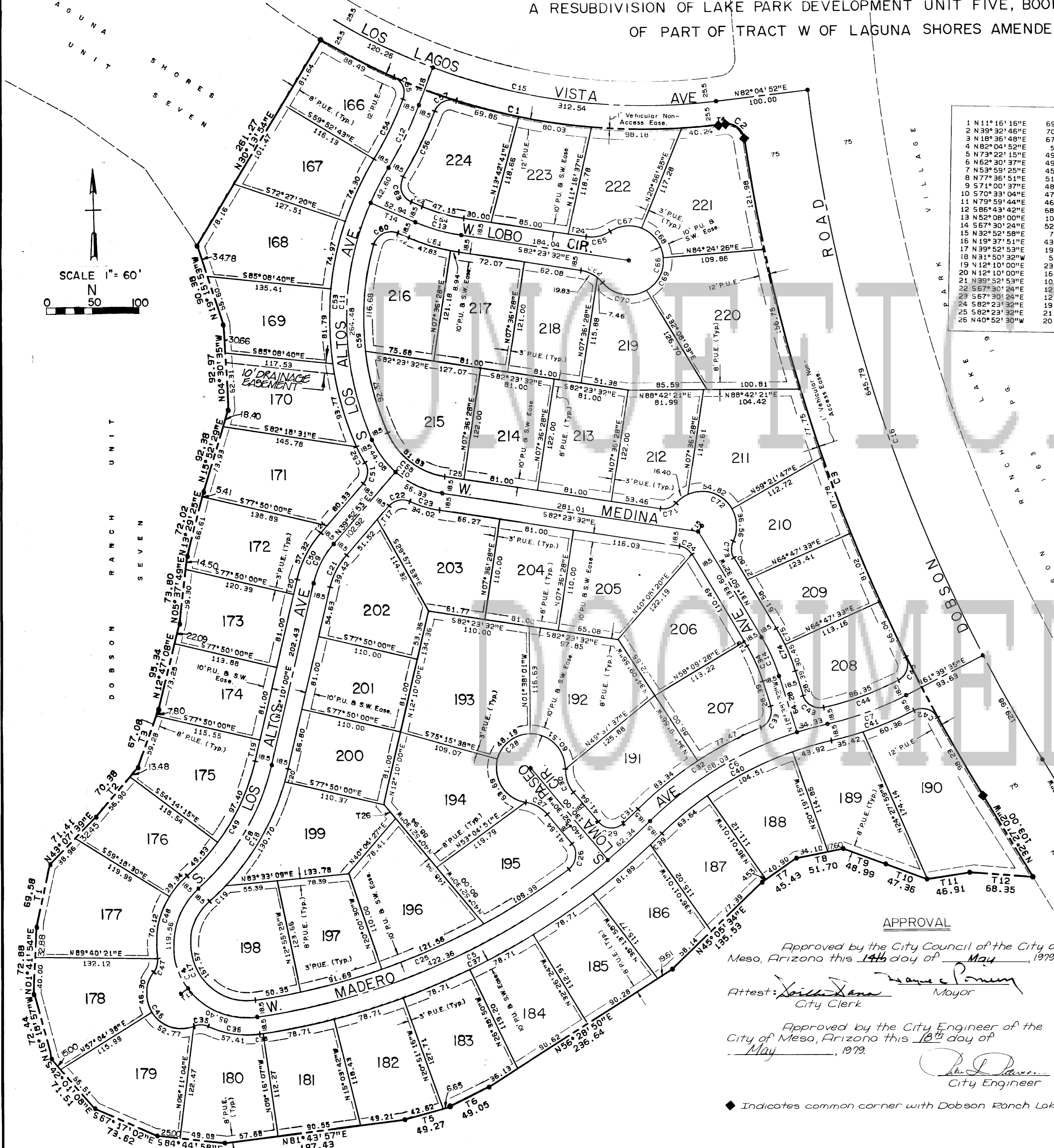


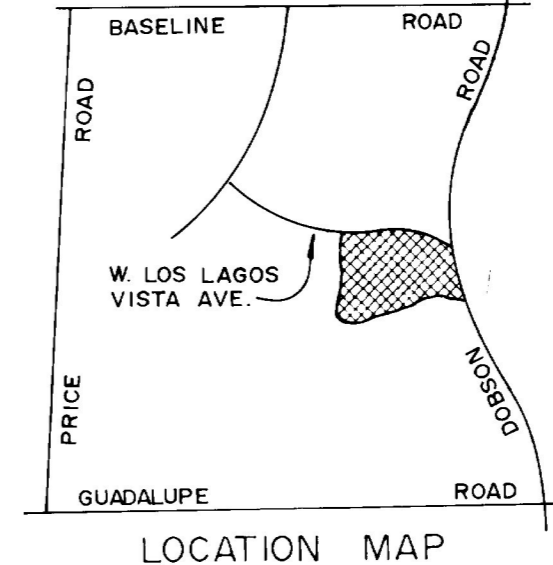
LAGUNA SHORES UNIT EIGHT

A RESUBDIVISION OF LAKE PARK DEVELOPMENT UNIT FIVE, BOOK 169, PAGE 43, M.C.R. AND SUBDIVISION OF PART OF TRACT W OF LAGUNA SHORES AMENDED, BOOK 192, PAGE 41, M.C.R.

179302
City of Mesa
Notary Public
My commission will expire: 8-10-92



| C | R | L | T |
|----------------|-------|----------------|-----------|
| 1 N11°16'18"E | 69.58 | 1 S78°50'17"E | 441.52 |
| 2 N39°32'46"E | 70.38 | 2 S53°36'09"E | 27.95 |
| 3 N18°36'48"E | 67.08 | 3 N20°52'06"W | 757.63 |
| 4 N82°04'50"E | 5.54 | 4 S25°38'10"E | 153.33 |
| 5 N73°22'15"E | 49.27 | 5 N62°04'45"E | 476.53 |
| 6 N62°30'37"E | 49.05 | 6 N60°21'00"E | 90.82 |
| 7 N53°59'25"E | 45.43 | 7 N68°58'02"E | 155.88 |
| 8 N77°36'51"E | 51.70 | 8 N28°57'50"E | 47.90 |
| 9 S71°00'37"E | 48.99 | 9 N26°01'27"E | 167.19 |
| 10 S70°33'04"E | 47.36 | 10 N53°37'36"W | 295.43 |
| 11 N79°59'44"E | 46.91 | 11 N02°37'48"E | 75.56 |
| 12 S88°43'42"E | 68.35 | 12 N24°52'34"E | 75.56 |
| 13 S52°08'00"E | 10.00 | 13 S74°56'58"E | 51.81 |
| 14 S67°30'24"E | 52.94 | 14 N52°01'00"E | 45.37 |
| 15 S70°51'37"E | 7.50 | 15 S78°50'37"E | 424.85 |
| 16 N19°37'51"E | 43.49 | 16 N20°11'05"W | 763.86 |
| 17 N39°52'53"E | 19.12 | 17 N25°38'10"W | 117.87 |
| 18 N31°50'32"W | 5.40 | 18 N29°57'50"E | 167.19 |
| 19 N12°10'00"E | 23.66 | 19 N45°08'33"E | 24.99 |
| 20 N12°10'00"E | 15.77 | 20 N13°39'18"E | 14.21 |
| 21 N89°52'53"E | 12.94 | 21 N26°01'26"E | 39.04 |
| 22 S67°30'24"E | 12.94 | 22 N76°58'02"E | 22.91 |
| 23 S67°30'24"E | 19.15 | 23 S74°10'07"E | 16.22 |
| 24 S82°23'32"E | 21.34 | 24 S57°07'02"E | 369.64 |
| 25 S82°23'32"E | 20.00 | 25 N66°32'00"E | 27.56 |
| | | 26 N02°01'30"W | 25.69 |
| | | 27 N61°43'26"W | 25.69 |
| | | 28 N49°07'30"E | 56.00 |
| | | 29 N87°21'45"W | 27.56 |
| | | 30 N20°11'30"W | 25.69 |
| | | 31 N45°17'15"E | 25.69 |
| | | 32 S55°25'58"E | 159.82 |
| | | 33 N23°53'57"E | 25.69 |
| | | 34 N25°14'32"E | 41.72 |
| | | 35 S89°35'45"E | 15.43 |
| | | 36 S82°20'07"E | 56.60 |
| | | 37 N62°41'45"E | 488.13 |
| | | 38 N48°50'36"E | 3.20 |
| | | 39 N45°04'57"E | 17.87 |
| | | 40 N60°21'00"E | 209.35 |
| | | 41 N68°58'02"E | 95.53 |
| | | 42 S73°54'13"E | 26.60 |
| | | 43 S61°11'01"E | 25.69 |
| | | 44 N68°58'02"E | 85.12 |
| | | 45 N17°13'24"E | 26.60 |
| | | 46 N37°52'00"W | 72.67 |
| | | 47 N15°11'45"E | 15.43 |
| | | 48 N18°49'57"E | 95.29 |
| | | 49 N29°57'50"E | 144.57 |
| | | 50 N26°01'26"E | 56.76 |
| | | 51 N02°47'41"E | 22.91 |
| | | 52 N29°34'36"W | 15.48 |
| | | 53 N02°37'48"E | 312.51 |
| | | 54 N24°52'34"E | 72.18 |
| | | 55 N23°49'18"W | 26.13 |
| | | 56 N24°52'34"E | 78.36 |
| | | 57 N63°04'59"E | 26.13 |
| | | 58 N53°37'36"W | 78.44 |
| | | 59 N04°59'53"W | 204.89 |
| | | 60 N63°40'45"E | 28.60 |
| | | 61 S74°56'58"E | 56.61 |
| | | 62 S61°32'36"E | 26.69 |
| | | 63 S18°41'33"E | 28.60 |
| | | 64 S74°56'58"E | 97°37'41" |
| | | 65 N76°45'32"E | 26.69 |
| | | 66 S07°36'28"W | 56.00 |
| | | 67 N89°25'48"E | 34.65 |
| | | 68 S77°19'19"E | 39.44 |
| | | 69 S26°08'12"W | 39.44 |
| | | 70 N81°24'52"W | 48.93 |
| | | 71 N69°04'30"E | 18.15 |
| | | 72 S57°07'02"E | 74.33 |
| | | 73 S03°18'34"E | 18.15 |
| | | 74 N25°14'32"W | 50.23 |
| | | 75 N29°14'03"W | 19.88 |



CERTIFICATE OF SURVEY

This is to certify that the survey of the above described property was made under my direction during the month of February, 1979.

Trudy Holloway
Registered Civil Engineer

Approved by the City Council of the City of Mesa, Arizona this 14th day of May, 1979.
Attest: *William J. ...* City Clerk

Approved by the City Engineer of the City of Mesa, Arizona this 16th day of May, 1979.
Richard ... City Engineer

Indicates common corner with Dobson Ranch Lake Park Village.

DEDICATION

State of Arizona
County of Maricopa
Know all men by these presents: That American Continental Corporation, an Ohio corporation, doing business as Continental Homes Inc. as owner, has subdivided under the name of Laguna Shores Unit Eight, a subdivision of:

Lot No. 1 through 111, Inclusive and Tract "A", of LAKE PARK DEVELOPMENT UNIT FIVE, per map recorded in Book 169, Page 43 of Maps, in the office of the County Recorder of said County and that portion of Tract "W", of LAGUNA SHORES AMENDED, per map recorded in Book 192, Page 41 of Maps, in the office of the County Recorder of said County, described as follows: BEGINNING at the Southeast corner of Tract "G", DOBSON RANCH LAKE PARK VILLAGE, recorded in Book 163, Page 19 of Maps, in the office of the County Recorder of said County; thence S32°27'02"E along the easterly right of way of Dobson Road a distance of 18.70 feet to a point on the recorded in Book 12989, Page 484, M.C.R.; thence N86°43'42"W a distance of 68.35 feet; thence S79°59'44"W a distance of 51.70 feet; thence N70°33'10"W a distance of 47.36 feet; thence N71°00'37"W a distance of 48.99 feet; thence S77°36'51"W a distance of 51.70 feet; thence S53°59'25"W a distance of 45.43 feet; thence S15°05'13"W a distance of 135.53 feet; thence S56°28'50"W a distance of 236.64 feet; thence S62°30'37"W a distance of 49.05 feet; thence S73°22'15"W a distance of 49.27 feet; thence S81°43'57"W a distance of 197.43 feet; thence N84°44'58"W a distance of 74.09 feet; thence N67°17'02"W a distance of 73.62 feet; thence N42°01'08"W a distance of 71.71 feet; thence N16°18'57"W a distance of 72.44 feet; thence N01°41'54"E a distance of 95.34 feet; thence N11°16'16"E a distance of 69.58 feet; thence N3°07'59"E a distance of 71.41 feet; thence N39°32'46"E a distance of 70.38 feet; thence N18°16'48"E a distance of 67.08 feet; thence N12°47'08"E a distance of 95.34 feet; thence N05°37'49"E a distance of 73.80 feet; thence N13°29'25"E a distance of 72.02 feet; thence N15°52'29"E a distance of 92.38 feet; thence N01°30'55"W a distance of 90.00 feet; thence N19°15'53"W a distance of 90.39 feet; thence leaving said boundary of Laguna Shores Tract W Lake Park as described in instrument recorded in Docket 12989, Page 484, M.C.R., Arizona, on a bearing of N90°13'55"E a distance of 34.52 feet to the SW corner of said LAKE PARK DEVELOPMENT UNIT FIVE; thence S18°00'00"E a distance of 120.00 feet; thence S01°00'00"E a distance of 130.00 feet; thence S22°00'00"W a distance of 100.00 feet; thence S05°00'00"W a distance of 90.00 feet; thence S12°00'00"W a distance of 120.00 feet; thence S23°00'00"W a distance of 110.00 feet; thence S30°00'00"W a distance of 90.00 feet; thence S08°00'00"W a distance of 110.00 feet; thence S08°00'00"E a distance of 80.00 feet; thence S33°00'00"E a distance of 50.00 feet; thence S61°00'00"E a distance of 70.00 feet; thence S80°00'00"E a distance of 70.00 feet; thence S80°00'00"E a distance of 190.00 feet; thence N70°00'00"E a distance of 100.00 feet; thence N57°00'00"E a distance of 240.00 feet; thence N44°00'00"E a distance of 110.00 feet; thence N55°00'00"E a distance of 95.00 feet; thence S88°00'00"E a distance of 100.00 feet; thence S16°00'00"E a distance of 60.00 feet; thence N81°50'08"E a distance of 100.73 feet to the POINT OF BEGINNING. as shown hereon and hereby declares that said plot sets forth the location and gives the measurements and dimensions of the lots, streets and easements constituting same and that each lot and street shall be known by the number or name that is given each respectively on said plat and Continental Homes Inc., as owner, hereby dedicates to the public, for use, as such, the streets shown on said plat and included in the above described premises. Easements are dedicated to the uses shown.

In witness whereof, Continental Homes Inc., as owner, has caused its corporate name to be signed by the undersigned officer thereunto duly authorized this 25th day of April, 1979.

AMERICAN CONTINENTAL CORPORATION, as owner

Joseph Contadino
VICE PRESIDENT

ACKNOWLEDGMENT

State of Arizona
County of Maricopa
Before me this 25th day of April, 1979, personally appeared Joseph Contadino who acknowledged himself to be Vice President of American Continental Corporation, an Ohio corporation, doing business as Continental Homes Inc., and that he as such officer, being duly authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, as owner, by himself as such officer.

In witness whereof I hereunto set my hand and official seal.
Trudy Holloway
Notary Public
My commission will expire: 8-10-92

AMERICAN ENGINEERING CO.
PHOENIX ARIZONA

When recorded, mail to:
American Engineering Company
3013 West Fairmount
Phoenix, Arizona 85017

Dkt 13646-0100

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

PROP RSTR (PR)

THIS DECLARATION, made on the date hereinafter set forth by Continental Homes Inc., a division of American Continental Corp., an Ohio Corporation, as hereinafter referred to as "Declarant".

WITNESSETH:

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

Lots 166 through 224 inclusive of LAGUNA SHORES UNIT VIII as it appears in the books and records of the County of Maricopa, Arizona, Book 211 of Maps, Page 34

THE recordation of this Declaration shall constitute the annexation of the property described above to the Declaration recorded in Docket 10365, Pages 923 through 943 inclusive and Docket 10436, Pages 628 through 629 inclusive pursuant to the provisions of Article IX, Section 4 (b) of said last referred to Declaration.

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

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to The Dobson Association, Inc., an Arizona Corporation, its successors and assigns.

Section 2. "Dobson Ranch" shall mean and refer to that development to be located in the City of Mesa, County of Maricopa, State of Arizona, as approved by the Mesa City Council. This development shall consist of Two Thousand (2,000) acres, more or less, and shall conform to the general plan and land use intensity as approved by the City Council of the City of Mesa, Arizona. The final development shall contain approximately Six Thousand (6,000) residential units, as set forth in the general plan and land use intensity as previously approved by the City Council of the City of Mesa, Arizona.

Section 3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including any condominium unit, which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereinafter be brought within the jurisdiction of the Association, as provided in Article IX Section 4 herein.

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Class A. Class A members shall be all owners, with the exception of the Developer and Declarant, of lots upon which are constructed a single family detached home, and shall be entitled to one vote for each site owned. When more than one person owns any site, all such persons shall be members. The vote for such site shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any site.

Class B. The Class B member shall be all owners, with the exception of the Developer and Declarant, of all townhouse lots and shall be entitled to one vote for each townhouse lot owned. When more than one person owns any townhouse lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any townhouse lot.

Class C. Class C members shall be all owners, with the exception of the Developer and Declarant, of condominium units and shall be entitled to one vote for each condominium unit owned. When more than one person holds an interest in any condominium unit, all such persons shall be members. The vote for any such condominium unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any condominium unit.

Class D. The Class D member shall be the Developer or the Declarant and shall be entitled to three (3) votes for each lot or condominium unit owned. The Class D membership shall cease and be converted to Class A, Class B, or Class C membership, whichever is appropriate, on the happening of either of the following events, whichever first occurs:

(a) When the total votes outstanding in the Class A, Class B, and Class C memberships equal the total votes outstanding in the Class D membership, or

(b) The 1st day of June, 1980.

Section 3. For the purposes of this Article only, and in order to pursue the development plan as set forth in the general plan of development as previously approved by the City of Mesa, FHA, and VA, the Declarant shall be considered to be the owner of Six Thousand (6,000) lots, less the number of residential units or lots sold to individual purchasers.

Section 4. In the event the general ^{Unofficial Document} plan of development is not pursued to completion and an affirmative statement of abandonment of any or all parts of the general plan previously approved by FHA/VA and the City of Mesa, is recorded in the office of the County Recorder of Maricopa County, Arizona, then, in such event the voting power of the Six Thousand (6,000) lots as set forth above shall be reduced by the number of lots so abandoned.

Section 5. In the event that Developer shall make a "constructive abandonment" of the general plan of development, then, and in such event, the voting power of the Six Thousand (6,000) lots as set forth above shall be reduced by the number of lots so constructively abandoned. For the purposes of this section, a "constructive abandonment" shall be deemed to have occurred when Developer shall not have made any construction starts for a period of (1) year, or shall have made no substantial progress towards planning or preparation for continuation of the general plan of development. A constructive abandonment shall not occur if the lack of construction starts, planning or preparation shall be due to strikes, acts of God, war, riot, insurrection, or other acts which are beyond the control of the Developer.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant for each lot owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall

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Section 5. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

NONE

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, which plot of land is sold and used for residential purposes and uses, or shall mean and refer to any condominium unit.

Section 7. "Declarant" shall mean and refer to Continental Homes, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 8. "Developer" shall mean and refer to any person or entity which is or may be sub-dividing and/or selling residential lots as a portion of Dobson Ranch, or constructing residential dwellings for sale to individual buyers.

ARTICLE II PROPERTY RIGHTS

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

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

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

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

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

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. The Association shall have four (4) classes of voting membership:

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be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the lot or lots owned by the member of the Association and shall be continuing lien upon his lot or lots against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment was due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. In order to promote civic betterment and social improvements for the common good of this community, the assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of this development and for the improvements and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be one hundred twenty four dollars and eighty cents (\$124.80) per lot or condominium unit.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or replacement of damaged or destroyed common elements, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis, provided, however, that Developer may pay a scaled down rate which shall

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be not less than twenty-five percent (25%) of the fixed uniform rate for lots which are developed but unsold and unoccupied.

Section 7. Date of Commencement of Annual Assessments: Due Dates.
The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the Annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or Abandonment of his lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage, and be subordinated to the lien of assessments imposed by the covenants, conditions and restrictions relating to any lot or unit which is sold in a townhouse development or a condominium development with separate common area and a homeowners association. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V
USE OF WATER RIGHTS
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Section 1. Declarant is the owner of certain rights to water appropriated and appurtenant to the land hereinabove described. Declarant has the right to require the Salt River Valley Water Users' Association to deliver said water to the highpoint along the border of each quarter section within said land. Declarant has appointed, and does hereby appoint, the DOBSON ASSOCIATION, INC., an Arizona corporation, as and to be its agent for the purpose of accepting delivery of all water to which Declarant is entitled, or any portion thereof, at a point to be designated by the DOBSON ASSOCIATION, INC., for use on land owned by said DOBSON ASSOCIATION, INC. This appointment of DOBSON ASSOCIATION, INC. as agent is made pursuant to an agreement between Declarant and the Salt River Valley Water Users' Association, among others, and may be completely or partially revoked by Declarant, or its successor or successors in accordance with the provisions of said agreement. In no event is this appointment to be deemed an assignment of Declarant's water rights, Declarant retaining the rights to all waters hereinbefore appropriated to beneficial use on Declarant's lands.

Section 2. Declarant is the owner of certain lands within the above described property which will be conveyed to the Association as the Common Area herein referred to. Water rights appurtenant to said land to be conveyed to said Association will then be owned by the Association, and the Association will be required to make such payments to such agencies and entities as are or may become due in order to protect and preserve said water appropriation. Included in such required payments shall be payment of the base assessment for such water by the Association, and payment of a single membership share in the cost of maintaining the structures in which said water is to be transported, stored and used, as determined by the Board of Directors of the Dobson Association, Inc., and other expenses necessary in the upkeep and maintenance of said common areas.

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ARTICLE VI
MAINTENANCE OF COMMON AREAS

The common areas owned by the Association shall be divided into a lake area used for water recreational purposes, and dry land common area appurtenant and adjacent to said lake. The Association shall provide maintenance upon said common areas as required, such maintenance to include, but not be limited to, care of trees, shrubs, grass, walks, picnic facilities, dock areas, and other dry land uses appurtenant to said lake, as well as maintenance upon said lake area, including maintenance of the lake bed, walls, sides, and retarding of growth of water weeds, algae, and other water growth. The Association shall be responsible for including in the monthly assessment an amount sufficient to pay the base assessment for water used in said lake system, and for making the required periodic payments to the Salt River Valley Water Users' Association as billed to the Association by said Water Users' Association.

ARTICLE VII
USE RESTRICTIONS

Section 1. Said premises are hereby restricted to use related to water recreational activities, including boating in sail boats, row boats, canoes, paddle boats, and boats propelled by electric motor of 3 horsepower or less. Under no circumstances will propulsion be permitted by internal combustion engines of any size or horsepower rating. The above enumeration of types of boats which may be used on said premises is restrictive, and no use will be permitted which is not included therein. Swimming may be permitted in the Common Areas in designated areas, as determined by the Board of Directors of the DOBSON ASSOCIATION, INC. The dry land Common Areas next to and appurtenant to the lake area shall be used for appropriate dry land recreational uses, including but not limited to swimming, hiking, bicycles on designated bicycle paths, the launching of water vessels in designated areas, and other appropriate dry land uses appurtenant to said lake. The Common Areas appurtenant to said lake owned by the Association shall not be used for equestrian purposes, nor shall any motor driven vehicle be used upon Common Areas except in designated parking areas or as may be permitted by the Board of Directors of the Association. The foregoing restrictions shall not be deemed to be applicable to any Municipal policing authority or any security force employed by the Association for the purpose of protection of the public interest.

ARTICLE VIII
EASEMENTS

There is hereby created a blanket easement upon, across, over and under the common area for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewers, gas, telephones and electricity, a master television antenna system and a cable television system. The City of Mesa, a municipal corporation, is hereby granted an easement to transport water owned by the City of Mesa across the Common Areas to be owned by the Association to land owned by the City of Mesa and to be used for recreational facilities. The City of Mesa will grant an easement to the Association across lands owned by the City for the purpose of transporting water, the rights to which are appurtenant to the property owned by the Declarant or its successors in title. By virtue of this easement it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary facilities and other necessary equipment on said property. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on said premises except as initially programmed and approved by the Developer of that development known as DOBSON RANCH. This easement shall in no way affect any other recorded easements on said premises.

Each common element shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the Developer. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. Notwithstanding any provision herein to the contrary, any encroachment permitted herein shall not exceed one (1) foot.

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For each lot which abuts said lake common area, there is also created an easement for the purpose of construction of a dock over the lake common areas owned by the Association, said dock to be cantilevered and to extend no more than six (6) feet onto said common area. The plans for said dock shall be submitted in advance of construction to the Board of Directors of the DOBSON ASSOCIATION, INC. for approval.

ARTICLE IX
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said restrictions in whole or in part.

Section 4. Annexation.

(a) Additional residential property and Common Area may be annexed to the properties with the consent of two-thirds (2/3) of each class of members, except provided in Article IX, Section 4. (b) herein.

(b) Additional residential property and common area within the area shown on the general plan of Dobson Ranch, as approved by the City Council, City of Mesa, Maricopa County, Arizona, may be annexed by Declarant without the ^{Unofficial Document} consent of Class A, Class B, or Class C members within seven (7) years of the date of this instrument, provided that the FHA and VA determine that the annexation is in accordance with the general plan heretofore approved by them.

Section 5. FHA/VA Approval. As long as there is a Class D membership the following will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

ARTICLE X
SUBDIVISION PROVISIONS

Section 1. No part of any dwelling constructed on any of said Lots shall be used for living purposes until the entire structure is complete, nor shall any structure of a temporary nature be used as a dwelling on any lot in Laguna Shores Unit VIII nor shall any trailer, tent, shack, garage, barn or any other structure or dwelling be moved onto said lots in Laguna Shores Unit VIII from outside the subdivision, except that a manufactured storage shed of dimensions not to exceed eight feet by ten feet in width and length and seven feet in height may be placed behind the home on any lot, and subject to approval by the Architectural Control Committee, as to placement on the lot, and subject to the limitations of Section 16 herein.

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Section 2. No single family dwelling shall be erected, permitted or maintained on any lot in Laguna Shores Unit VIII that shall have a ground floor area of less than 1,000 square feet, except those lots restricted in section 16.

Section 3. No hospital, sanitarium, hotel or motel of any kind or nature shall be constructed, permitted or maintained on any of said Lots, nor shall any building on any of said lots be used or occupied for the care, lodging or entertainment for hire of persons suffering from disease.

Section 4. No billboards or other unsightly object shall be erected, placed or permitted to remain on any residential lot except one Real Estate type sign offering property for sale or rent, provided that said sign shall not be larger than four (4) feet from the ground; no noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become any annoyance or nuisance to the neighborhood; provided, however, that these restrictions shall not prevent the subdivider or builder from erecting temporary sales office, storage and work yards, and advertising signs for the purpose of promoting sales in said subdivision.

Section 5. No facilities, including poles and wires, for the transmission of electricity, telephone messages, television or radio, except as specifically provided herein, and the like shall be maintained above the surface of the ground of any Lot. If at the time of occupancy of the house constructed on any lot there is available underground television antenna connection cable, then no outside television or radio pole or antenna shall be constructed, erected or maintained on any building or on any lot located in such a manner as to be visible from the outside of any such building except by and with the prior written consent of the Architectural Control Committee. Such prior written consent for television antenna shall not be required in the event said television antenna cable is not available for connection at the date of occupancy of the house constructed on the lot; however, no such antenna for a private dwelling shall be higher than ten feet (10') above the highest point of the house. Upon the written demand of the Architectural Control Committee and after availability of underground television antenna connection cable, any private antenna shall be promptly removed.

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Section 6. The aesthetic quality of the subdivision shall be maintained by an Architectural Control Committee formed as follows and exercising its controls as herein provided:

a. The Architectural Control Committee shall be composed of Joseph Contadino, Larry C. Fischer, and John W. Magura whose official address shall be 4550 North Black Canyon Highway, Phoenix, Arizona, until the Declarant is no longer a title holder of any lots in the subdivision described herein; provided, however, that the Developer shall have the right at any time during such period to remove any member of such committee and by a recorded certificate to appoint a successor to said Committee. At such time as the Developer is no longer a title holder of any of such lots, the Developer shall make a reasonable effort to find three of the then Owners who are willing to be members of the Architectural Committee and shall appoint and designate these three Owners to be members of the Architectural Committee, and they shall constitute the Architectural Committee as soon as they have accepted the appointment and designation, and the Declarant shall cause at that time a statement to be recorded in the records of Maricopa County, Arizona, setting forth the names and official address or addresses of the Architectural Committee thus appointed; provided, however, that the Owner shall have the right and power by a written majority vote to appoint and designate new members for the Architectural Committee, not to exceed three in number, to replace any or all of the committee members at any time after

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the Declarant is no longer an Owner, and a statement setting forth the names and official address or addresses of the Architectural Committee thus appointed by the vote of the then Owners shall be recorded in the records of Maricopa County, Arizona. Failure to record statements concerning new appointments to the Architectural Committee as provided in this paragraph shall not vitiate or otherwise impair the effectiveness of such appointments.

b. Except as provided for in section 6(a) hereof, in the event of the death, disability, or resignation of any member of the Architectural Committee, the remaining member or members shall constitute the Architectural Committee and shall exercise all of the rights and powers granted to, and shall have all the duties and liabilities imposed upon, the Architectural Committee by this Declaration and shall appoint a new member to replace and to exercise the rights and powers of, and to have all the duties and liabilities of, the deceased, disabled, or resigned member.

c. The Architectural Committee shall exercise the rights and powers granted to it, and shall have the duties and liabilities imposed upon it, by this Declaration, but may appoint and designate, by a majority vote, a representative who shall have authority to exercise those rights and powers and who shall have those duties and liabilities, on behalf of the Architectural Committee, until the Architectural Committee, by a majority vote, shall revoke his appointment and designation.

d. Neither the members of the Architectural Committee nor its representatives shall be entitled to any compensation for services performed pursuant to this Declaration, and the rights, powers, duties and liabilities of the Architectural Committee conferred hereunder shall terminate thirty (30) years from the date of this instrument and thereafter the approval prescribed in section 6(a) above, shall no longer be required unless prior to the termination date hereof a written instrument shall have been executed by the then Owners of a majority of the Lots appointing a successor committee which shall thereafter exercise the same rights, and powers, and shall have the same duties and liabilities, previously exercised by and imposed upon the Architectural Committee.

e. No building, fence, wall or other structure shall be commenced erected, or maintained upon any lot, nor shall any exterior addition to or change or alteration therein be ^{Unofficial Document} the plans and specifications showing the nature, color, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee. In the event said Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this section 6 will be deemed to have been fully complied with. This section 6 shall not apply to the installation, maintenance or alteration of structures and improvements in and upon the Properties by the Developer.

Section 7. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single family dwelling not to exceed two stories in height and a private garage for not more than three cars, except that a manufactured storage shed of dimensions as provided for in section 1 hereof, subject to approval by the Architectural Control Committee, as to placement on the lot, and subject to the limitations of section 16 herein.

Section 8. No dwelling shall be erected or placed on any lot having an area of less than 4,500 square feet; nothing herein shall prohibit the owner of a partial lot contiguous to a full lot owned by the same person from constructing one single family residence on the combined complete and partial lot.

Section 9. All yard areas of a lot (except for original driveways and carports) which are visible from any street or other lot shall be used solely

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for the planting of grass, trees, plants, and shrubs and shall not be used for any other purpose including without limitation the parking or placing of vehicles or equipment of any nature upon any part of such area. Driveways and carports shall be used exclusively for parking motor vehicles which are in service and are classed by manufacturer's rating as not exceeding three quarters of a ton, and in no event shall such areas be used for parking recreational vehicles, motor homes, mobile homes, travel trailers, tent trailers, trailers, campers, boats or boat trailers; provided, however such vehicles may be parked in fully fenced side or back yards so long as such vehicles are not visible from any street or other lot.

Section 10. Each owner agrees, by the acceptance of his deed, not to interfere with or obstruct the Established Drainage pattern over his lot from or to adjacent or other lots, except that an Owner may modify the Established Drainage over his Lot, for example, by installation of pipes or paving, provided such modification is necessary for a permitted use of his lot, and provided further that the modification of drainage does not unreasonably burden or interfere with the use of other lots or the drainage to or from other lots. For the purposes of this clause, "Established Drainage" means the drainage that existed at the time the overall grading of the properties and the landscaping of each lot were completed by the Declarant.

Section 11. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats or other household pets not to exceed three (3) in number may be kept provided that they are not kept, bred or maintained for any commercial purpose. All pets must be kept in a fenced yard or on a leash.

Section 12. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The Easement area of each lot and all improvements in it shall be maintained continuously by Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

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There is an easement across the front of each lot within this subdivision and across the street side of each corner lot, ten (10) feet wide and is to be located within ten (10) feet of the front property line, and the street side property line of each corner lot, which easement is dedicated by the Developer for sidewalk purposes. Declarant has caused to be installed landscaping within the area between the front lot line and the sidewalk easement. Each owner agrees, by the acceptance of his deed, to maintain the landscaping within this area at the owner's own cost and expense, except for those areas for which a public authority or utility company is or may be responsible. There is an easement across each lot within this subdivision two (2) feet wide, which easement begins one (1) foot from the front line of each lot, and is an easement retained for the purpose of installation of a cable television system.

Section 13. Each lot within this subdivision is within the service area of the Salt River Valley Water Users' Association, and carries with it the right to delivery of irrigation water by the Salt River Valley Water Users' Association to each lot. Each Owner agrees, by the acceptance of his deed that such deed acceptance does thereby appoint the Dobson Association, Inc., an Arizona corporation, as and to be his agent to accept delivery of the water to which each lot is entitled at a delivery point to be designated by the Dobson Association and the City of Mesa, a municipal corporation, for return into the system of the Salt River Valley Water Users' Association.

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Each owner, by the acceptance of his deed agrees that if he makes demand upon the Salt River Valley Water Users' Association for delivery of irrigation water to his lot, the Owner shall secure and furnish the Salt River Valley Water Users' Association with the rights of way necessary therefor, and shall pay or bear the full cost and expense to construct, install and re-establish delivery facilities for such delivery to such lot, at his sole cost and expense, and at no cost and expense to Declarant or to the developer of the subdivision or the Dobson Association, Inc.

Section 14. Each owner agrees by the acceptance of such deed to automatically become a member of the Dobson Association, Inc., an Arizona corporation, whether or not expressed in the deed, and agrees to abide by the rules, regulations and assessments thereof. The recordation of the declarations shall constitute the annexation of the property covered by this declaration to the declaration recorded in Book 10365, Pages 923-943 on October 23, 1973, in the records of Maricopa County, Arizona, subject to approval by the Board of the Association.

Section 15. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

Section 16. No single family dwelling shall be erected, permitted or maintained on Lots: 166 through 224 with a ground floor area of less than 1,000 square feet exclusive of open porches, pergolas, attached garages or carports. No structure may be placed any closer than twenty (20) feet from the rear property line of the above mentioned lots except fence and swimming pool as approved by the Architectural Control Committee and the City of Mesa. No Storage sheds may be placed on any of the lots enumerated in this paragraph, notwithstanding the terms of paragraphs 1 and 7.

Section 17. If any person shall violate or attempt to violate any of the covenants or restrictions herein, it shall be lawful for any person or persons owning any other lots in said subdivision Unofficial Document to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants or restrictions and either to prevent his or them from doing so or to recover damages or other dues for such violations provided, however, that a violation of these covenants, or any one or more of them shall not affect the lien of any mortgage now of record, or which hereafter may be placed of record upon said lots or any part thereof.

Section 18. Invalidation of any one of the easements, covenants, conditions or restriction of this Declaration by judgement or court order shall not affect any other provisions of this Declaration, which provisions shall remain in full force and effect.

Section 19. OIL AND MINING OPERATIONS: No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts 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 20. SIGHT DISTANCE AT INTERSECTIONS: No fence, wall hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the 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 twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded

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property corner from the intersection of the street property lines extended. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 21. ABANDONED OR INOPERABLE VEHICLES. No vehicle of any type which is abandoned or inoperable shall be stored or kept on any lot within this subdivision in such a manner as to be seen from any other lot or from any streets or alleyways within this subdivision.

IN WITNESS WHEREOF, CONTINENTAL HOMES, INC., as Declarant, has caused its corporate name to be signed and its corporate seal to be affixed by the undersigned officer thereunto duly authorized this 23rd day of April 1979.

CONTINENTAL HOMES, INC.

Joseph Contadino
Joseph Contadino
President

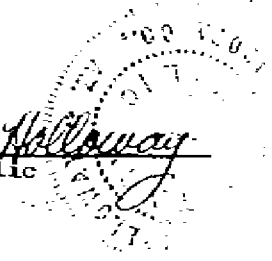
STATE OF ARIZONA)
) SS
County of Maricopa)

On this 23rd day of April, 1979, before me, the undersigned Notary Public, personally appeared Joseph Contadino who acknowledged himself to be the President of CONTINENTAL HOMES, INC., an Ohio corporation, and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

WITNESS my hand and official seal.

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Judy Holloway
Notary Public



My Commission Expires:
My Commission Expires Aug. 10, 1982

STATE OF ARIZONA }
County of Maricopa } SS

I hereby certify that the within instrument was filed and recorded at request of
City of Mesa
MAY 21 1979 -2.00
in Docket 13646
on page 100-111

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

Bill Henry
County Recorder
Bill Henry
County Recorder

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