

FIRST AMENDED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
PARK GROVE ESTATES

DATE: June 5, 1984

DECLARANT: SIERRA BUILDING CORPORATION, An Arizona Corporation (referred to herein as "Declarant" or as "Developer").

SUBJECT

PROPERTY: That certain real property in Maricopa County, State of Arizona situated in and comprising:

A part of the Southeast Quarter of the Southeast Quarter of Section 7, Township 1 South, Range 6 East (SE4, Sec. 7, T1S, R6E) of the Gila and Salt River Base and Meridian, more particularly described as follows:

Lots one through sixty, "Tract A" and every part of PARK GROVE ESTATES, a subdivision, according to the map or plat of record in Book 264 of Maps, Page 18, in the office of the Maricopa County Recorder;

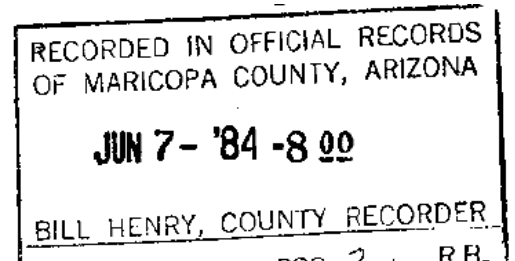
As such further real property as may be subject to this Declaration by amendment by Declarant.

All referred to herein as the "Properties," or as the "Subdivision".

RECITALS: Declarant has heretofore caused to be imposed upon the Subdivision a Declaration of Covenants, Conditions, and Restrictions dated March 23, 1984, which was placed on record April 3, 1984 recording number 84 138235, in the office of the Maricopa County Recorder. This First Amended Declaration is a restatement and amendment and complete replacement of the original Declaration dated March 23, 1984; provided, however, that the same shall be considered in full force and effect from March 23, 1984 without interruption.

Declarant is the owner of both legal and equitable title in and to all the Properties, and desires to provide an orderly plan of development by imposing upon the properties the covenants herein contained.

Declarant further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Properties, or any part thereof,



certain easements and rights in, over and upon said Properties and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof.

Declarant desires and intends that the Owners, Mortgagees, beneficiaries and trustees under trust deeds, Occupants and all other persons hereafter acquiring an interest in the Properties shall at all times enjoy the benefits of, and shall hold their interests subject to, the rights, easements, privileges, covenants, conditions and restrictions hereinafter set forth, all of which shall run with the land and be binding upon the said Properties and all parties having or acquiring any right, title or interest in or to said Properties, or any part thereof, and shall inure to the benefit of each owner thereof, and all of which are planned to promote and protect the cooperative use, conduct and maintenance of such Properties and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness thereof.

Declarant has caused or will cause to be incorporated under the laws of the State of Arizona a non-profit corporation, styled PARK GROVE ESTATES HOMEOWNERS ASSOCIATION, to administer the covenants and to exercise the rights, powers and duties set forth in this Declaration.

DECLARATION:

DECLARANT HEREBY DECLARES that all of the Properties described above shall be held, sold and conveyed subject to the following rights, easements, privileges, covenants, conditions, and restrictions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties described above. These rights, easements, privileges, covenants, conditions, and restrictions shall be deemed to run with the land and shall be binding upon all parties having or acquiring any right, title or interest in the properties described above, or any part thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE I

Definitions

As used in this Declaration, and unless otherwise defined herein or the context requires otherwise, the following terms shall have the meaning stated:

1.01 “**Association**” means PARK GROVE ESTATES HOMEOWNERS ASSOCIATION, an Arizona corporation, its agents, successors and assigns.

1.02 “**Board of Directors**” means the Board of Directors of PARK GROVE ESTATES HOMEOWNERS ASSOCIATION.

1.03 “**Common Area**” means those areas of land shown as "Tract A" on the recorded subdivision plat of the Properties and intended to be devoted to the common use and enjoyment of the Owners of the Properties.

1.04 “**Declaration**” means this instrument, and all amendments to it that are duly recorded.

1.05 “**Lot**” means any separate plot of land shown and defined on the recorded subdivision-plat of the Properties (as defined herein) with the exception of the Common Area.

1.06 “**Member**” means every person or entity who holds membership in the Association.

1.07 “**Mortgage**” means any recorded, filed or otherwise perfected instrument given in good faith and for valuable consideration, which is not a fraudulent conveyance under Arizona law, as security for the performance of an obligation (including without limitation deeds of trust), but shall not include any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code. “**First Mortgage**” means a purchase-money mortgage that is the first and most senior of all mortgages upon the same property.

1.08 “**Mortgagee**” means a person secured by a Mortgage, including the trustee and beneficiary under any deed of trust.

1.09 “**Mortgagor**” means the party executing a Mortgage, including the trustor under any deed of trust.

1.10 “**Occupant**” means a person or persons, whether or not an Owner, in rightful possession of a Lot.

1.11 “**Owner**” means the record owner, including Declarant, whether one or more persons or entities, of fee simple title to any Lot which is part of the Properties, including vendees under a contract for sale. The foregoing excludes those persons or entities having such interest merely as security for the performance of an obligation, nor shall the term "Owner" include a: developer or contractor holding title for development or construction purposes, other than Declarant. No assessment or other requirement of this Declaration shall be waived for contractors or developers even though they do not have voting rights for lots they own.

1.12 **“Person”** means any individual, corporation, partnership, trustee or other entity capable of holding title to real property.

1.13 **“Properties”** means that certain real property hereinbefore described, to which this Declaration applies.

1.14 **“Record” or “Recording”** means to record or the recording of a document in the office of the County Recorder of Maricopa County, State of Arizona.

1.15 **“Residence”** means any portion of a building situated upon the Properties designed and intended for use and occupancy as a residence by a single family.

1.16 **“Subdivision”** means Properties.

1.17 **References.** In all terms hereof, the singular shall include the plural, plural includes the singular, and words of one gender shall include all genders, unless the context requires otherwise.

ARTICLE II

The Association

2.01 Declaration Controls. No provision of the articles of incorporation, bylaws or other governing document of the Association shall prevail over a conflicting provision of this Declaration, as it may be amended from time to time. Nor shall any act be authorized or taken, nor any policy be proposed or promulgated by or under the authority of the Association by any means other than amendment of this Declaration, if the effect of same is to accomplish a purpose or result that would otherwise require an amendment hereof. Nothing herein shall be deemed to restrict the Association from any action or provision in its articles or bylaws that is not in conflict with this Declaration.

2.02 Membership. Every person or entity who is a record Owner of a fee or undivided percentage fee interest in an Lot that is subject by covenants of record to this Declaration and to assessment by the Association, including a vendee under a recorded agreement for sale, but excluding developers other than Declarant as provided in section 1.11, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment by the Association. ownership of a Lot shall be the sole qualification for membership.

2.03 Voting Rights. A member shall be entitled to one vote for each lot in which he holds the interest required for membership by this Article II; provided, that until the date when 75 percent of the Lots have been sold by Declarant, Declarant shall be entitled to 100 percent of the votes of the Association, to the exclusion of other Owners, regardless of the number of Lots it may own. When more than one person holds an interest in any Lot, all such persons shall be members, but the single vote for such lot shall be exercised as they among themselves may determine. In no event shall more than one vote be cast with respect to any one Lot.

2.04 Special Meeting Notice and Quorum Requirements. A special meeting of the members of the Association may be held to conduct any business authorized under Article IV, Sections 4.03, 4.05 or 4.06, provided that written notice of such special meeting shall be sent to all members of record of the Association not less than thirty days nor more than sixty days in advance of said meeting. At the first meeting so called, the presence at the meeting of members or of proxies entitled to cast 60 percent of all votes shall constitute a quorum. If the required quorum is not forthcoming at such meeting, a second special meeting may be called, subject to the same notice requirement. The required quorum at such second meeting shall be one-half of the required quorum at the preceding meeting, and upon attendance in person or by proxy of the stated quorum the meeting shall be valid for the purposes called. A third subsequent meeting may be held upon the same terms, including a further reduced quorum. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

2.05 Compensation of the Board of Directors. No member of the Association or member of the Board of Directors shall be given any compensation, except the President of the Association shall be entitled to have lawn maintenance cared for by the entity, person or business that is hired by the Association to maintain and water the landscaping on the Town of Gilbert easements along Elliott Road and Lindsay Road, and in "Tract A." Any contract let for such maintenance shall include the work on the Presidents's lawn.

ARTICLE III

The Common Area

3.01 Title to the Common Area. Declarant hereby grants and conveys to the Association, its successors and assigns, fee ..simple title to the Common Area as defined herein, subject to the easements, terms and conditions provided in this Declaration.

3.02 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area as a tenant in common with every other Owner and such easement

shall pass with the title to every Lot.

3.03 Maintenance Responsibility. The Association shall assume responsibility for the maintenance and repair of the Common Area and portions of the public rights-of-way adjacent to the properties on Elliott Road and Lindsay Road, as herein provided.

ARTICLE IV

Covenants for Assessments

4.01 Creation of Lien and Personal Obligation of Assessments. Each Owner of a Lot within the Properties, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association: (a) annual assessments or charges, and (b) special assessments for capital improvements and other purposes, such assessments to be fixed, established and collected from time to time as herein provided. The annual and special assessments, together with interest thereon and expenses of collection as herein provided, shall be a charge upon a Lot and shall be a continuing lien upon any Lot against which each assessment is made. Each such assessment, together with interest and expenses, shall also be the personal obligation of any person who was the Owner of such property at the time the assessment fell due.

4.02 Purpose of Assessments. The assessments levied by the Association shall be used (a) for the maintenance, repair and improvement of the Common Properties including landscaping in "Tract A" and for the maintenance of the landscaping on the easements granted to the Town of Gilbert along Elliott Road and Lindsay Road, (b) for the purchase of liability insurance to cover the liability of the Association and its members for the use of "Tract A," and (c) for such other use as the Board of Directors may approve by majority vote at any regular or special annual or other meeting.

4.03 Annual Assessments. The first annual assessment on each Lot shall be due January 1, 1984 and be delinquent after January 15, 1984. Thereafter each annual assessment shall be due on January 1 and be delinquent after January 15 of each year.

A. The first annual assessment shall be One Hundred Twenty Dollars (\$120.00) per Lot.

B. From and after January 1, 1985, the maximum annual assessment may be increased (1) by the Board of Directors without a vote of the members, by not more than ten percent of the annual assessment established for the previous year, or (2) by more than ten percent upon an affirmative vote of two-thirds of the Owners at an annual or a special Association meeting duly called for the purpose.

4.04 Separation of Assessment Funds. The Board of Directors shall establish two separate funds into which the receipts of the annual assessments shall be deposited. One fund shall be designated "Capital Improvement Fund," shall be used only as a sinking fund to make capital improvements on the streets, curbs, and other improvements in "Tract A," and shall accumulate until revenues are needed for that purpose. No less than 35 percent of the annual assessment receipts shall be allocated to the Capital Improvement Fund. The balance of the receipts shall be deposited into a "General Fund" and may be used in any manner provided under Article IV, section 4.02 of this Declaration.

4.05 Deed-Restriction Enforcement Fund. In addition to the annual assessment created herein, there shall be a special "Deed-Restriction Enforcement Fund" which shall be created at the time of the sale by the Declarant of any Lot in the subdivision. At the time of such sale each purchaser shall pay into this special fund the sum of One Hundred Dollars (\$100.00). Said Fund shall be restricted for use only in the enforcement of these deed restrictions and shall be administered by the Board of Directors of the Association. The Board of Directors may use this special fund to retain counsel, to seek court injunctions, to hire contractors, or to do any other thing which may in their sole discretion be necessary, reasonable or proper to carry out and enforce this Declaration. The Deed Restriction Enforcement Fund shall remain in effect for a period of five years from the date of the last original sale by Declarant of a Lot in the subdivision. At the end of said five-year period, the fund may be dispersed in equal proportions to the then lawful Owners of record, provided that a two-thirds majority of the members approve of said distribution at a special Association meeting, or at an annual meeting for which such proposal is duly noticed, or may be deposited in the general account of the Association free of this covenant.

4.06 Special Assessments for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy, in any assessment year subsequent to 1984, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement for any purpose not in conflict with this Declaration, upon any property owned by the Association or by the Owners in common, including the necessary fixtures and personal property related thereto, provided that any such assessment shall be passed in the affirmative by a majority of all votes cast at a regular or special Association meeting duly called or noticed for such purpose, a quorum being present.

4.07 Uniform Rate of Assessment. All assessments shall be fixed at a uniform rate for all Lots, and may be collected on a monthly or annual basis, as may be determined by the Board of Directors.

4.08 Date and Certificate of Assessments. The annual assessments provided for herein shall commence as to any Lot on the first day of the month following the conveyance of an individual Lot to an Owner (including to a developer or contractor), and shall be prorated according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty days in advance of each annual assessment period. All other assessments shall commence upon Board authorization and be due and delinquent as the Board shall provide. Written notice of every assessment shall be sent to every Owner subject thereto, but failure to do so shall not affect the validity of the assessment or any lien premised on it. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association stating whether on that date the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of such certificates, which shall be conclusive evidence of payment of any assessment therein stated to have been paid.

4.09 Priority of Assessment Liens. Liens imposed upon the Properties by this Declaration shall have the same effect and priority as a lien for real property taxes or other liens imposed for the common welfare and benefit of the Owners, and as such shall without necessity of recording be superior to all mortgages and other conveyances or other non-governmental liens, however imposed. Without limiting the generality of that principle, the following specific terms shall apply to such liens:

A. Sale or transfer of any Lot shall not affect an assessment lien. No sale or transfer shall relieve any Lot from liability for any assessments thereafter becoming due or from the lien thereof.

B. The lien of the assessments provided for herein shall be subordinate to the lien of any First Mortgage made in good faith and for value. The sale or transfer of any Lot pursuant to foreclosure of such mortgage, or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments that became due prior to such sale or transfer, provided, however, all of the covenants, conditions and restrictions in this Declaration shall be binding upon any Owner whose title is derived through such foreclosure or exercise of a power of sale. No breach of the covenants, conditions, or restrictions in this Declaration, nor the enforcement thereof, shall defeat or adversely affect the lien of any such First Mortgage.

4.10 Evidence of Lien. It shall not be necessary to the validity, enforceability or binding effect of any lien imposed by authority of this Declaration that it be evidenced by a recorded document other than this Declaration . It shall be sufficient to establish the amount of the lien in a lien-foreclosure action that the complaint describe the unpaid assessments with particularity. Notwithstanding other provisions of this section, a certificate stating the amount of any unpaid assessment, acknowledged and recorded by the secretary or treasurer of the Association, shall be prima facie evidence of the amount of the lien.

4.11 Effect of Nonpayment of Assessments; Remedies of the Association. Except as is specifically otherwise provided herein, any assessment not paid on or before the due date shall be delinquent, and shall bear interest from the date of the delinquency at the rate of fifteen percent per annum. The Association may employ attorneys or other agents for the collection of delinquent assessments, and all expenses so incurred, including a reasonable attorney fee, shall be added to the assessment and bear interest accordingly. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the property in accordance with Arizona law relative to realty mortgages or to other realty liens, and interest, all expenses and costs of any action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, abandonment of his Lot, or other means.

ARTICLE V

Use Restrictions

5.01 Residential Use. The Properties shall be known, described and used as residential property, and no more than one detached, single-family Residence may be constructed on any Lot as shown in the plat of the Properties, except that more than one Lot may be used for one Residence, in which event, all restrictions contained herein shall apply to such Lots as if they were a single Lot.

5.02 Restrictions Apply to All Structures. All structures as defined in the Town of Gilbert Zoning Regulations in effect as of the date of recording this Declaration ("Structures"), including without limitation tennis courts and swimming pools, must be constructed on the Properties in compliance with these restrictions. All building structures must be architecturally compatible with the residence on the lot and must have the approval of the Deed Restriction Review Committee prior to construction.

5.03 Condition Precedent to Construction. No building permit shall be deemed valid unless before issuance thereof construction plans are on file with the Town of Gilbert that have been approved by the Deed Restriction Review Committee. No construction of a residence shall be started prior to this requirement being met.

5.04 Residence Specifications. No single-story residence shall have a ground-floor livable area of less than eighteen hundred (1800) square feet, exclusive of accessory buildings, breezeways, screened porches, terraces, patios, storage rooms and garages. A basement shall not be deemed a "story". No more than one existing tree may be removed for construction of the residence without Deed Restriction Review Committee approval. All residences shall have at least one two-car garage. No open carports will be permitted. All residences shall have at least two inside bathrooms. All driveways shall be constructed with concrete, brick or asphaltic concrete. No residence shall be built using any plastic or aluminum siding and each residence roof shall be constructed with concrete or clay tiles, wood shingles, or four-wall parapet flat roof. There shall be no roof-mounted antennas, except on four-wall parapet flat roof homes; and such antennas shall not project above the top of the parapet walls.

5.05 Landscaping and Grounds. All residences shall have landscaping from the side-fence (as defined in section 5.07) to the front Lot line of the Lot completed within ninety days of possession of the residence. No landscaping shall be of anything other than natural organic material and shall specifically not be of desert landscaping, rock or decomposed granite. The Deed Restriction Review Committee shall have complete control and discretion of approval or disapproval any any rock or decomposed granite used as an accent item in a green organic lawn. All residences shall have installed in the yard area an au-bomatic-drip irrigation system for the watering of the Lrees and an automatic sprinkler system for the watering of the landscaping, which shall be maintained on an annual basis.

5.06 Typical Setback Requirements. No building shall be located on any Lot nearer to the front line than twenty feet, no buildings shall be located nearer than five feet to any interior lot lines, nor closer than ten feet to a side lot line adjacent to a street, except that (a) side yards in respect of detached garages and other permitted accessory buildings located in the rear one-half of the Lot need only conform to the requirements of the Town of Gilbert, and (b) a variance may be granted by the Deed Restriction Review Committee for good cause shown due to the need to preserve an existing tree or other design requirements in furtherance of the general plan of development and this Declaration. For the purpose of this restriction, eaves, steps, and open porches shall not be considered as a part of a building, provided, however,

that the same shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot.

5.07 Walls and Fences. Fences shall be erected on every Lot having a Residence thereon, along the rear lot line ("rear fence"), along the side Lot lines from the rear fence to the side fence ("lot line fence"), and from the Residence to each lot line fence ("side fence"). No fence or wall higher than seven feet or less than six feet shall be constructed across the rear or along the side of any Lot, nor shall any fence or wall other than of brick, cement-block or ornamental-iron construction be placed upon any Lot, except gates thereof may be of wood construction. In addition, the side fences, or in the case of a corner lot the side fences and the lot line fence on the street side of the Residence, shall be of the same architectural style as the Residence and shall be approved by the Deed Restriction Review Committee. All walls or fences shall be erected prior to the Owner of any Lot taking possession of a residence on the Lot. Fences or walls constructed within the area of the minimum front or side setback line shall not exceed two feet six inches (2.5 feet) in height, and fences or walls constructed on any side lot line shall not exceed seven feet in height. No fence, wall, hedge or shrub planting that obstructs sightlines at elevations between two and six feet above adjacent roadways shall be permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points thirty-three (33) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. No tree shall be permitted to remain within the described triangle at such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

5.08 No Obstruction of Easements. Easements, as indicated upon the recorded map or plat of this subdivision, are reserved for the installation and maintenance of public service utilities and other uses for public or quasi-public good. No buildings or other structures shall be placed upon such easements or interference be made with the free use of the same for the purposes intended. No fences will be allowed in the front public utility easements of individual lots.

5.09 Prohibited Structures. No tent, shack, garage, barn or other outbuildings shall, at any time, be erected and used temporarily or permanently as a residence or for any other purpose, nor shall any recreation vehicle be used as a residence or for any other purpose on any of the Lots or streets in the Properties. No structure of any kind shall be moved into any part of the Properties except temporary buildings used by contractors in connection with construction work, it being the intent of this Declaration that all structures on any Lot shall be newly and permanently constructed thereon.

5.10 Business Prohibited. No trade, business, profession or other type of commercial activity shall be carried on upon any Lot, except that real estate brokers, owners and their agents may show dwelling in the Properties for sale or lease, nor shall any Lot be used as a hospital or sanitarium or other place for hire for the care or entertainment of persons suffering from any disease or disability whatsoever; nor shall anything be done on any Lot which may become an annoyance or nuisance to the neighborhood. Every person purchasing a Lot in the Properties recognizes that Declarant, its agents or assigns, has the right to conduct construction and sales activities in the Properties until all of the Lots in the Properties have been sold.

5.11 Advertising Prohibited. With the exception of one "For Rent" or "For Sale" sign (which shall not exceed 24 x 24 inches in size) no advertising, signs, billboards, handbills, unsightly objects or nuisances shall be erected, placed, or permitted to remain on any lot or portion thereof. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Developer or its duly authorized agent, of structures or signs necessary or convenient to the development, sale, operation other disposition of property within the subdivision.

5.12 Animals Prohibited. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that cats, dogs and other household pets may be kept, provided they are not kept, bred, or maintained for any commercial purpose and provided further that no person owning or in custody of a dog shall allow the dog to stray or go upon another Lot without the consent of the owner of such Lot.

5.13 Vehicle Use. No Occupant's vehicles shall be parked on any part of the Properties except on paved concrete, brick, or asphalt driveways provided on the Owner's Lot. No overnight parking shall be permitted on "Tract A." No trailers, trucks or commercial vehicles, other than those temporarily present on business may be parked in the Properties and no overnight parking of such vehicles shall be permitted. Boats, boat trailers and other recreational vehicles shall be parked inside of garages or may be concealed from public view behind the side lot fence line if a paved brick or concrete pad is provided for the storage of said vehicle. No vehicle of any type that is abandoned or inoperable shall be stored or kept on any Lot within the subdivision in such a manner as to be seen from any other Lot or from any streets or alleyways within the subdivision, and the same shall be removed from the subdivision as soon as may reasonably and conveniently be accomplished.

5.14 Vehicle Repair. All abandoned or junked vehicles, while being repaired or restored, shall be stored in an enclosed garage or in such a manner as not to be visible from any point lying without

the lot which the abandoned or junked vehicle is stored or parked. For the purposes of this section: (a) "abandoned or junked vehicle" means a vehicle or any major portion thereof which is incapable of movement under its own power and will remain so without major repair or reconstruction; (b) "major repair" means the removal from any vehicle of a major portion thereof including but not limited to the differential, transmission, head, engine block or oil pan; (c) "vehicle" means any self-propelled device in, upon, or by which any person or property is or may be transported upon a public highway.

5.15 Trash Removal. Trash, garbage or other waste shall not be kept except in sanitary containers, as approved by the Town of Gilbert. Such refuse containers shall not be permitted in the front yard and shall be screened from street view. Each Residence shall provide an area for the storage of said trash containers, which area shall not be visible from any other adjoining lot and shall be used to house the container when it is not placed on the street for pickup. Trash and garbage containers may be placed on the street on normal pickup days but shall be removed to their proper storage area as soon as possible after they have been emptied by sanitation workers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition subject to the governing zoning ordinances of the Town of Gilbert.

5.16 Clothes Hanging. No clothing or household fabrics shall be hung in the open on any Lot unless the same are hung from an umbrella or clothes hanging device which is located in the rear yard and does not exceed the height of the fence.

5.17 Roof-Mounted Equipment. No residence shall be constructed with any air-conditioning, heating or environmental enhancement device on the roof except on four-wall parapet flat roof homes if the units are screened by the parapet wall from adjacent one-story dwellings on all adjoining land and lots. Solar-energy units may be mounted on pitched-roof Residences provided that (a) the solar unit is screened from view from all adjoining land and lots, or (b) a variance is obtained from the Deed Restriction Review Committee for good cause shown.

5.18 Electronic Gates. No electronically operated gates shall be erected across any street.

5.19 Nuisances Prohibited. No unlawful, offensive, noxious or immoral activity or condition shall be carried on or maintained upon any lot or portion thereof, nor shall anything be done or permitted thereon which may be or become a nuisance or annoyance to the neighborhood, or unnecessarily result in substantial reduction of the market value of the Lots.

5.20 Water Drainage and Easements. To assure the proper flow of surface water within the subdivision, each Lot and its Owner shall conform to these requirements:

A. Every Lot shall be so graded and maintained that surface water from rain or other storms falling upon such Lot is retained on that Lot. The Association Deed Restriction Review Committee shall adopt specifications and regulations for the enforcement of this provision. All landscaping or other relevant plans for a Lot shall be subject to review and approval for purposes of this section by the Town of Gilbert Design Review Board.

B. An Owner or Occupant of a Lot shall not at any time fill, block or obstruct any drainage easements and drainage structures on the Properties, nor shall any Owner cause or suffer to be erected on any Lot, any building or obstruction for the purpose, directly or indirectly, of obstructing, blocking or filling any such drainage easement or drainage structure, and each Owner agrees to repair and maintain all such drainage easements and drainage structures on a Lot, making good nevertheless, at his own expense, all damage which may be caused to the said drainage easements and structures on the Properties, and each owner agrees to repair at his own expense, all damage to any structure or any Lot which may be caused, directly or indirectly, by his obstructing, blocking or filling any such drainage easement.

5.21 Reasonable Progress of Construction. All buildings in the Properties shall be of new construction and shall be completed within 18 months of commencement. For violation of this section, the Association acting through its Board of Directors may (a) cause the uncompleted improvements to be torn down and removed from the properties, (b) impose an assessment and a lien upon the Owner and the subject Lot in the amount of \$1,000.00 for every month past the permitted 18 months that construction remains incomplete, (c) pursue any remedy permitted at law or in equity, either singly or in combination with other remedies, and (d) collect from the Owners and impose upon the Lot in question a lien for all loss, cost or expense, including a reasonable attorney fee, incurred by the Association for enforcement of this section.

5.22 Physical Condition of Lots. All vacant Lots shall be at all times kept free of rubbish and litter, subject to the normal requirements of construction activities upon each Lot; weeds and grass shall be disked out or kept well mowed so as to present a tidy appearance. The yards and grounds in connection with all improved properties shall be cultivated and planted to the extent sufficient to maintain an appearance not out of keeping with that of typical improved properties in this subdivision. Lot Owners agree they will arrange for the care of their Lots during prolonged absence.

5.23 Enforcement of Lot Maintenance Restrictions. In the event a Lot Owner does not maintain his Lot in a neat and proper manner as provided herein, the Association may cause such Lot to be cleaned and restored to proper condition. Upon the Lot Owner's refusal to pay the cost of such cleanup

within thirty (30) days after presentation of a bill therefor, the Association may record an affidavit in the Office of the County Recorder of Maricopa County, State of Arizona, stating that said Owner refused to maintain said Lot in a neat and proper manner, the amount of cleanup cost, and to whom it was paid and the date, and such amount shall thereupon constitute a lien against said Lot subject to and enforceable in accordance with the provisions of Article IV hereof. The Deed Restriction Enforcement Fund or other funds of the Association may be used to carry out any purpose mentioned in this section.

5.24 Interpretation of Restrictions. In the event of any ambiguity in any provision of these restrictions, the interpretation of the Deed Restriction Review Committee as to meaning intended shall prevail.

ARTICLE VI

Deed Restriction Review Committee

6.01 Creation. There is hereby established the Deed Restriction Review Committee of PARK GROVE ESTATES HOMEOWNERS ASSOCIATION, which committee shall have the purpose, power and obligation to review all plans for all Residences and lots to ensure that they comply with the restrictions, covenants and conditions of this Declaration.

6.02 Membership. The committee shall be composed of three members, who shall select a chairman. The members shall be appointed by and serve at the pleasure of Declarant until such time as Declarant no longer owns any Lot or parcel in the subdivision. Thereafter, the members shall be elected by the Board of Directors of the Association upon such terms as shall be provided in the bylaws.

6.03 Committee approval required. No construction may begin on any residence until the approval of the Deed Restriction Review Committee has been obtained, which shall require the signatures of two of the three members of the committee. In the event that front-yard landscaping has not been completed at the time an Owner wishes to take possession of a residence, then said Owner may post a bond insuring that the landscaping will be completed within ninety days after his possession.

6.04 Conflicts of decision. No waivers of these restrictions may be made by the committee, except as is specifically provided in this Declaration. In the event of irreconcilable conflict between this Declaration and decisions of the committee, this Declaration shall control, and the burden of compliance shall remain always on the Owner and Occupant. The committee, its members, and the Association shall not have any liability for acts or omissions done in good faith.

ARTICLE VII

General Provisions

7.01 Binding Effect of Declaration. The covenants, restrictions, reservations and conditions contained herein shall run with the land and shall be binding upon and inure to the benefit of all Declarant's successors in title, interest or possession in all and every part of the Properties or portion thereof after the date on which this instrument has been recorded.

7.02 Dominant Tenement. Each of the Lots shall constitute the dominant tenement and be entitled to the benefit of the covenants herein contained as against all of the other Lots in the Properties which shall constitute the servient tenements.

7.03 Effective Date. This Declaration and the covenants herein contained shall be effective on the date first stated on page one hereof, or on the date the same is placed of record in the office of the Maricopa County Recorder, whichever,first occurs.

7.04 Term. These covenants shall remain in force until thirty years from the effective date, and thereafter said covenants shall be automatically extended for successive periods of ten years, unless and until the then Owners of a majority of the Lots affected hereby, before the end of one of such periods, shall amend or revoke the same by written instrument, duly acknowledged and recorded, and ratified by the holder(s) of a first mortgage against a Lot.

7.05 Deeds. Deeds of conveyance of all or any of the Lots shall incorporate by reference all the provisions contained in this document, provided that whether or not recited in such deeds of conveyance, these restrictions shall be binding upon every person affected by its terms.

7.06 Enforcement. These covenants, restrictions, reservations and conditions may be enforced by the Association or by the beneficial owner of any lot, or portion thereof, in the Subdivision, or by any one or more of said owners, provided, however, that except as may otherwise be provided herein any breach of the covenants, restrictions, reservations and conditions, or any right of re-entry by reason thereof, shall not defeat or affect the lien of any mortgage or deed of trust made in good faith and for value upon said land, but each and all of said covenants, restrictions, reservations and conditions shall be binding upon and effective against any owner of said premises whose title thereto is acquired by foreclosure, trustee's sale or otherwise, and provided also that the breach of any of said covenants, restrictions, reservations and conditions may be enjoined, abated or remedied by appropriate proceedings, notwithstanding the lien or existence of any such deed of trust or mortgage.

Failure by the Association or by any Owner to any covenant or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter or a consent to further or subsequent breach. Violation of any one or more of these restrictions, conditions, covenants, reservations, liens and charges may be enjoined by any court of competent jurisdiction and/or damages may be sought and awarded. In the event an action is taken into court for the enforcement of any provision in this Declaration, reasonable expenses including attorney fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law.

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

7.08 Amendment.

A. The provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed by Owners of not less than seventy-five percent of the Lots; provided, however, that no amendment limiting, rescinding or otherwise modifying in any respect any right, power, privilege, immunity, or easement granted or reserved to Declarant in this Declaration shall be effective unless such instrument is also signed and acknowledged by Declarant; and provided further that all First Mortgagees shall have consented in writing to each such material change, modification or rescission, which consent shall not be unreasonably withheld.

B. Notwithstanding the provisions of the foregoing paragraph "A", if any legislative act, this Declaration, the Association articles or its bylaws require the consent or agreement of all of the Owners, or a specified percentage of owners exceeding seventy-five percent, for any such amendment or for any action specified in this Declaration, then any instrument so changing, modifying or rescinding this Declaration or any provision hereof with respect to such action shall be executed and acknowledged by the Owners of not less than such specified percentage, as well as the Declarant (if Declarant then holds any interest in the Properties) and any First Mortgagees or beneficiaries required by the foregoing paragraph.

C. Anything to the contrary herein notwithstanding, until such time as deeds to all of the Lots shall have been delivered by Declarant to purchasers thereof, Declarant reserves the right to amend this Declaration in any manner whatsoever without consent of any Owner; provided, however, that all First Mortgagees shall have consented to each such material amendment, which consent shall not be unreasonably withheld.

ARTICLE VIII


Town of Gilbert Declaration Review


Insofar as this Declaration is subject to the conditions of approval by the Gilbert Town Council, it has been reviewed and approved as follows:

By: Richard Merritt
Position: ~~##~~ Planning Director
Date: 3/16/84

IN WITNESS WHEREOF, Declarant has caused its corporate name to be signed by the duly authorized undersigned officers effective on the date first appearing hereon.

SIERRA BUILDING CORPORATION
An Arizona Corporation

Attest: 
Gene C. Morrison
Vice President

BY 
Ronald H. McGee
President

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this day, personally appeared before me RONALD H. McGEE, and GENE C. MORRISON, who are known to me to be the persons whose names are above subscribed, and after being duly sworn, acknowledged themselves to be the President and Vice President respectively of Sierra Building Corporation, and upon their oaths acknowledged they executed the foregoing Declarant on for the purposes therein contained, being authorized to do so.

IN WITNESS WHEREOF, I hereunto set my hand and official seal on June 5, 1984.

My Commission Expires:

My Commission Expires March 13, 1987

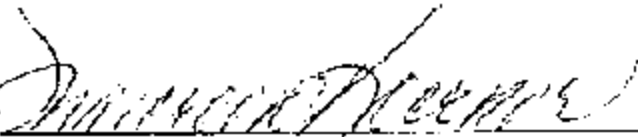

Notary Public

APPROVAL OF FIRST MORTGAGEES

We, the undersigned, are bona fide holders of First Mortgages upon one or more Lots in the Subdivision (as defined in the foregoing Declaration), and each of us consents to and approves the foregoing Declaration of Covenants, Conditions and Restrictions of Park Grove Estates, pursuant to section 7.08 thereof.

IN WITNESS WHEREOF, we have signed our names below, or in the case of corporations and associations, have caused our names to be signed by the duly authorized officers undersigned.

WESTERN SAVINGS AND LOAN ASSOCIATION,
an Arizona corporation

By 
Maureen Koerner
Assistant Vice President

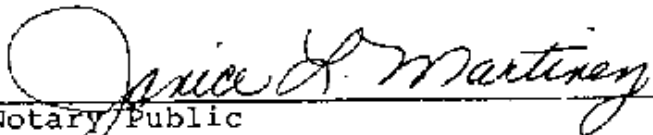
STATE OF ARIZONA)
) ss.
County of Maricopa)

On this day, personally appeared before me MAUREEN KOERNER, who is known to me to be the person whose name is above subscribed, and after being first duly sworn, acknowledged herself to be the Assistant Vice President of Western Savings and Loan Association, and upon her oath acknowledged she executed the foregoing Declaration for the purposes therein contained, being authorized so to do.

IN WITNESS WHEREOF, I hereunto set my hand and official seal on March 17, 1984.

My Commission Expires:

My Commission Expires Aug. 13, 1983


Notary Public