner

By: 
Kenneth Magill
President

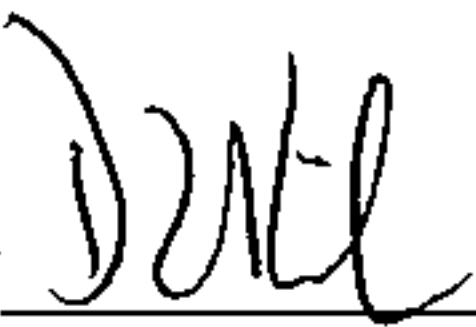
By: Lloyd E. Canton Investments Limited
Partnership, an Arizona limited
partnership, Its General Partner

By: The Canton Group, Inc., its general
partner

By: 
Lloyd E. Canton
President

[Golf Course Operator]

PINNACLE BUILDERS, INC., an Arizona
corporation

By 

Its vice-president

[Homebuilder]

Consented and
Agreed to:

RRH FINANCIAL, doing business
as R. R. Hensler, Inc.

By _____

Its _____

[Golf Course Lienholder]

PINNACLE BUILDERS, INC., an Arizona
corporation

By _____

Its _____

[Homebuilder]

Consented and
Agreed to:

RRH FINANCIAL, doing business
as R. R. Hensler, Inc.

By *Paul E. Sargent*

Its *EVP*

[Golf Course Lienholder]

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 7th day of July, 1994, by Walter P. Conner, as Trustee under Trust Agreement dated November 6, 1973, also known as the Robert W. and Faye G. Conner Irrevocable Trust, on behalf of the Trust.

(Seal and Expiration Date)

April 23, 1996

Mary E. Silbert
Notary Public

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this _____ day of _____, 1994, by _____, the _____ of Pinnacle Builders, Inc., an Arizona corporation, as a member of PB Investment I, L.L.C., an Arizona limited liability company, the Administrative General Partner of Western PB Limited Partnership, an Arizona limited partnership, on behalf of the partnership.

(Seal and Expiration Date)

Notary Public

State of _____

County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1994, by Walter P. Conner, as Trustee under Trust Agreement dated November 6, 1973, also known as the Robert W. and Faye G. Conner Irrevocable Trust, on behalf of the Trust.

(Seal and Expiration Date)

Notary Public

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 5th day of JULY, 1994, by Don Kile, the VICE President of Pinnacle Builders, Inc., an Arizona corporation, as a member of PB Investment I, L.L.C., an Arizona limited liability company, the Administrative General Partner of Western PB Limited Partnership, an Arizona limited partnership, on behalf of the partnership.

(Seal and Expiration Date)



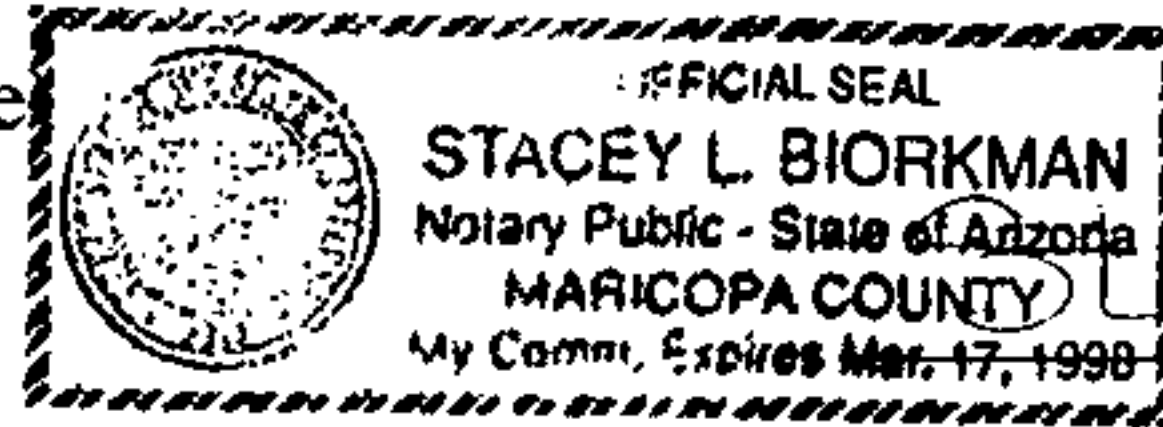
Stacey L. Biorkman
Notary Public

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 5th day of July, 1994, by Donald M. Switzenberg, President of DJK&T Corp., an Arizona corporation, as general partner of DJK&T Limited Partnership, an Arizona limited partnership, General Partner of Val Vista Golf Course Partnership, an Arizona limited partnership, on behalf of the partnership.

(Seal and Expiration Date)



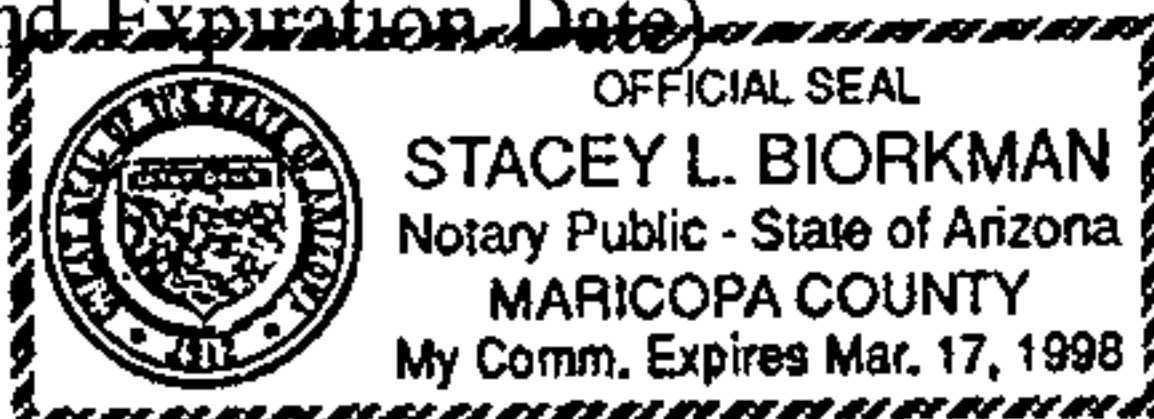
Stacey L. Biorkman
Notary Public

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 5th day of July, 1994, by Kenneth Magill, President of Kencorp., Inc., a Michigan corporation, General Partner of Val Vista Golf Course Partnership, an Arizona limited partnership, on behalf of the partnership.

(Seal and Expiration Date)



Stacey L. Biorkman
Notary Public

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 7th day of July, 1994, by Lloyd E. Canton, President of The Canton Group, Inc., as general partner of Lloyd E. Canton Investments Limited Partnership, an Arizona limited partnership, General Partner of Val Vista Golf Course Partnership, an Arizona limited partnership, on behalf of the partnership.

(Seal and Expiration Date)



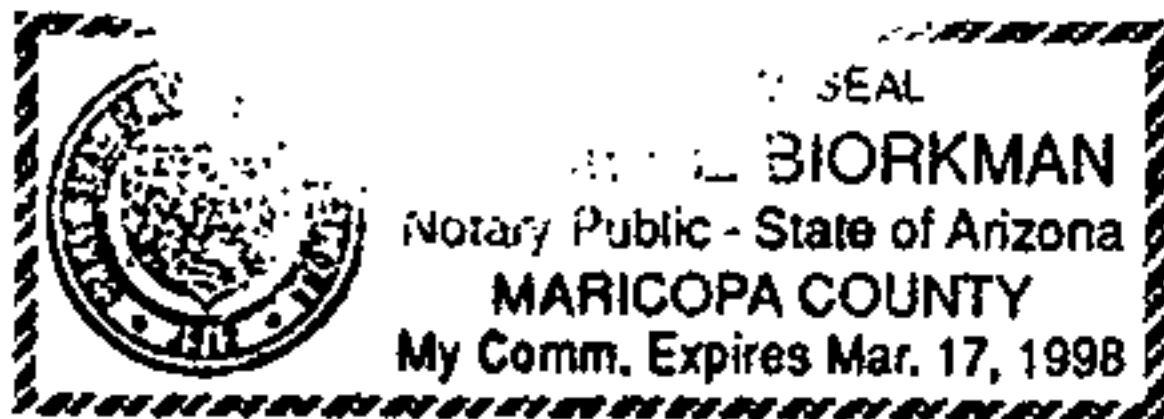
Stacey L. Biorkman
Notary Public

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 5th day of JULY, 1994, by Don Williams, the Vice President of Pinnacle Builders, Inc., an Arizona corporation, on behalf of the corporation.

(Seal and Expiration Date)



Stacey L. Biorkman
Notary Public

State of Arizona

County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1994, by _____, the _____ of RRH Financial, doing business as R. R. Hensler, Inc.

(Seal and Expiration Date)

Notary Public

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this _____ day of _____, 1994, by _____, the _____ of Pinnacle Builders, Inc., an Arizona corporation, on behalf of the corporation.

(Seal and Expiration Date)

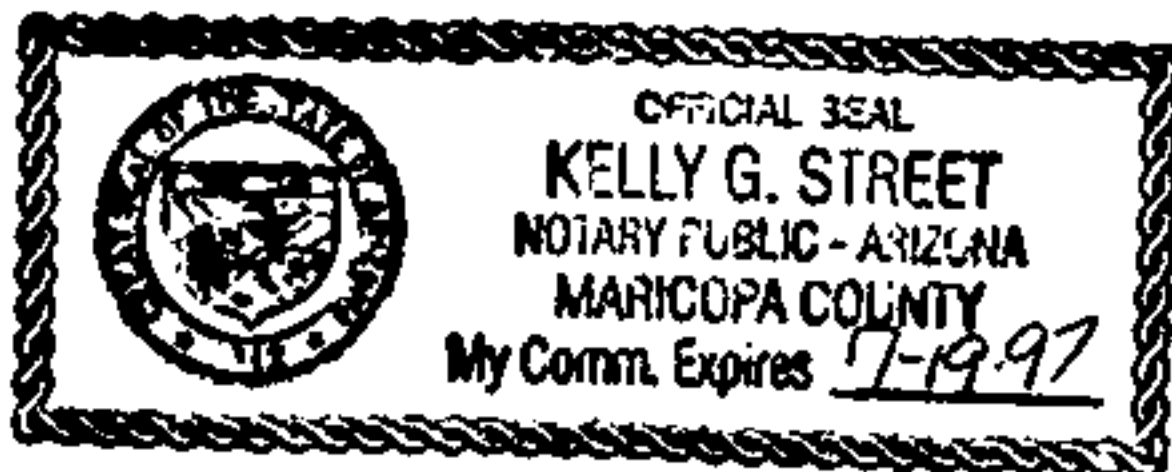
Notary Public

State of Arizona

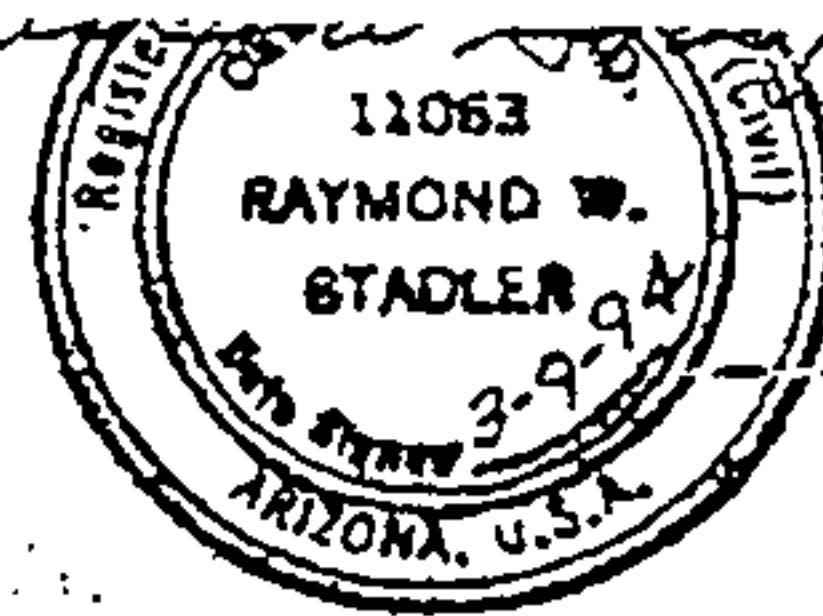
County of Maricopa

The foregoing instrument was acknowledged before me this 5 day of July, 1994, by PAUL E. SARGENT, the Executive VP of RRH Financial, doing business as R. R. Hensler, Inc.

(Seal and Expiration Date)



Kelly G Street
Notary Public



ESTERN SKIES GOLF COURSE

LEGAL DESCRIPTION: (Revised 3/9/94)

portion of the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at the South quarter corner of said Section 20; thence $00^{\circ}25'27''$ E along the West line of the East half of said Section 20 a distance of 65.00 feet; thence $N 89^{\circ}49'45''$ E parallel to and 65.00 feet North of the South line of the East half of said Section 20 a distance of 60.00 feet to the TRUE POINT OF BEGINNING; thence $00^{\circ}25'27''$ E parallel to and 60.00 feet East of the West line of the East half of said Section 20 a distance of 350.00 feet; thence $S 89^{\circ}4'33''$ E a distance of 100.00 feet; thence $N 00^{\circ}25'27''$ E parallel to the West line of the East half of said Section 20 a distance of 329.28 feet; thence $N 19^{\circ}05'20''$ E a distance of 781.18 feet; thence $N 04^{\circ}0'30''$ E a distance of 668.00 feet; thence $N 28^{\circ}59'22''$ W a distance of 35.48 feet to a point on a non-tangent curve concave to the South having a local tangent bearing $N 61^{\circ}00'38''$ E a radius of 200.00 feet and a central angle of $14^{\circ}57'22''$; thence easterly along said curve a distance of 52.21 feet; thence $N 14^{\circ}02'00''$ W a distance of 967.60 feet; thence $N 28^{\circ}09'30''$ W a distance of 340.50; thence $N 89^{\circ}34'33''$ W a distance of 80.09 feet to a point on the West line of the East half of said Section 20; thence $N 00^{\circ}25'27''$ E a distance of 1766.59 feet to a point located 65.00 feet South of the North line of said Section 20; thence $N 89^{\circ}54'11''$ E parallel to and 65.00 feet South of the North line of said Section 20 a distance of 253.04 feet; thence $S 00^{\circ}5'49''$ E a distance of 20.00 feet; thence $N 89^{\circ}54'11''$ E parallel to and 85.00 feet South of the North line of said Section 20 a distance of 80.00 feet; thence $N 00^{\circ}05'49''$ W a distance of 20.00 feet to a point located 65.00 feet South of the North line of said Section 20; thence $N 89^{\circ}54'11''$ E parallel to a 65.00 feet South of the North line of said Section 20 a distance of 374.58 feet to a point on the South right-of-way line of the Southern Pacific Railroad tracks; thence $S 53^{\circ}14'51''$ E along the South right-of-way line of said Southern Pacific Railroad tracks a distance of 2319.74 feet to a point located 5.00 feet West of the East line of said Section 20; thence $S 00^{\circ}06'0''$ W parallel to and 65.00 feet West of the East line of said Section 20 a distance of 534.17 feet; thence $S 59^{\circ}00'23''$ W a distance of 43.64; thence $S 00^{\circ}05'50''$ W a distance of 1606.71 feet; thence $S 15^{\circ}19'44''$ W a distance of 613.43 feet; thence $S 00^{\circ}06'50''$ W a distance of 734.17 feet to a point located 65.00 feet North of the South line of the East half of said Section 20; thence $S 89^{\circ}49'45''$ W parallel to and 65.00 feet North of the South line of the East half of said Section 20 a distance of 446.55 feet; thence $N 00^{\circ}10'16''$ W a distance of 504.30 feet; thence $N 03^{\circ}05'36''$ W a distance of 447.07 feet; thence $N 15^{\circ}38'08''$ E a distance of 560.62 feet; thence $N 00^{\circ}0'53''$ W a distance 1187.21 feet; thence $N 35^{\circ}46'20''$ W a distance of 25.51 feet; thence $N 47^{\circ}30'15''$ W a distance of 60.00 feet to a point on a non-tangent curve concave to the Northwest having a local tangent bearing $S 43^{\circ}29'45''$ W a radius of 255.00 feet and a central angle of $1^{\circ}22'34''$; thence Southwesterly along said curve a distance of 95.14 feet; thence $N 13^{\circ}11'37''$ W a distance of 544.08 feet;

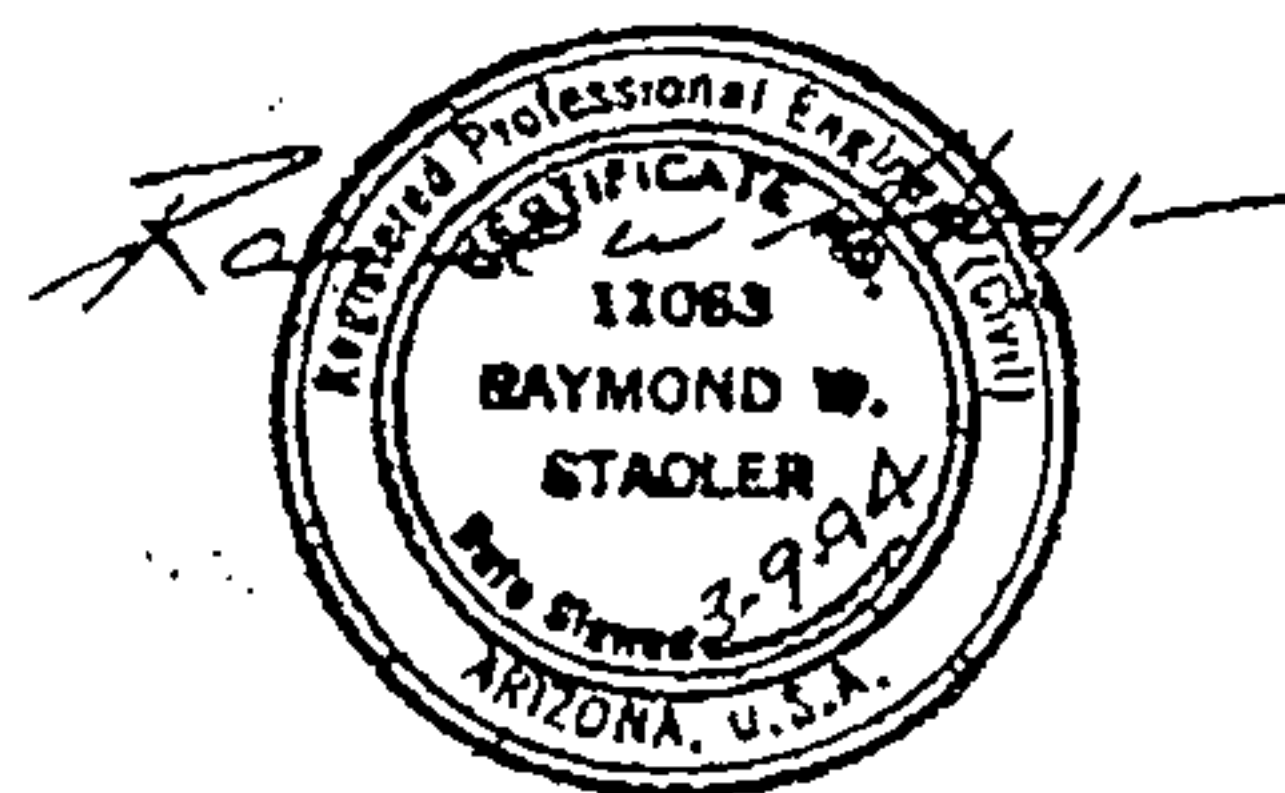
EXHIBIT 1.15

Page 1 of 2

hence N 02°42'32" W a distance of 439.59 feet; thence N 60°05'25" W a distance of 459.16 feet; thence N 47°35'13" W a distance of 293.05 feet; thence N 29°51'28" W a distance of 86.94 feet; thence S 60°08'32" W a distance of 170.00 feet; thence S 29°51'28" E a distance of 56.46 feet; thence S 60°08'32" W a distance of 170.00 feet; thence S 29°50'34" E a distance of 164.57 feet; thence S 01°55'23" E a distance of 263.77 feet; thence S 28°53'26" E a distance of 540.00 feet; thence S 13°51'05" E a distance of 203.82 feet; thence S 07°21'12" E a distance of 443.19 feet; thence S 00°00'43" E a distance of 372.37 feet; thence S 06°52'00" W a distance of 60.00 feet to a point on a non-tangent curve concave to the North having a local tangent bearing N 83°07'49" E a radius of 258.30 feet and a central angle of 13°04'52"; thence Easterly along said curve a distance of 58.97 feet; thence S 01°38'00" E a distance of 286.00 feet; thence S 02°04'36" W a distance of 517.37 feet; thence S 19°27'58" W a distance of 696.13 feet; thence S 09°07'20" E a distance of 157.18 feet; thence N 87°50'49" E a distance of 560.41 feet; thence S 00°10'15" E a distance of 504.31 feet to a point located 65.00 feet North of the South line of the East half of said Section 20; thence S 89°49'45" W parallel to and 65.00 feet North of the South line of the East half of said Section 20 a distance of 214.33 feet to the TRUE POINT OF BEGINNING;

EXCEPT that portion of the above described parcel described as follows:

BEGINNING at the East quarter corner of said Section 20; thence N 00°06'50" E along the East line of said Section 20 a distance of 745.68 feet; thence N 89°53'10" W a distance of 102.30 feet to the TRUE POINT OF BEGINNING; thence S 72°56'20" W a distance of 550.00 feet; thence S 69°18'56" W a distance of 57.83 feet; thence N 17°03'40" W a distance of 113.65 feet to a point on a non-tangent curve concave to the Southeast having a local tangent bearing S 72°56'20" W a radius of 75.00 feet and a central angle of 42°44'00"; thence Southwesterly along said curve a distance of 279.69 feet; thence S 30°12'20" W a distance of 78.05 feet; thence N 59°47'40" W a distance of 172.29 feet; thence N 06°43'00" E a distance of 352.85 feet; thence N 01°00'45" W a distance of 660.15 feet; thence N 31°29'00" E a distance of 100.00 feet; thence S 49°10'05" E a distance of 418.27 feet; thence S 54°14'10" E a distance of 525.01 feet; thence S 85°35'00" E a distance of 108.38 feet; thence S 17°03'40" E a distance of 296.30 feet to the TRUE POINT OF BEGINNING.



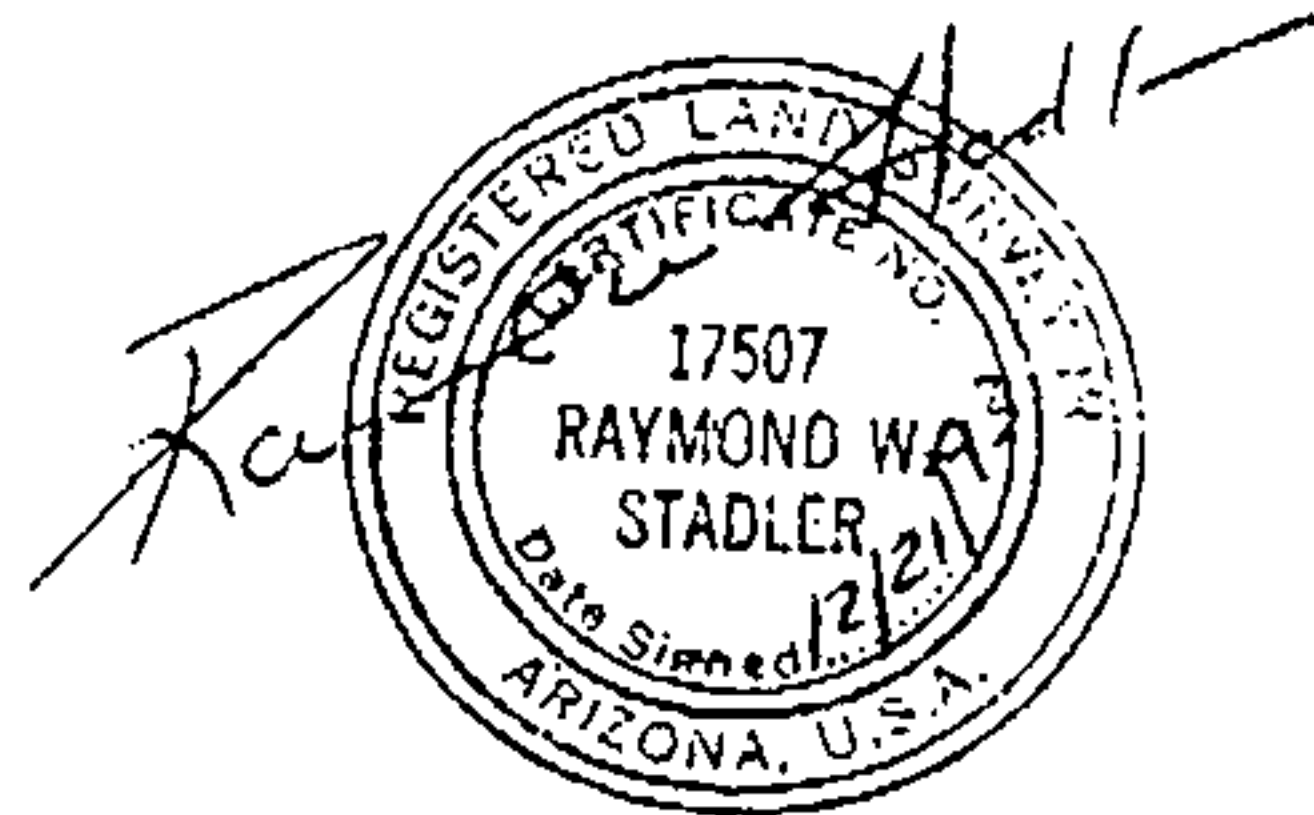
WESTERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 3

A Parcel of land situated in the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at the East quarter corner of said Section 20; thence N 00° 06'50" E along the East line of said Section 20 a distance of 661.51 feet; thence N 89°53'10" W a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence S 00°06'50" W parallel to and 33.00 feet West of the East line of said Section 20 a distance of 1724.30 feet; thence N 89°53'10" W a distance of 497.05 feet; thence N 00°05'50" E a distance of 1424.12 feet; thence N 59°00'23" E a distance of 581.02 feet to the TRUE POINT OF BEGINNING.

The above described parcel having an area of 17.97 acres.



12/21/93

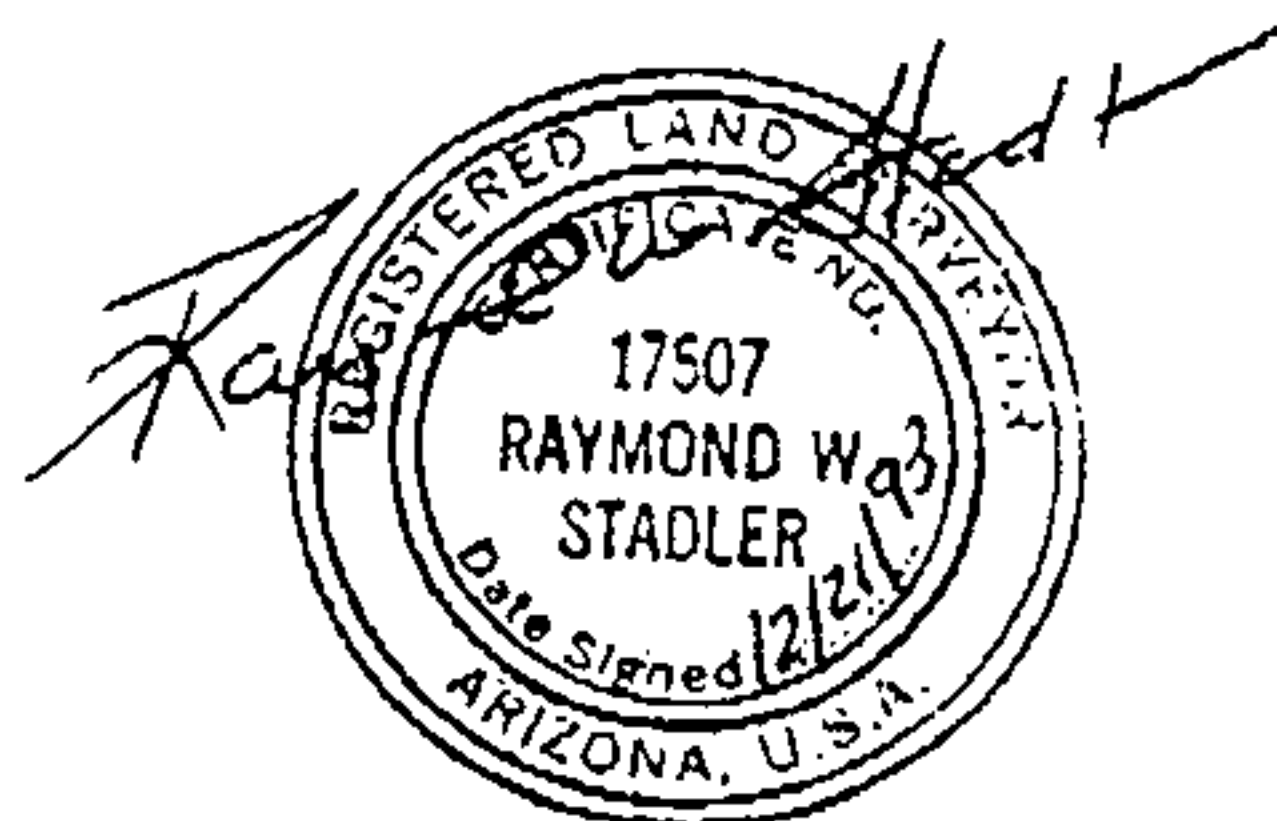
WESTERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 4

A parcel of land situated in the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

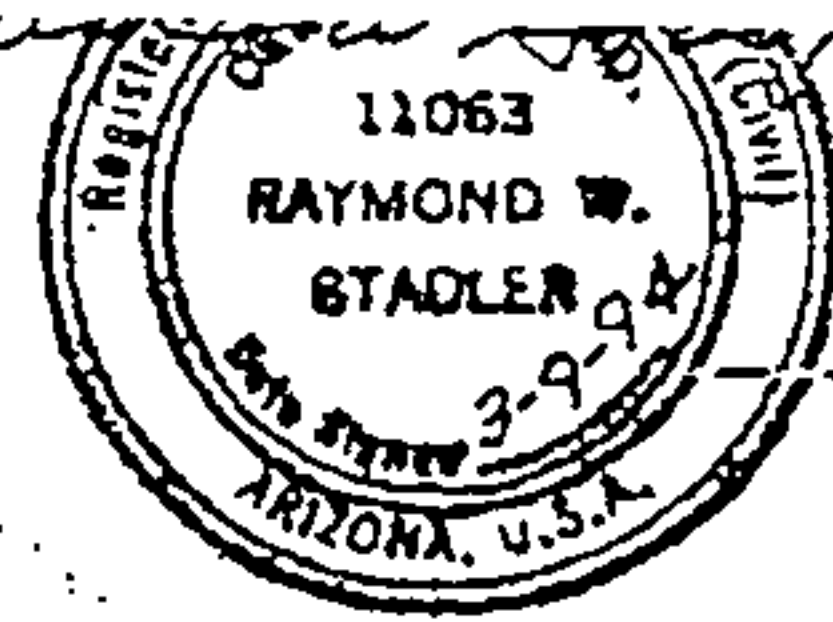
BEGINNING at the East quarter corner of said Section 20; thence S 00° 06'50" W along the East line of said Section 20 a distance of 1062.79 feet; thence N 89°53'10" W a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence S 00°06'50" W parallel to and 33.00 feet West of the East line of said Section 20 a distance of 999.65 feet; thence N 89°53'10" W a distance of 657.99 feet; thence N 00°06'50" E a distance of 225.13 feet; thence N 15°19'44" E a distance of 613.43 feet; thence N 00°05'50" E a distance of 182.59 feet; thence S 89° 53'10" E a distance of 497.05 feet to the TRUE POINT OF BEGINNING.

The above described parcel having an area of 13.32 acres.



12/21/93

EXHIBIT 1.27B



WESTERN SKIES GOLF COURSE

LEGAL DESCRIPTION: (Revised 3/9/94)

A portion of the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at the South quarter corner of said Section 20; thence N 00°25'27" E along the West line of the East half of said Section 20 a distance of 65.00 feet; thence N 89°49'45" E parallel to and 65.00 feet North of the South line of the East half of said Section 20 a distance of 60.00 feet to the TRUE POINT OF BEGINNING; thence N 00°25'27" E parallel to and 60.00 feet East of the West line of the East half of said Section 20 a distance of 350.00 feet; thence S 89°34'33" E a distance of 100.00 feet; thence N 00°25'27" E parallel to the West line of the East half of said Section 20 a distance of 329.28 feet; thence N 19°05'20" E a distance of 781.18 feet; thence N 04°10'30" E a distance of 668.00 feet; thence N 28°59'22" W a distance of 35.48 feet to a point on a non-tangent curve concave to the South having a local tangent bearing N 61°00'38" E a radius of 200.00 feet and a central angle of 14°57'22"; thence easterly along said curve a distance of 52.21 feet; thence N 14°02'00" W a distance of 967.60 feet; thence N 28°09'30" W a distance of 340.50; thence N 89°34'33" W a distance of 80.09 feet to a point on the West line of the East half of said Section 20; thence N 00°25'27" E a distance of 1766.59 feet to a point located 65.00 feet South of the North line of said Section 20; thence N 89°54'11" E parallel to and 65.00 feet South of the North line of said Section 20 a distance of 253.04 feet; thence S 00°05'49" E a distance of 20.00 feet; thence N 89°54'11" E parallel to and 85.00 feet South of the North line of said Section 20 a distance of 80.00 feet; thence N 00°05'49" W a distance of 20.00 feet to a point located 65.00 feet South of the North line of said Section 20; thence N 89°54'11" E parallel to a 65.00 feet South of the North line of said Section 20 a distance of 374.58 feet to a point on the South right-of-way line of the Southern Pacific Railroad tracks; thence S 53°14'51" E along the South right-of-way line of said Southern Pacific Railroad tracks a distance of 2319.74 feet to a point located 65.00 feet West of the East line of said Section 20; thence S 00°06'50" W parallel to and 65.00 feet West of the East line of said Section 20 a distance of 534.17 feet; thence S 59°00'23" W a distance of 543.64; thence S 00°05'50" W a distance of 1606.71 feet; thence S 15°19'44" W a distance of 613.43 feet; thence S 00°06'50" W a distance of 734.17 feet to a point located 65.00 feet North of the South line of the East half of said Section 20; thence S 89°49'45" W parallel to and 65.00 feet North of the South line of the East half of said Section 20 a distance of 446.55 feet; thence N 00°10'16" W a distance of 504.30 feet; thence N 03°05'36" W a distance of 447.07 feet; thence N 15°38'08" E a distance of 560.62 feet; thence N 00°50'53" W a distance 1187.21 feet; thence N 35°46'20" W a distance of 125.51 feet; thence N 47°30'15" W a distance of 60.00 feet to a point on a non-tangent curve concave to the Northwest having a local tangent bearing S 43°29'45" W a radius of 255.00 feet and a central angle of 21°22'34"; thence Southwesterly along said curve a distance of 95.14 feet; thence N 13°11'37" W a distance of 544.08 feet;

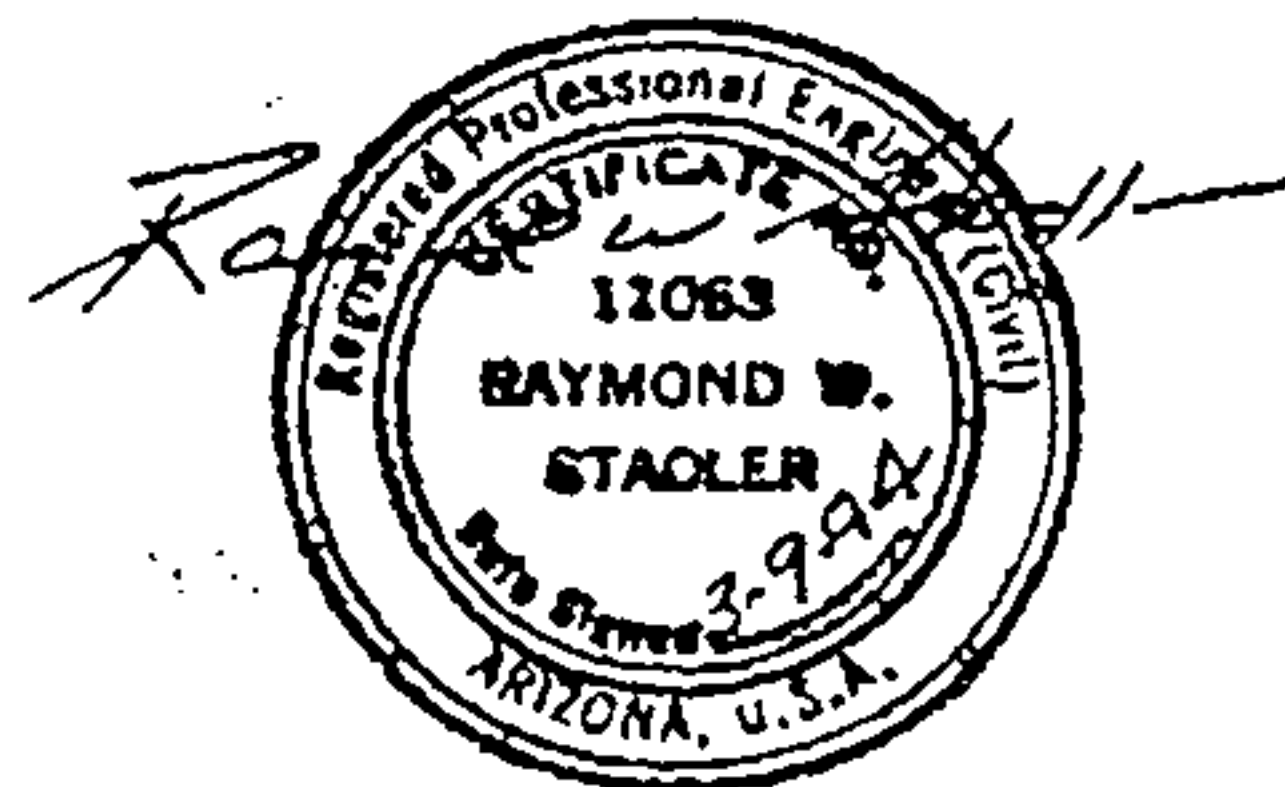
EXHIBIT 1.36

Page 1 of 8

thence N 02°42'32" W a distance of 439.59 feet; thence N 60°05'25" W
 distance of 459.16 feet; thence N 47°35'13" W a distance of ~~293.05~~
 feet; thence N 29°51'28" W a distance of 86.94 feet; thence S 60°
 08'32" W a distance of 110.00 feet; thence S 29°51'28" E a distance
 of 56.46 feet; thence S 60°08'32" W a distance of 170.00 feet;
 thence S 29°50'34" E a distance 164.57 feet; thence S 01°55'23" E a
 distance of 263.77 feet; thence S 28°53'26" E a distance of 540.00
 feet; thence S 13°51'05" E a distance of 203.82 feet; thence
 S 07°21'12" E a distance of 443.19 feet; thence S 00°00'43" E a
 distance of 372.37 feet; thence S 06°52'00" W a distance of 60.00
 feet to a point on a non-tangent curve concave to the North having a
 local tangent bearing N 83°07'49" E a radius of 258.30 feet and a
 central angle of 13°04'52"; thence Easterly along said curve a
 distance of 58.97 feet; thence S 01°38'00" E a distance of 286.00
 feet; thence S 02°04'36" W a distance of 517.37 feet; thence
 S 19°27'58" W a distance of 696.13 feet; thence S 09°07'20" E a
 distance of 157.18 feet; thence N 87°50'49" E a distance of 560.41
 feet; thence S 00°10'15" E a distance of 504.31 feet to a point
 located 65.00 feet North of the South line of the East half of said
 Section 20; thence S 89°49'45" W parallel to and 65.00 feet North of
 the South line of the East half of said Section 20 a distance of
 214.33 feet to the TRUE POINT OF BEGINNING;

EXCEPT that portion of the above described parcel described as
 follows:

BEGINNING at the East quarter corner of said Section 20; thence N 00°
 6'50" E along the East line of said Section 20 a distance of 745.68
 feet; thence N 89°53'10" W a distance of 102.30 feet to the TRUE
 POINT OF BEGINNING; thence S 72°56'20" W a distance of 550.00 feet;
 thence S 69°18'56" W a distance of 57.83 feet; thence N 17°03'40" W a
 distance of 113.65 feet to a point on a non-tangent curve concave to
 the Southeast having a local tangent bearing S 72°56'20" W a radius of
 75.00 feet and a central angle of 42°44'00"; thence Southwesterly
 along said curve a distance of 279.69 feet; thence S 30°12'20" W a
 distance of 78.05 feet; thence N 59°47'40" W a distance of 172.29
 feet; thence N 06°43'00" E a distance of 352.85 feet; thence N 01°
 0'45" W a distance of 660.15 feet; thence N 31°29'00" E a distance
 of 100.00 feet; thence S 49°10'05" E a distance of 418.27 feet;
 thence S 54°14'10" E a distance of 525.01 feet; thence S 85°35'00" E
 a distance of 108.38 feet; thence S 17°03'40" E a distance of 296.30
 feet to the TRUE POINT OF BEGINNING.



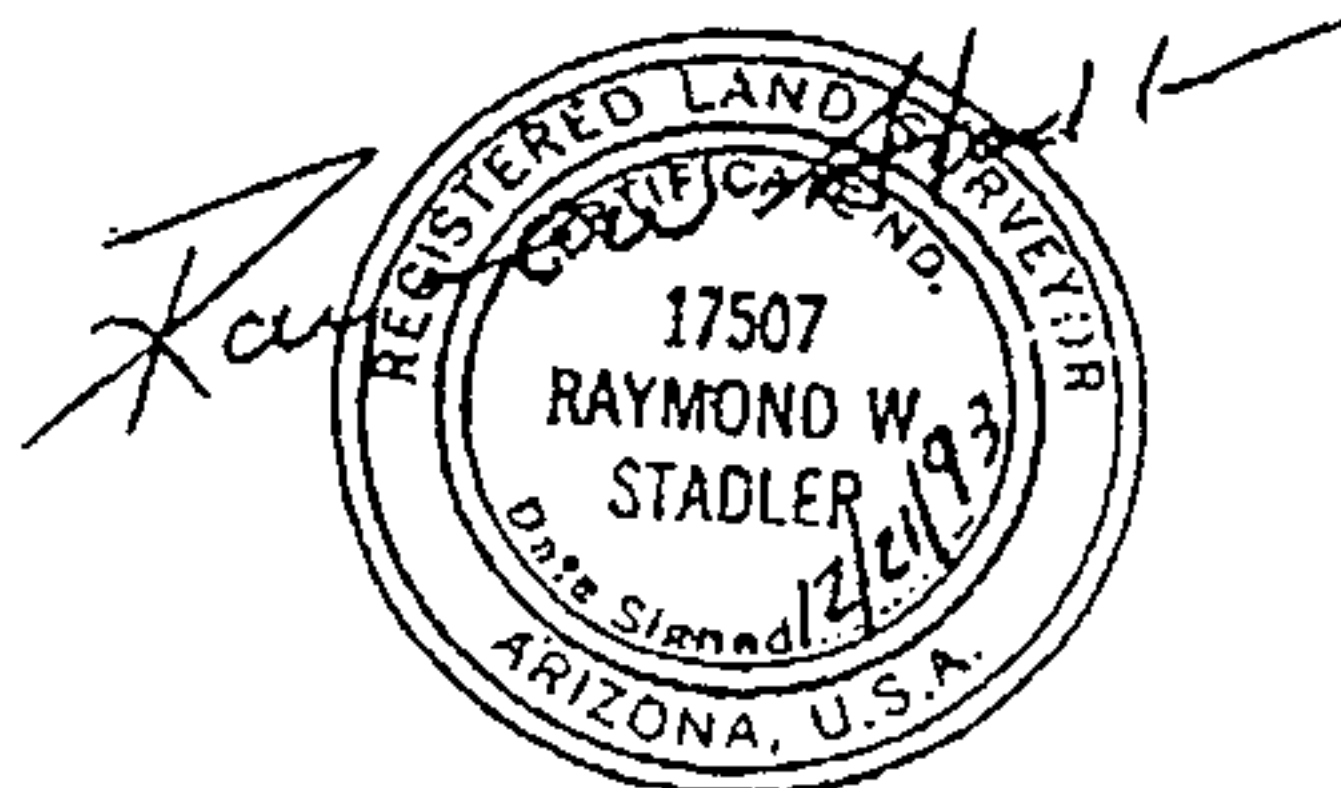
STERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 1

Parcel of land situated in the East half of Section 20, Township 1 North, Range 6 East of the Gila and Salt River Base and Meridian, Pima County, Arizona being more particularly described as follows:

BEGINNING at the North quarter corner of said Section 20; thence S 00° 27' W a distance of 65.00 feet; thence N 89° 54' 11" E parallel to 65.00 feet South of the North line of said Section 20 a distance 253.04 feet; thence S 00° 05' 49" E a distance of 321.76 feet; thence S 08° 57' 39" E a distance of 81.36 feet to a point on a non-tangent curve concave to the Northeast having a local tangent bearing 3° 42' 43" E a radius of 1275.00 feet and a central angle of 08' 45"; thence along said curve a distance of 581.82 feet; thence S 9° 51' 28" E a distance of 92.58 feet to the TRUE POINT OF BEGINNING; thence N 60° 08' 32" E a distance of 60.00 feet; thence N 29° 51' 28" W a distance of 56.46 feet; thence N 60° 08' 32" E a distance of 110.00; thence S 29° 51' 28" E a distance of 86.94 feet; thence S 47° 35' 13" E a distance of 293.05 feet; thence S 60° 05' 25" E a distance 459.16 feet; thence S 02° 42' 32" E a distance of 439.59 feet; thence S 13° 11' 37" E a distance of 544.08 feet to a point on a non-tangent curve concave to the Northwest having a local tangent bearing N 63° 52' 20" E a radius 255.00 feet and a central angle of 21° 22' 34"; thence Northeasterly along said curve a distance of 95.14 feet; thence S 47° 30' 15" E a distance of 60.00 feet; thence S 35° 46' 20" E a distance of 125.51 feet; thence S 00° 50' 53" E a distance of 109.44 feet; thence S 89° 23' W a distance of 759.86 feet; thence N 07° 21' 12" W a distance of 120.20 feet; thence N 13° 51' 05" W a distance 203.82 feet; thence S 3° 53' 26" W a distance of 540.00 feet; thence N 01° 55' 23" W a distance of 263.77 feet; thence N 29° 50' 34" W a distance of 164.57 feet; thence N 60° 08' 32" E a distance of 110.00 feet to the TRUE POINT OF BEGINNING.

above described parcel having an area of 22.48 acres.



dated 12/12/93

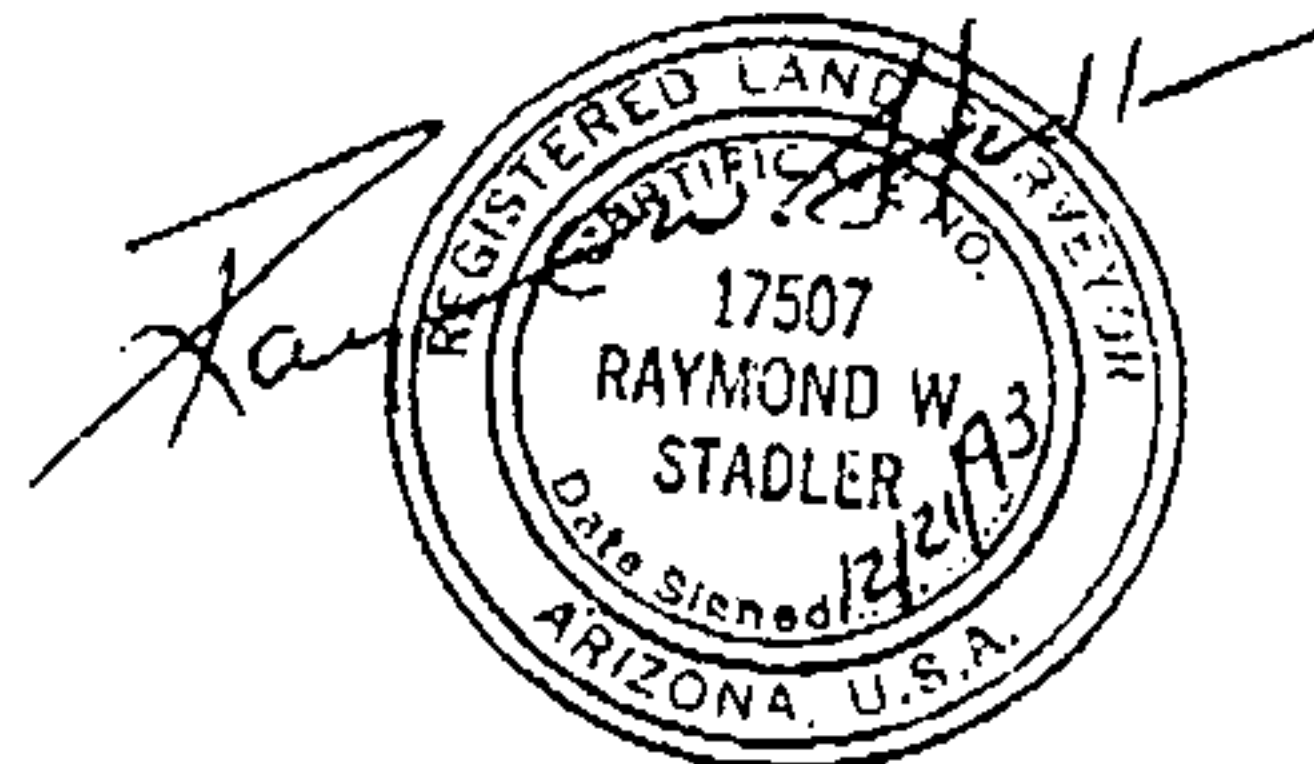
WESTERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 2

A Parcel of land situated in the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at the East quarter corner of said Section 20; thence N 00° 06'50" E along the East line of said Section 20 a distance of 745.68 feet; thence N 89°53'10" W a distance of 102.30 feet to the TRUE POINT OF BEGINNING; thence S 72°56'20" W a distance of 550.00 feet; thence S 69°18'56" W a distance of 57.83 feet; thence N 17°03'40" W a distance of 113.65 feet to a point on a non-tangent curve concave to the Southeast having a local tangent bearing of S 72°56'20" W a radius of 375.00 feet and a central angle of 42°44'00"; thence Southwesterly along said curve a distance of 279.69 feet; thence S 30°12'20" W a distance of 78.05 feet; thence N 59°47'40" W a distance of 172.29 feet; thence N 06°43'00" E a distance of 352.85 feet; thence N 01° 20'45" W a distance of 660.15 feet; thence N 31°29'00" E a distance of 100.00 feet; thence S 49°10'05" E a distance of 418.27 feet; thence S 54°14'10" E a distance of 525.01 feet; thence S 85°35'00" E a distance of 108.38 feet; thence S 17°03'40" E a distance of 296.30 feet to the TRUE POINT OF BEGINNING.

The above described parcel having and area of 14.59 acres.



vised 12/12/93

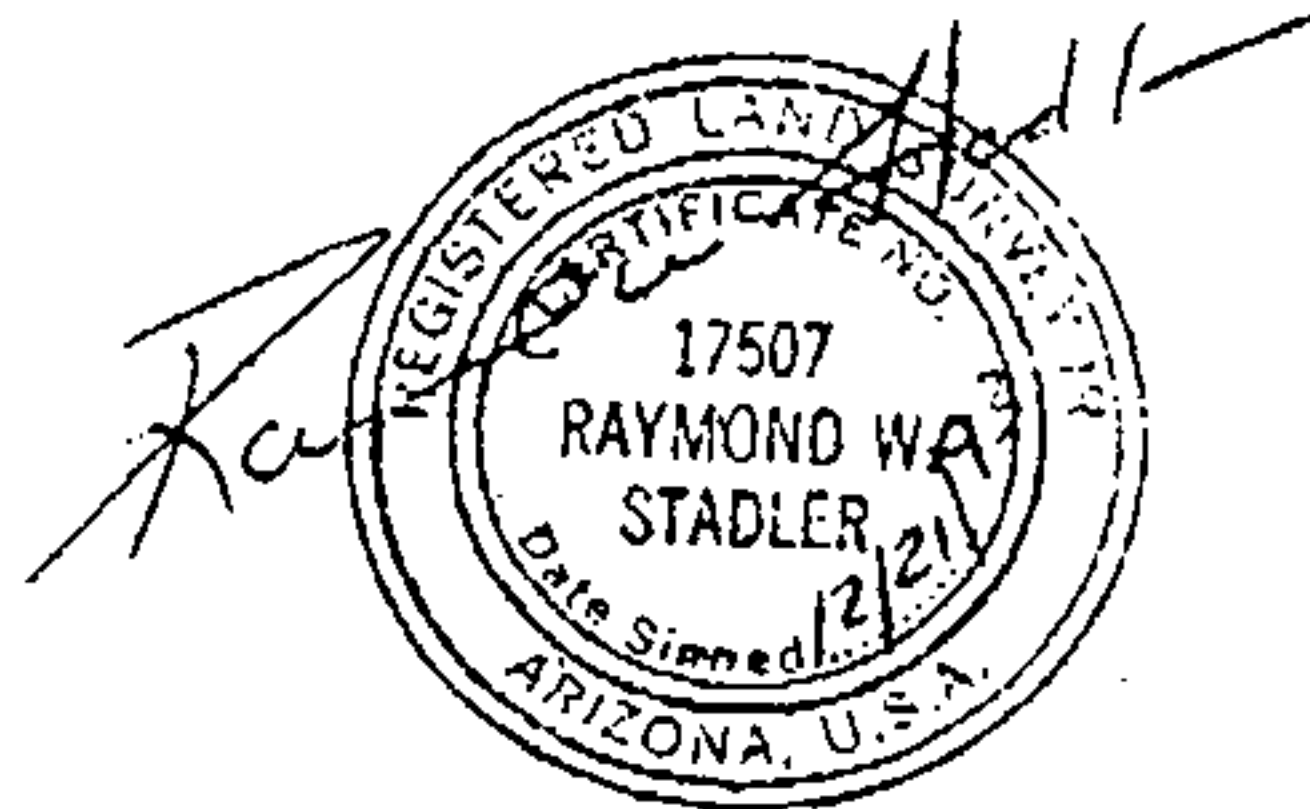
WESTERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 3

A Parcel of land situated in the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at the East quarter corner of said Section 20; thence N 00° 06'50" E along the East line of said Section 20 a distance of 661.51 feet; thence N 89°53'10" W a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence S 00°06'50" W parallel to and 33.00 feet West of the East line of said Section 20 a distance of 1724.30 feet; thence N 89°53'10" W a distance of 497.05 feet; thence N 00°05'50" E a distance of 1424.12 feet; thence N 59°00'23" E a distance of 581.02 feet to the TRUE POINT OF BEGINNING.

The above described parcel having an area of 17.97 acres.



21/93

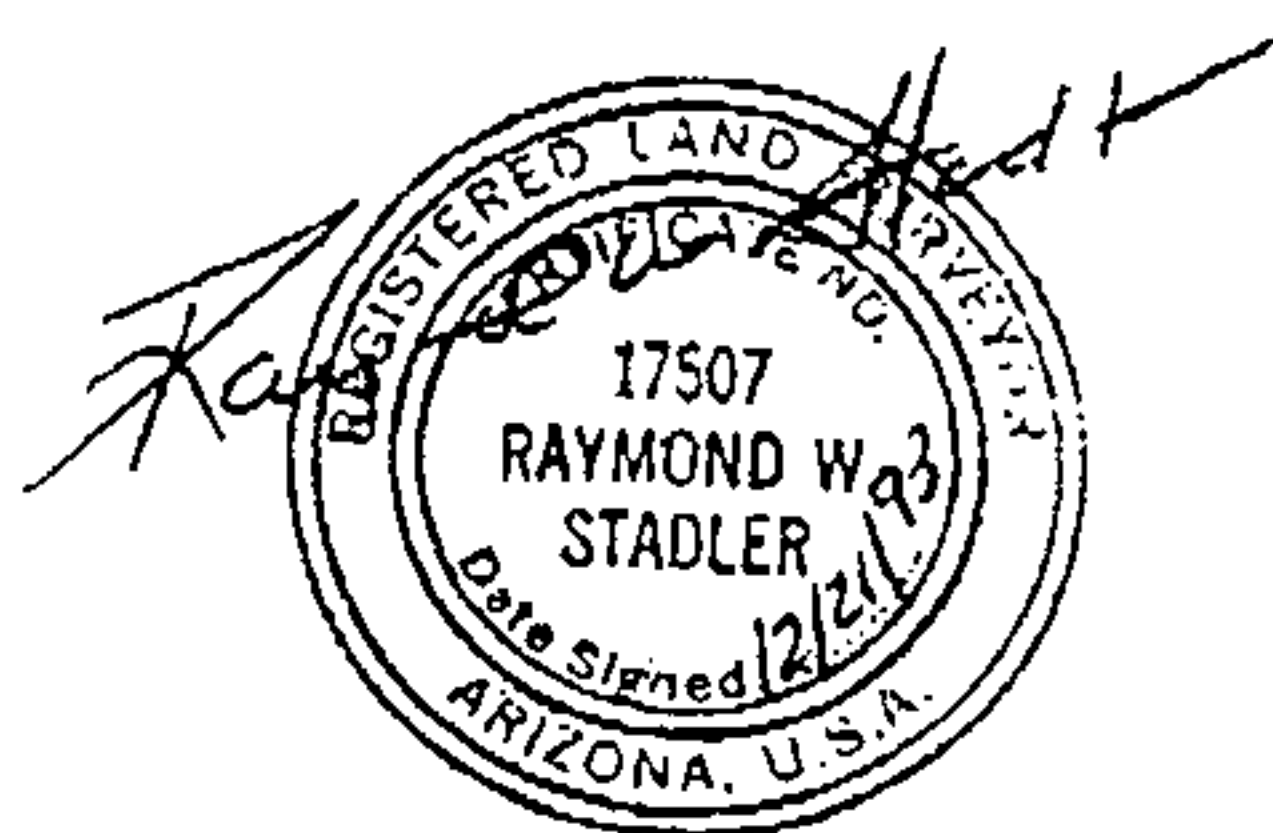
WESTERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 4

A parcel of land situated in the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at the East quarter corner of said Section 20; thence S 00° 06'50" W along the East line of said Section 20 a distance of 1062.79 feet; thence N 89°53'10" W a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence S 00°06'50" W parallel to and 33.00 feet West of the East line of said Section 20 a distance of 999.65 feet; thence N 89°53'10" W a distance of 657.99 feet; thence N 00°06'50" E a distance of 225.13 feet; thence N 15°19'44" E a distance of 613.43 feet; thence N 00°05'50" E a distance of 182.59 feet; thence S 89° 53'10" E a distance of 497.05 feet to the TRUE POINT OF BEGINNING.

The above described parcel having an area of 13.32 acres.



12/21/93

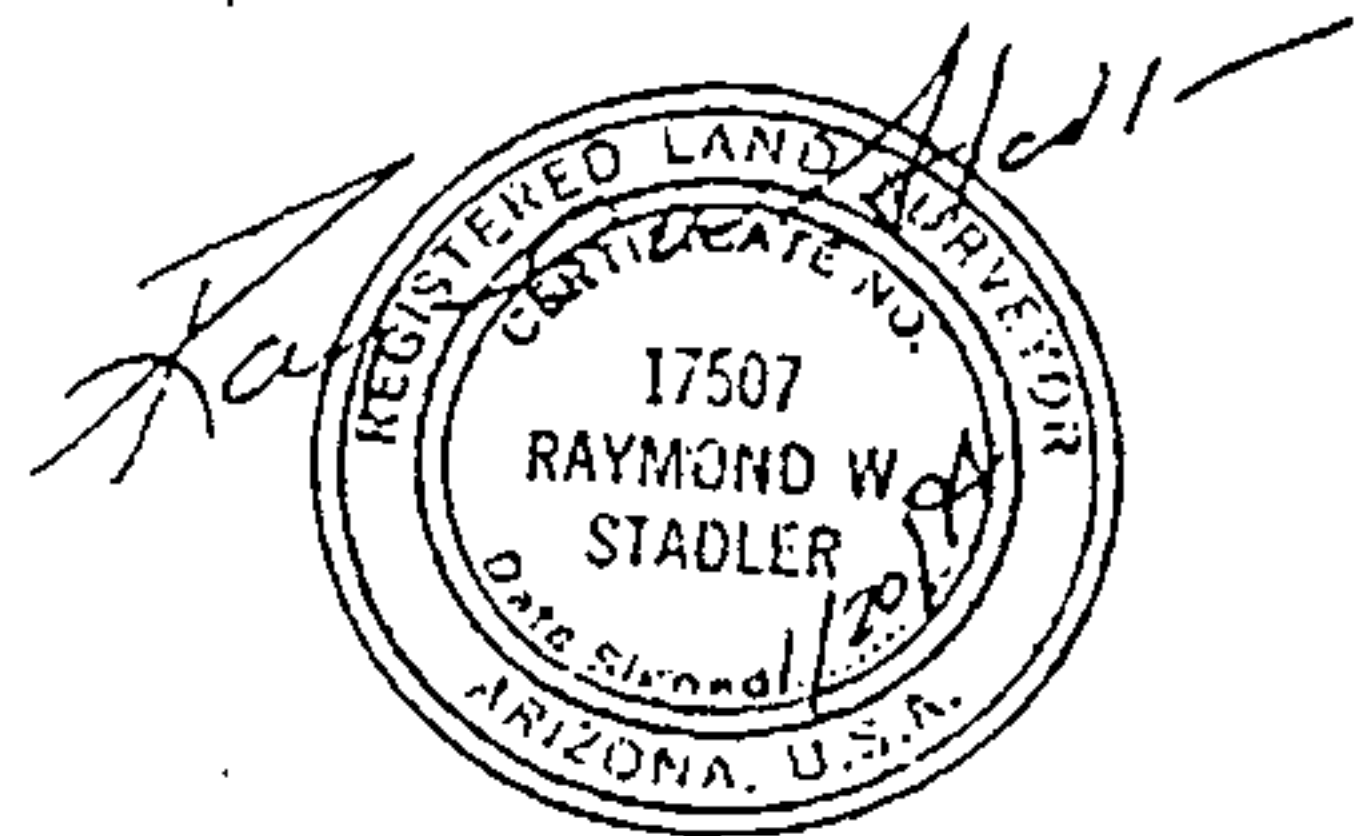
WESTERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 5

A parcel of land situated in the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING Southeast corner of said Section 20; thence S 89°49'45" W along the South line of said Section 20 a distance of 1137.22 feet; thence N 00°10'15" W a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence S 89°49'45" W parallel to and 33.00 feet North of the South line of said Section 20 a distance of 250.00 feet; thence N 00°10'15" W a distance of 536.31 feet; thence S 87°50'49" W a distance of 560.41 feet; thence N 09°07'20" W a distance of 157.18 feet; thence N 19°27'58" E a distance of 696.13 feet; thence N 02°04'36" E a distance of 517.37 feet; thence N 01°38'00" W a distance of 286.00 feet to a point on a non-tangent curve concave to the North having a local tangent bearing S 83°47'08" W a radius of 258.30 feet and a central angle of 13°04'52"; thence Westerly along said curve a distance of 58.97 feet; thence N 06°52'00" E a distance of 60.00 feet; thence N 00°00'43" W a distance of 372.37 feet; thence N 07°21'12" W a distance of 36.99 feet; thence N 89°49'23" E a distance of 759.86 feet; thence S 00°50'53" E a distance of 1077.77 feet; thence S 15°38'08" W a distance 560.62 feet; thence S 03°15'36" E a distance of 447.07 feet; thence S 00°10'16" E a distance of 536.30 feet to a point located 33.00 feet North of the South line of said Section 20 being the TRUE POINT OF BEGINNING.

The above described parcel having an area of 37.89 acres.



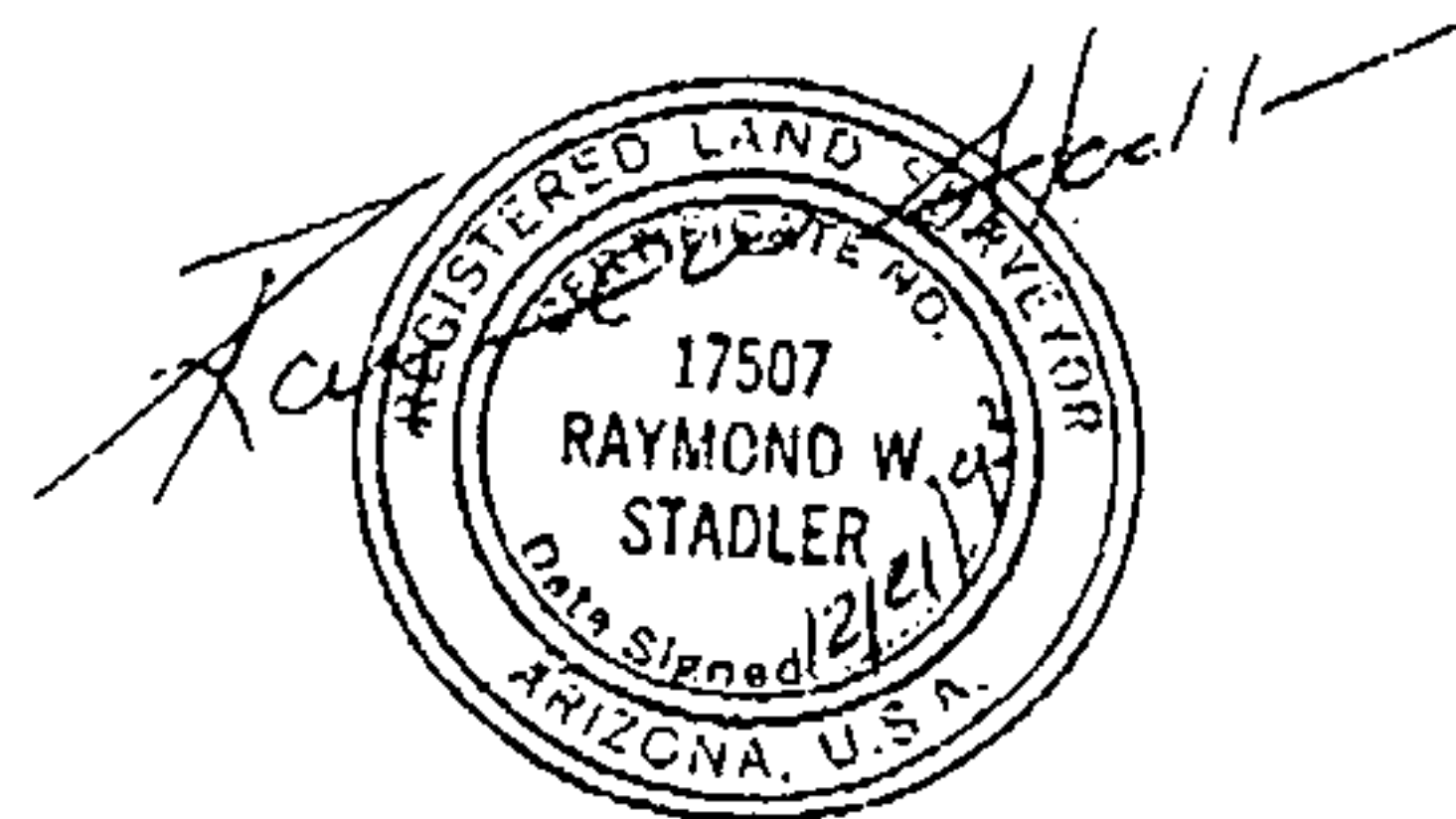
WESTERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 6

A Parcel of land situated in the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at the South quarter corner of said Section 20; thence N 00° 25'27" E along the West line of the East half of said Section 20 a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence N 00° 25'27" E along the West line of the East half of said Section 20 a distance of 3404.88 feet; thence S 89°34'33" E a distance of 80.09 feet; thence S 28°09'30" E a distance of 340.50 feet; thence S 14° 02'00" E a distance of 967.60 feet to a point on a non-tangent curve concave to the South having a local tangent bearing S 75°58'00" W a radius of 200.00 feet and central angle of 14°57'22"; thence Westerly along said curve a distance of 52.21 feet; thence S 28°59'22" E a distance of 35.48 feet; thence S 04°10'30" W a distance of 668.00 feet; thence S 19°05'20" W a distance of 781.18 feet; thence S 00° 25'27" W a distance of 329.28 feet; thence N 89°34'33" W a distance of 100.00 feet; thence S 00°25'27" W a distance 382.00 feet to a point located 33.00 feet North of the South line of said Section 20; thence S 89°49'45" W parallel to and 33.00 feet North of the South line of said Section 20 a distance of 60.00 feet to the TRUE POINT OF BEGINNING.

The above described parcel having an area of 22.63 acres.



2/21/93

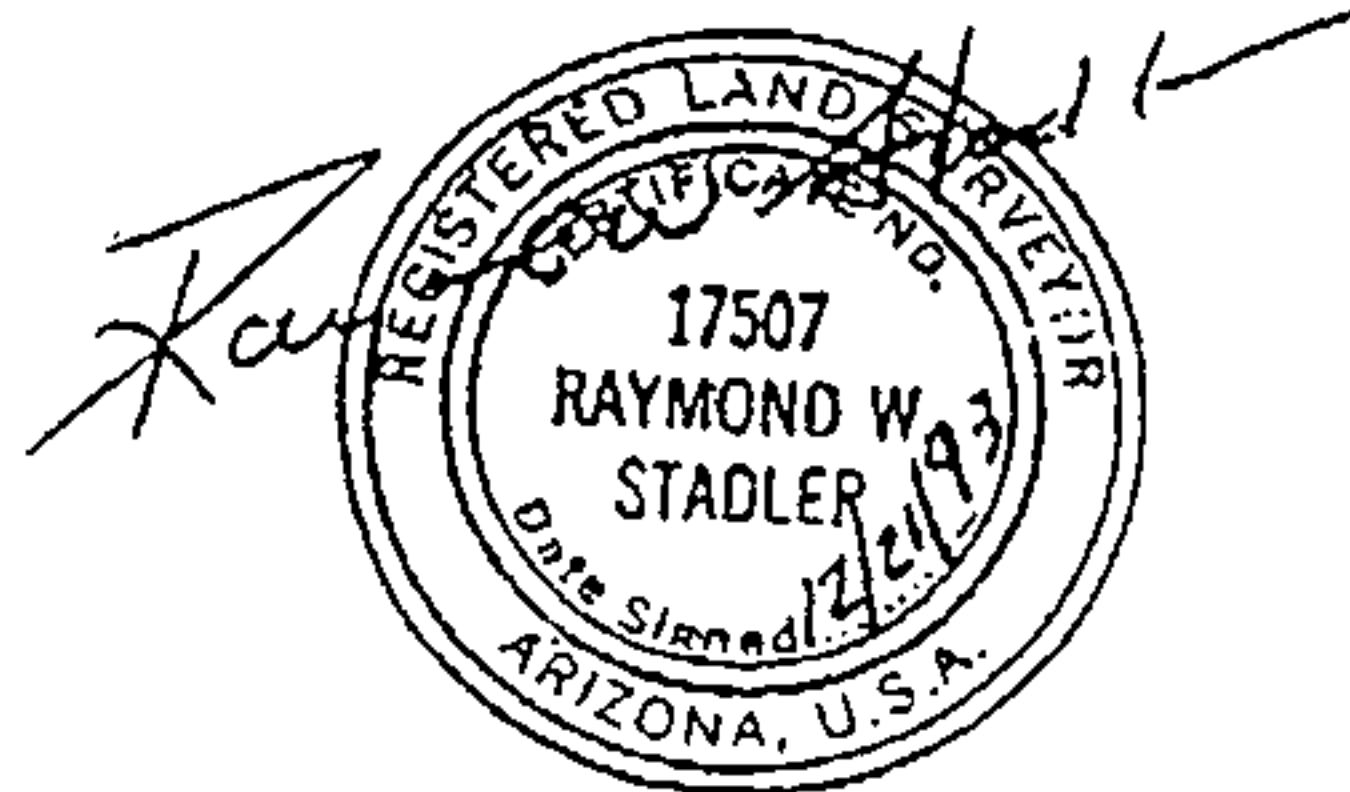
STERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 1

Parcel of land situated in the East half of Section 20, Township 1 North, Range 6 East of the Gila and Salt River Base and Meridian, Pima County, Arizona being more particularly described as follows:

BEGINNING at the North quarter corner of said Section 20; thence S 00° 27' W a distance of 65.00 feet; thence N 89° 54' 11" E parallel to 65.00 feet South of the North line of said Section 20 a distance 253.04 feet; thence S 00° 05' 49" E a distance of 321.76 feet; thence S 08° 57' 39" E a distance of 81.36 feet to a point on a non-tangent curve concave to the Northeast having a local tangent bearing S 3° 42' 43" E a radius of 1275.00 feet and a central angle of 08° 45"; thence along said curve a distance of 581.82 feet; thence S 9° 51' 28" E a distance of 92.58 feet to the TRUE POINT OF BEGINNING; thence N 60° 08' 32" E a distance of 60.00 feet; thence N 29° 51' 28" W a distance of 56.46 feet; thence N 60° 08' 32" E a distance of 110.00 feet; thence S 29° 51' 28" E a distance of 86.94 feet; thence S 47° 35' 13" E a distance of 293.05 feet; thence S 60° 05' 25" E a distance 459.16 feet; thence S 02° 42' 32" E a distance of 439.59 feet; thence S 13° 11' 37" E a distance of 544.08 feet to a point on a non-tangent curve concave to the Northwest having a local tangent bearing N 63° 52' 20" E a radius 255.00 feet and a central angle of 21° 22' 34"; thence Northeasterly along said curve a distance of 95.14 feet; thence S 47° 30' 15" E a distance of 60.00 feet; thence S 35° 46' 20" E a distance of 125.51 feet; thence S 00° 50' 53" E a distance of 109.44 feet; thence S 89° 23' W a distance of 759.86 feet; thence N 07° 21' 12" W a distance of 10.20 feet; thence N 13° 51' 05" W a distance 203.82 feet; thence S 8° 53' 26" W a distance of 540.00 feet; thence N 01° 55' 23" W a distance of 263.77 feet; thence N 29° 50' 34" W a distance of 164.57 feet; thence N 60° 08' 32" E a distance of 110.00 feet to the TRUE POINT OF BEGINNING.

above described parcel having an area of 22.48 acres.



Used 12/12/93

EXHIBIT 1.37A

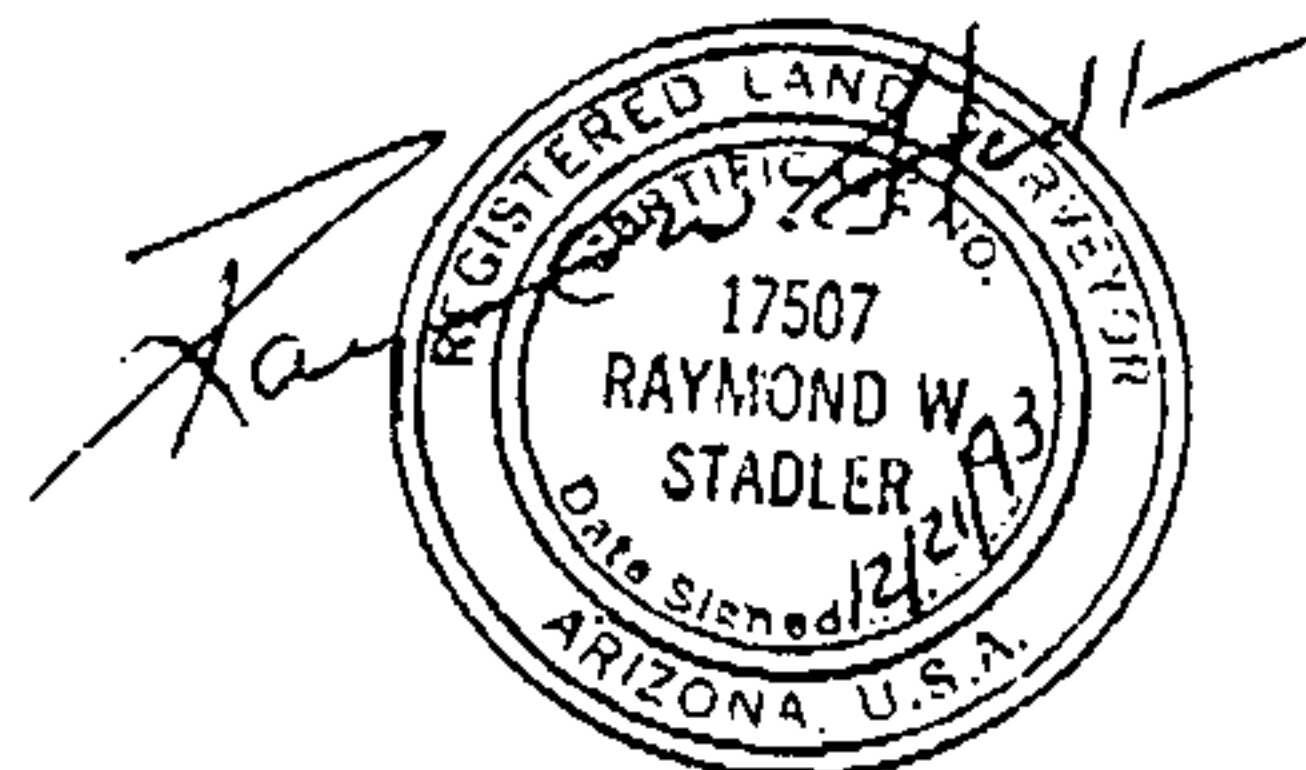
WESTERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 2

A Parcel of land situated in the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at the East quarter corner of said Section 20; thence N 00° 06'50" E along the East line of said Section 20 a distance of 745.68 feet; thence N 89°53'10" W a distance of 102.30 feet to the TRUE POINT OF BEGINNING; thence S 72°56'20" W a distance of 550.00 feet; thence S 69°18'56" W a distance of 57.83 feet; thence N 17°03'40" W a distance of 113.65 feet to a point on a non-tangent curve concave to the Southeast having a local tangent bearing of S 72°56'20" W a radius of 375.00 feet and a central angle of 42°44'00"; thence Southwesterly along said curve a distance of 279.69 feet; thence S 30°12'20" W a distance of 78.05 feet; thence N 59°47'40" W a distance of 172.29 feet; thence N 06°43'00" E a distance of 352.85 feet; thence N 01° 20'45" W a distance of 660.15 feet; thence N 31°29'00" E a distance of 100.00 feet; thence S 49°10'05" E a distance of 418.27 feet; thence S 54°14'10" E a distance of 525.01 feet; thence S 85°35'00" E a distance of 108.38 feet; thence S 17°03'40" E a distance of 296.30 feet to the TRUE POINT OF BEGINNING.

The above described parcel having and area of 14.59 acres.



vised 12/12/93

EXHIBIT 1.37B

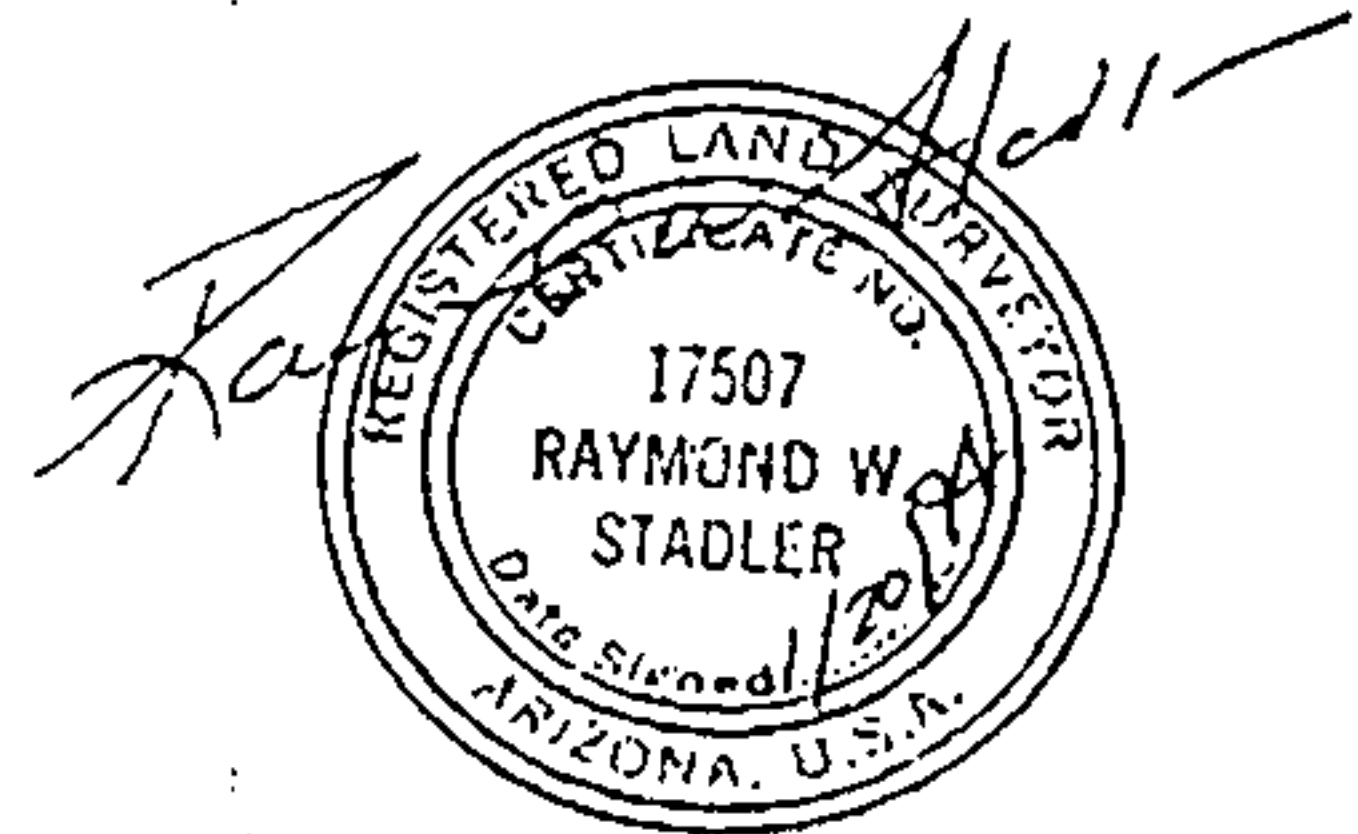
WESTERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 5

A parcel of land situated in the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING Southeast corner of said Section 20; thence S 89°49'45" W along the South line of said Section 20 a distance of 1137.22 feet; thence N 00°10'15" W a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence S 89°49'45" W parallel to and 33.00 feet North of the South line of said Section 20 a distance of 250.00 feet; thence N 00°10'15" W a distance of 536.31 feet; thence S 87°50'49" W a distance of 560.41 feet; thence N 09°07'20" W a distance of 157.18 feet; thence N 19°27'58" E a distance of 696.13 feet; thence N 02°04'36" E a distance of 517.37 feet; thence N 01°38'00" W a distance of 286.00 feet to a point on a non-tangent curve concave to the North having a local tangent bearing S 83°47'08" W a radius of 258.30 feet and a central angle of 13°04'52"; thence Westerly along said curve a distance of 58.97 feet; thence N 06°52'00" E a distance of 60.00 feet; thence N 00°00'43" W a distance of 372.37 feet; thence N 07°21'12" W a distance of 36.99 feet; thence N 89°49'23" E a distance of 759.86 feet; thence S 00°50'53" E a distance of 1077.77 feet; thence S 15°38'08" W a distance 560.62 feet; thence S 03°05'36" E a distance of 447.07 feet; thence S 00°10'16" E a distance of 536.30 feet to a point located 33.00 feet North of the South line of said Section 20 being the TRUE POINT OF BEGINNING.

The above described parcel having an area of 37.89 acres.



Revised 1/20/94

EXHIBIT 1.37C

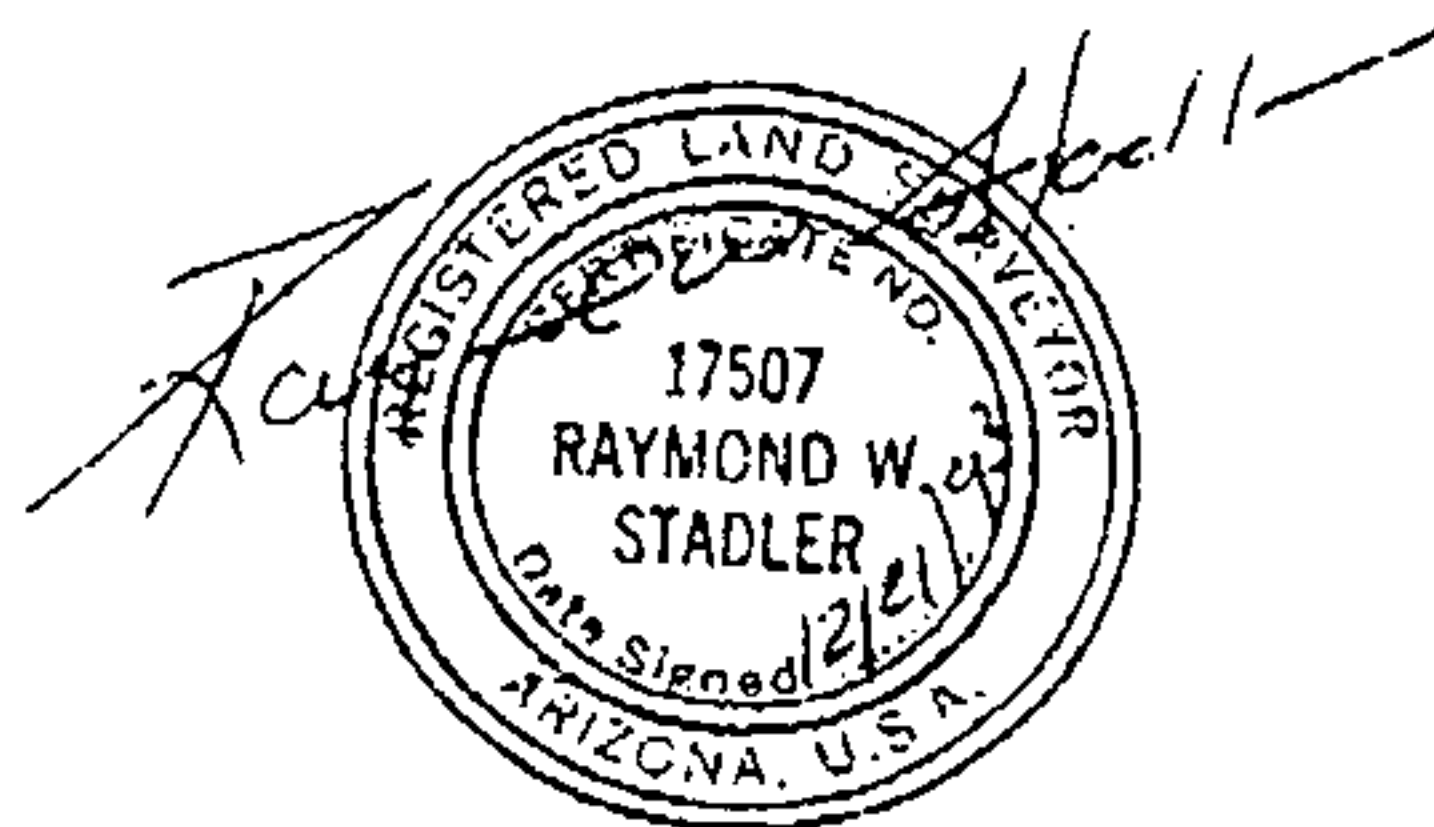
WESTERN SKIES ESTATES

LEGAL DESCRIPTION - PARCEL 6

A Parcel of land situated in the East half of Section 20, Township 1 South, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at the South quarter corner of said Section 20; thence N 00° 25'27" E along the West line of the East half of said Section 20 a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence N 00° 25'27" E along the West line of the East half of said Section 20 a distance of 3404.88 feet; thence S 89°34'33" E a distance of 80.09 feet; thence S 28°09'30" E a distance of 340.50 feet; thence S 14° 02'00" E a distance of 967.60 feet to a point on a non-tangent curve concave to the South having a local tangent bearing S 75°58'00" W a radius of 200.00 feet and central angle of 14°57'22"; thence Westerly along said curve a distance of 52.21 feet; thence S 28°59'22" E a distance of 35.48 feet; thence S 04°10'30" W a distance of 668.00 feet; thence S 19°05'20" W a distance of 781.18 feet; thence S 00° 25'27" W a distance of 329.28 feet; thence N 89°34'33" W a distance of 100.00 feet; thence S 00°25'27" W a distance 382.00 feet to a point located 33.00 feet North of the South line of said Section 20; thence S 89°49'45" W parallel to and 33.00 feet North of the South line of said Section 20 a distance of 60.00 feet to the TRUE POINT OF BEGINNING.

The above described parcel having an area of 22.63 acres.



2/21/93

EXHIBIT 1.37D

Exhibit 8.8

The names and addresses of the Trust Beneficiaries are:

Robert W. Conner, Jr.
Box 3139
Show Low, AZ 85901

Victoria O'Reilly
8345 S.W. Sorrento
Beaverton, OR 97005

Dorothy Conner
37729 S. Spoon Drive
Tucson, AZ 85737

Walter P. Conner
P.O. Box 37
Mule Creek, NM 88051