

recorded return to:
General Homes-Arizona, Inc.
E. Southern, Suite 600
Tempe, AZ 85282
Attn: Alan Marks

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
For
STONECREEK

86-602232

THIS DECLARATION, made on the date hereinafter set forth by GENERAL HOMES-ARIZONA, INC. as hereinafter referred to as "Declarant".

WITNESSETH:

PROPOSED RESTRICTIONS

WHEREAS, Declarant is the Owner of certain property in the Town of Gilbert, County of Maricopa, State of Arizona, which is more particularly described as follows:

Lots 1 through 231, inclusive, STONECREEK, and Tracts A through O, inclusive as it appears in the books and records of the County of Maricopa, Arizona, Book 300 of Maps, Page 41.

WHEREAS, Declarant has the right to develop those portions of STONECREEK, Tracts S & P of the recorded plat, Stonecreek, as it appears in the books and records of Maricopa County, Arizona Book, 300 of Maps, Page 41 (hereinafter referred to as the "Additional Property"); and

WHEREAS, Declarant has the right to develop, in stages, the Covered Property and the portions of the Additional Property which may from time to time be annexed pursuant to this Declaration and become a part of the Covered Property, into single-family detached residential communities.

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 of, and which shall run with, the real property and shall be binding on and for the benefit of all parties having or acquiring any right, title or interest in and shall inure to the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Additional Property" shall mean that property within Stonecreek described above which Declarant intends, without obligation to become Annexable Property and be annexed into the Covered Property according to the provisions contained within Article X of this Declaration.

Section 2. "Association" shall mean and refer to STONECREEK HOMEOWNERS ASSOCIATION, an Arizona non-profit corporation, its successors and assigns.

Section 3. "Architectural Control Committee" shall mean the committee created pursuant to Article VII hereof.

Section 4. "Architectural Control Committee Rules" shall mean the rules adopted by the Architectural Committee.

Section 5. "Articles" shall mean the Articles of Incorporation of the Association which are, or shall be filed in the office of the Corporation Commission of the State of Arizona, as said Articles may be amended from time to time.

Section 6. "Association Rules" shall mean the rules adopted by the Board, as they may be amended from time to time.

Section 7. "Board" shall mean the Board of Directors of the Association.

Section 8. "Bylaws" shall mean the Bylaws of the Association, as such Bylaws may be amended from time to time.

Section 9. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described as follows:

Tracts A through O, inclusive of the plat of STONECREEK as it appears in the books and records of the County of Maricopa, Arizona, Book 300 of Maps, Page 41.

Section 10. "Declarant" shall mean and refer to GENERAL HOMES-ARIZONA, INC. including its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for purpose of Development, and such acquisition constitutes all or a majority of the undeveloped Lots. Declarant may also be referred to herein as Developer.

Section 11. "Declaration" shall mean the covenants, conditions and restrictions herein set forth in this entire document, as same may from time to time be amended.

Section 12. "Improvement" shall mean the buildings, roads, roadways, parking areas, lighting fixtures, fences, walls, hedges, plantings planted trees and shrubs, and all other structures or landscaping of every type and kind.

Section 13. "Lot" shall mean and refer to any separate parcel of real property shown upon any recorded subdivision map of the Property, with the exception of the Common Area.

Section 14. "Member" shall mean any person, corporation, partnership, joint venture or other legal entity who is a Member of the Association.

Section 15. "Mortgage" shall mean also "Deed of Trust", "Mortgagor" shall mean also "Trustor", and "Mortgagee" shall mean also "Beneficiary".

Section 16. "Owner(s)" shall mean and refer to the record Owner, whether one or more persons or entities, of equitable or beneficial title in fee simple (or legal title if same has merged) of any Lot. "Owner" shall include the purchaser of an executory contract for the sale of property. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation. Except as stated otherwise herein, "Owner" shall not include a lessee or tenant of a Lot. "Owner" shall include Declarant so long as Declarant owns any Lot within the Property.

Section 17. "Property" or "Properties" shall mean and refer to that certain real property hereinbefore described which is subject to this Declaration, and such additions hereto as may hereafter be brought within the jurisdiction of the Association.

Section 18. "Public Purchaser" shall mean any person or other legal entity who becomes an Owner of any Lot within the Property.

Section 19. "Separate Cantina" shall mean a room built on a Lot which is not attached to the main structure but is designed to be an integral part of the single family residence.

Section 20. "Visible from Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

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 facilities 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 to suspend the right of use of the recreational facilities for a period not to exceed sixty (60) days for any infraction of its published rules and regulations, and consecutive sixty (60) day period as long as the infraction continues and has not been corrected.

(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 properties 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.

Section 3. Owners' Easement of Enjoyment Limitations.

(a) An Owner's right and easement of enjoyment in and to the Common Area shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Lot and such right and easement of enjoyment in and to the Common Area shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Owner's Lot, notwithstanding the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to the Common Area.

(b) The Common Area shall remain undivided and no action for partition or division of any part thereof shall be permitted.

(c) Each Owner, tenant and occupant of a Lot, and the invitees, tenants, and agent of such Owner, may use the Common Area in common with the Owners' invitees, tenants, and agents of the other Lots in accordance with the purposes for which it is intended without hindering or encroaching upon the lawful right of such others and in accordance with rules established by the Board.

(d) No Owner will be exempted from liability for assessments with respect to the Common Area by waiver of the enjoyment of the right to use the Common Area or by abandonment of his Lot or otherwise.

Section 4. Title to Common Area. Declarant covenants that it will convey legal title, where appropriate, to the Common Area to the Association, free of all encumbrances except current real property taxes and other easements, conditions, reservations and restrictions then of record. The conveyance shall be made to the Association prior to the conveyance of the first Lot from the Declarant to any purchaser. The term "legal title" as used herein shall mean the fee simple title of Declarant.

ARTICLE III PROPERTY SUBJECT TO THIS DECLARATION

Section 1. General Declaration. As the Property has been subdivided into various Lots, and it is intended that the Property so subdivided shall be sold and conveyed to public purchasers subject to this Declaration, Declarant hereby declares that all of the Property subject hereto is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration, as amended or modified from time to time. This Declaration is declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale

of said Property and is established for the purpose of enhancing and perfecting the value, desirability and attractiveness of said Property and every part thereof. All of this Declaration shall run with all of said Property for all purposes and shall be binding upon and inure to the benefit of Declarant, the Association, all Owners and their successors in interest.

ARTICLE IV
THE ASSOCIATION

Section 1. Organization.

(a) The Association. The Association is an Arizona corporation charged with duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

(b) Board of Directors and Officers. The affairs of the Association shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint, in accordance with the Articles and the Bylaws, as same may be amended from time to time.

Section 2. Powers and Duties of the Association. The Association shall have such rights, duties and powers as set forth in the Articles and Bylaws, as same may be amended from time to time.

Section 3. Rules. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations to be known as the "Rules". The Rules may restrict and govern the use of any area by any Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that the Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may be recorded. Said Rules shall have the same force and effect as if they were set forth in and were a part of the Declaration.

Section 4. Personal Liability. No Member of the Board or any Committee of the Association, or any officer of the Association, or any Manager, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, any Manager, or any other representative or employee of the Association, or the Architectural Committee, or any other Committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct as would be applicable under local law.

ARTICLE V
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 two (2) classes of voting Membership:

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

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Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A on the happening of either of the following event, whichever first occurs:

- (a) When the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership, or
- (b) The first day of January, 1993.

ARTICLE VI
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 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 costs and reasonable attorney's fees, shall be a 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 fell 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 the residents in the properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1, 1987 the maximum monthly assessment shall be thirty dollars (\$30.00) per Lot. The annual assessment shall be payable quarterly in advance.

(a) From and after January 1, 1987 the maximum annual assessment may be increased each year not more than 10% above the maximum assessment for the previous year without a vote of the Membership.

(b) From and after January 1, 1987 the maximum annual assessment may be increased above the amounts indicated in Article VI, Section 3 (a) above 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.

Section 4. Special Assessment for Capital Improvement. 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 including fixtures and personal property related thereto, 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 Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 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, quarterly, bi-annually or annual basis. Declarant shall pay assessments on each Lot owned by Declarant shown on any recorded subdivision plat which Lot is intended for residential use. Declarant shall pay twenty five percent (25%) of the annual assessments for each Lot owned. However, if Declarant has commenced construction on a Lot, and has not sold such Lot within six (6) months, Declarant shall then commence to pay the full annual assessment for such improved Lot.

Section 7. Date of Commencement of Annual Assessments: Due Date. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot. 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 or Association's Agent, setting forth whether the assessments on a specific Lot have been paid. A properly executed Certificate of the Association as to the status of assessments on a Lot is binding upon the Association as to the date of its issuance.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment, or any installment assessment, not paid within fifteen (15) days after the assessment, or installment assessment, first became due, shall bear a late fee at the rate of twelve percent (12%) per annum in addition to a flat \$5.00 penalty charge per late occurrence.

(a) Enforcement by Suit. The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner or Member to enforce each such assessment obligation. Any judgement rendered in any such action shall include the amount of the delinquency, together with interest thereon at the rate of ten percent (10%) per annum, from the date of delinquency, court costs, and reasonable attorney's fees in such amount as the Court may adjudge against the delinquent Owner or Member.

(b) Enforcement by Lien. There is hereby created a claim of lien, with power of sale, on each and every Lot within the Property to secure payment to the Association of any and all assessments levied against any and all Owners of such Lots covered by the Declaration, together with interest thereon at the rate of ten percent (10%) per annum from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time after occurrence of any default in the payment of any such assessment, the Association, or any authorized representative may, but shall not be required to, make a written demand for payment to the defaulting Owner on behalf of the Association. Said demand shall state the date and amount of delinquency. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim lien. If such delinquency is not paid within ten (10) days after delivery of such demand, or even without such a written demand being made, the Association may elect to file such a claim of lien on behalf of the Association against the Lot of the defaulting Owner. Such a claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:

1. The name of the delinquent Owner: 698202
2. The legal description and street address of the Lot against which claim of lien is made.
3. The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and reasonable attorneys' fees (with any proper offset allowed):
4. That the claim of lien is made by the Association pursuant to the Declaration, and
5. That a lien is claimed against said Lot in an amount equal to the amount stated.

Upon recordation of a duly executed original or copy of such a claim of lien, and filing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such Assessment was levied. Such a lien shall have priority over all liens of claims created subsequent to the recordation of the claim of lien thereof, except only tax liens for real property taxes on any Lot in favor of any municipal or other governmental assessing unit, and the liens which are specifically described in Section 9 hereinafter. Any such lien may be foreclosed by appropriate action in court in the manner provided by law for the foreclosure of a realty mortgage or by the exercise of a power of sale in the manner provided by law under a trust deed, as set forth by the laws of the State of Arizona, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. In the event of such foreclosure, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to the lien of any first mortgage. 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 or any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII ARCHITECTURAL CONTROL

Section 1. Organization, Power of Appointment and Removal of Members. There shall be an Architectural Committee, organized as follows:

(a) Committee Composition. The Architectural Committee shall consist of three (3) Members. None of such Members shall be required to be an architect or to meet any other particular qualifications for Membership. A Member need not be, but may be, a Member of the Board or an officer of the Association.

(b) Terms of Office. At the first annual meeting, the Board shall appoint one (1) committee Member for a term of three (3) years, one (1) committee Member for a term of two (2) years and one (1) committee Member for a term of one (1) year. At each annual meeting thereafter, the Members shall appoint Members to replace those Members whose terms have expired and all such Members shall be appointed for a term of three (3) years.

(c) Appointment and Removal. The right to appoint and remove all regular Members of the Architectural Committee at any time, shall be and is hereby vested solely in the Board, provided however, that no regular or alternate member may be removed from the Architectural Committee by the Board except by the vote or written consent of fifty-one percent (51%) of all of the Members of the Board.

(d) Resignations. Any regular Member of the Architectural Committee may at any time resign from the Committee by giving written notice thereof to Declarant or to the Board, whichever then has the right to appoint Committee Members.

(e) Vacancies. Vacancies on the Architectural Committee, however caused, shall be filled by the Board, whichever then has the power to appoint Committee Members. A vacancy or vacancies on the Architectural Committee shall be deemed to exist in case of the death, resignation or removal of any regular Member.

Section 2. Duties. It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt an Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt Architectural Committee Rules, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration.

Section 3. Meetings and Compensation. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of any two (2) Members, at a meeting or otherwise, shall constitute the act of the Committee. Members of the Architectural Committee shall not be entitled to compensation for their services.

Section 4. Architectural Committee Rules. The Architectural Committee may, from time to time and in its sole and absolute discretion, subject to approval by the Board of Directors, adopt, amend and repeal by unanimous vote or written consent, rules and regulations, to be known as "Architectural Committee Rules". Said Rules shall interpret and implement this Declaration by setting forth the standards and procedures for Architectural Committee review and the guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use within the Property.

Section 5. Waiver. The approval by the Architectural Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plans, drawing specification or matter subsequently submitted for approval.

Section 6. Liability. Neither the Architectural Committee nor any Member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development of any Property, or (d) the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a Member, such Member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the Architectural Committee, or any Member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Committee as would be applicable under local law.

Section 7. Time for Approval. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within forty five (45) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been complied with.

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ARTICLE VIII
USE RESTRICTIONS

Section 1. Permitted Uses and Restrictions - Residential. The permitted uses, easements, and restrictions for all Property covered by this Declaration shall be as follows:

(a) Single Family Residential Use. All Property shall be used, improved and devoted exclusively to Single Family Residential Use. No gainful occupation, profession, trade or other non-residential use shall be conducted on any such Property. Nothing herein shall be deemed to prevent the leasing of any such Property to a single family from time to time by the Owner thereof, subject to all of the provisions fo the Declaration. However, in the event a Lot includes a Separate Cantina, it may not be leased separate from the remainder of the other improvements on the Lots. No structure whatever, other than one private single family residence, together with a private garage, shall be erected, placed or permitted to remain on any Lot. "A Separate Cantina" may be constructed by the declarant when such structure is approved by the Town as part of a single family residence during initial construction. No Separate Cantina may be added to any Lot after initial construction unless approved by the Architectural Committee and the Town. In any case, no Separate Cantina shall contain cooking facilities. Lots owned by Declarant may be used as model homes, and for sales and construction offices for the purpose of enabling Declarant to sell Lots within the Property, until such time as all of the Lots owned by Declarant have been sold to public purchasers and/or leased.

(b) Antennas.

(1) No exterior television, radio, or other antenna or dishes of any kind may be placed, allowed, or maintained upon any Lot without prior written approval from the Architectural Control Committee.

(2) Concealment of antennas will be required where practical as determined by the Architectural Control Committee.

(3) Approval for antennas Visible from Neighboring Property shall be temporary in nature and their use will be revoked when an alternate cable system is available.

(4) Ham, citizen band or other similar antennas shall not be allowed.

(c) Amplifiers. No radio, stereo, television, broadcast or loudspeaker unit, and no amplifier of any kind, may be placed upon or outside, or be directed to the outside of, any building without prior written approval from the Architectural Control Committee.

(d) Basketball Backboards.

(1) No basketball backboards shall be installed without the prior written approval of the Architectural Control Committee.

(2) When a basketball backboard is installed structurally on a building or structure, the backboard must be painted to match the color of the trim or roof.

(e) Flagpoles.

(1) No flagpole may be installed without the prior written approval of the Architectural Control Committee.

(2) Only the United States and State of Arizona flags may be displayed and such flags shall be of a reasonable size, as determined by the Architectural Control Committee.

- (f) Window Treatment. No aluminum material or other reflective material may be installed in windows.
- (g) Utility Service. No lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any Property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Architectural Committee. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved by the Architectural Committee.
- (h) Improvements and Alternatives. No improvements, alterations, repairs, excavation or other work which in any way alters the exterior appearance of any Property or the Improvements located thereon from its natural or improved state existing on the date such Property was first conveyed or transferred by Declarant to a Public Purchaser shall be made or done without the prior approval of the Architectural Committee, except as otherwise expressly provided in this Declaration. No building, fence, wall, or other structure shall be commenced, erected, maintained, improved, altered, made or done without the prior written approval of the Architectural Committee or any committee established by the Architectural Committee for the purpose. No machinery, fixtures or equipment of any type, including but not limited to, heating, cooling, air conditioning and refrigeration equipment may be placed on any Lot without the prior approval of the Architectural Control Committee. Approval shall be conditioned upon prior screening or concealment from neighboring or public property. The screening or concealment shall be solid and integrated architecturally with the design of the building or structure, shall not have the appearance of a separate piece or pieces of machinery, fixtures or equipment, and shall be constructed and positioned in such a manner so it is level and plumb with horizontal and vertical building components and shall be structurally stable in accordance with sound engineering principals. Pursuant to its rulemaking power, the Architectural Committee shall establish a procedure for the preparation, submission and determination of applications for any such alteration or improvement. The Architectural Committee shall have the right to refuse to approve any plans or specifications or grading plans, which are not suitable or desirable, in its opinion, for the aesthetic or other reasons, and in so passing upon such plans, specifications and grading plans, and without any limitation of the foregoing, it shall have the right to take into consideration the suitability of the proposed building or other structure, and of the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings and the effect of the building or other structure as planned, on the outlook from adjacent or neighboring Property. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, including exterior color scheme and building materials, change or deviations in or from such plans and specifications once approved shall be made without the prior written approval of the Architectural Committee as would be applicable under local law.
- (i) Maintenance of Lawns and Plantings.
- (1) All completed and sold Lots must have the front yards landscaped and street trees planted within four (4) months of occupancy.
 - (2) Prior to landscaping, all yards must be maintained in a neat, weed-free, dust-free condition.
 - (3) Each Owner shall maintain all lawns and plantings in good condition. Lawns shall be neatly mowed and trimmed, bushes shall be trimmed, and dead plants, trees, or grass removed and replaced. If, after notice, an Owner fails to properly maintain landscaping within fourteen (14) days, the Association

shall have the right to enter upon the Lot for the purpose of performing necessary maintenance and shall not be liable for trespass for so doing. When the Association is required to repair or maintain a Lot, charges representing the actual cost of such repair or maintenance, as determined by the Board, shall be borne by the Owner, and shall be paid to the Association on demand with interest at ten percent (10%) simple from ten (10) days after such demand until paid in full. Any sum not paid by the Owner may be treated as an assessment and collected in a like manner as an assessment levied pursuant to Article VI.

(4) Artificially colored rock yards are not acceptable at any location.

(j) Repair of Buildings. No improvement upon any Property shall be permitted to fall into disrepair, and each building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. The Association shall have the right, after thirty (30) days notice to an Owner, to repair, paint, or otherwise maintain the exterior or any Improvement (and without notice in the event of an emergency) which the Association, acting through its Board, determines in its discretion is in violation of this provision. All costs and expenses, including reasonable attorney's fees, incurred by the Association on demand plus interest at the rate of ten percent (10%) from an Owner may be treated as an assessment and collected in a like manner as assessments levied pursuant to Article VI.

(k) Trash Containers and Collection. No garbage or trash shall be placed or kept on any Property except in covered containers. In no event shall such containers be maintained so as to be visible from Neighboring Property except to make the same available for collection and, then, only the shortest time reasonably necessary to effect such collection. All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be kept or maintained on any Lot.

(l) Overhang. No tree, or planting of any kind on any Property shall be allowed to overhang or otherwise to encroach upon any Common Area from ground level to a height of twelve (12) feet, without the prior approval of the Architectural Committee.

(m) Machinery and Equipment. No machinery or equipment or any kind shall be placed, operated or maintained upon or adjacent to any Property except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of buildings, improvements or structures which are within the permitted uses of such property, and except that which Declarant or the Association may require for the operation on and maintenance of the Common Area.

(n) Restriction on Further Subdivision. No Lot shall be further subdivided or separated into smaller Lots or parcels by any Owner, and no portion less than all of any such Lot, shall be conveyed or transferred by any Owner, without the prior written approval of the Board. No Lot may be conveyed into a condominium or cooperative or other similar type of entity without prior written approval of the Board.

(o) Solar Panels, Wind Turbines and Equipment.

(1) All solar energy devices visible from Neighboring Property or public view must be approved by the Architectural Control Committee prior to installation.

(2) Roof-mounted solar panels and equipment must match the roof material. Panels must be an integrated part of the roof design and mounted directly to the roof plane. Solar units must not break the roof ridge line and must not be visible from public view.

(3) Wind turbines must not be visible from front of house and must be approved by the Architectural Control Committee.

(p) Signs. No sign (other than a name and address sign, not exceeding 9" x 30" in size) of any nature, shall be permitted on any Lot; provided, however, that one sign of not more than five square feet may be temporarily erected or placed on a Lot for the purpose of advertising the property for sale or rent; and provided further the builder may erect any signs during construction; and provided further, this restriction shall not apply to the Association in furtherance of its powers and purposes herein set forth.

(q) Utility 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 utility and service lines and systems, including but not limited to, water, sewers, gas, telephones, electricity, television cable or communication lines and systems, etc. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on said Property and to affix and maintain wires, circuits and conduits on, in and under roofs and exterior walls of said Property. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on said Property except as initially developed and approved by the Declarant or thereafter approved by the Board. This easement shall in no way affect any other recorded easements on said Property. This easement shall be limited to improvements as originally constructed and no common utility shall be permitted to pass over any of the homes and no connection line shall be permitted to pass over any of the homes other than the one it serves.

(r) Animals. No animals, birds, fowl, poultry, or livestock, other than a reasonable number of generally recognized house pets or yard pets, shall be maintained on any Property covered by this Declaration and then only if they are kept, bred or raised thereon solely as domestic pets and not for commercial purposes. No animal, bird, fowl, poultry or livestock shall be allowed to make an unreasonable amount of noise, or to become a nuisance. No structure for the care, housing or confinement of any animal, bird, fowl, poultry, or livestock shall be maintained so as to be Visible From Neighboring Property. Upon the written request of any Owner, the Board shall conclusively determine, in its sole and absolute discretion, whether, for the purposes of this paragraph, a particular animal, bird, fowl, poultry, or livestock is a generally recognized house or yard pet, or a nuisance, or whether the number of animals or birds on any such property is reasonable. Any decision rendered by the Board shall be enforceable as other restrictions contained herein.

(s) Temporary Occupancy. No trailer, basement of any incomplete improvement, building, tent, shack, garage or barn, and no temporary improvement of any kind shall be used at any time for a residence on any Property either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling on any such Property shall be removed immediately after the completion of construction.

(t) Trailers, Boats, Aircraft, and Motor Vehicles. No motor vehicle classed by manufacturer rating as exceeding 3/4 ton, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, boat, boat trailer, hang glider, aircraft, or other similar equipment or vehicle may be parked, stored, maintained, constructed, reconstructed, or repaired on any Lot, street, or common area, Visible from Neighboring Property, streets, or common area at Stonecreek. However, the provisions of this section do not preclude the parking in garages or on driveways of pickup trucks of less than 3/4 ton capacity with or without camper shells installed providing the total height of such pickup truck and camper shall not exceed seven (7) feet, or mini motor homes or other recreation vehicles which do not exceed seven (7) feet in height or eighteen (18) feet in length, providing that such pickup trucks and/or mini motor homes or other recreation vehicles are used on a regular and recurring basis for basic transportation. No automobile, motorcycle, motor bike, motorized hang glider, or other motor vehicle shall be

constructed, reconstructed or repaired on any Lot, street, or Common Area at Stonecreek, and no inoperable vehicle may be stored or parked so as to be Visible From Neighboring Property, streets, or Common Area, provided, however, that this provision shall not apply to emergency repairs of vehicles.

(u) Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Property, and no odors shall be permitted to arise therefrom, so as to render any such Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity thereof or to its occupants. No nuisance shall be permitted to exist or operate upon any such Property so as to be offensive or detrimental to any other Property in the vicinity thereof or its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such Property. The Board in its sole discretion shall have the right to determine the existence of any such nuisance. No motorcycles or motor driven vehicles (except lawn maintenance equipment) shall be operated on any walkways or sidewalks within the Property.

(v) Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Property unless they are erected, placed and maintained exclusively within a fenced service yard or otherwise concealed and shall not be Visible from Neighboring Property.

(w) Mineral Exploration. No Property shall be used in any manner to explore for or to remove any water, all or other hydrocarbons, minerals of any kind, gravel, earth, or any earth substance of any kind.

(x) Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Property which shall induce, breed or harbor infectious plant diseases or noxious insects.

(y) Party Walls and Fences. The rights and duties of Owners with respect to Party Walls or Party Fences shall be as follows:

(1) The Owners of contiguous Lots who have a Party Wall or Party Fence shall both equally have the right to use such wall or fence, provided that such use by one Owner does not interfere with the use and enjoyment of said wall by the other Owner.

(2) In the event that any Party Wall or Party Fence is damaged or destroyed through the act of an Owner or any of his agents or guests or members of his family, it shall be the obligation of such Owner to rebuild and repair the Party Wall or Party Fence without cost to the other adjoining Lot Owner or Owners. The Owner's absolute liability shall be as defined under local law.

(3) In the event any such Party Wall or Party Fence is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act of adjoining Owner, his agents, guests or family, it shall be the obligation of all Owners whose Lots adjoin such wall or fence to rebuild and repair such wall or fence at their joint and equal expense.

(4) Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any Party Wall or Party Fence without the prior consent of all Owners of any interest therein, whether by way of easement or in fee.

(5) In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a Party Wall or

Party Fence, or with respect to the sharing of the cost thereof, such adjoining Owners shall submit the dispute to the Board, the decision of which shall be binding.

(6) Each Owner shall permit the Owners of adjoining Lots, or their representative, when reasonably required, to enter his Lot for the purpose of repairing or maintaining a Party Wall or Party Fence or for the purpose of performing installation, alterations or repairs to the Property of such adjoining Owners, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate. An adjoining Owner making entry pursuant to the terms of this paragraph shall not be deemed guilty of trespass by reason of such entry.

(7) Surfaces of Party Walls or Party Fences on Property which are generally accessible or viewable from only the adjoining Property may be planted against, painted, maintained and used by the adjoining Owners. If such surfaces are viewable from public streets or the Common Area, the color scheme shall not be changed without the written consent of the Architectural Committee.

(8) Any Lot which has a wall adjacent to the Common Area and which wall separates the Lot from the Common Area shall be considered to have a party wall with the Association and the provisions of this Section apply as though the Common Area were an adjacent Lot.

(9) The Owners of Lots with a wall adjacent to a street, or adjoining property, other than Lots or Common Area within Stonecreek, shall be solely responsible for repair and maintenance of such walls, and if repair is necessary, the repaired wall must match the size, color, and texture of the existing adjacent walls within Stonecreek and in accordance with applicable law.

(z) Drainage Easement. There is hereby created a blanket easement for drainage of groundwater on, over and across the property, however, the location of this easement shall be restricted to a Common Area and within designated recorded drainage easements over the Lots. No Owner shall obstruct, divert, alter or interfere in any way with the drainage of groundwater upon, across or over any portion of the Property. Each Owner shall at his own expense maintain the drainageways and channels on his Lot in proper condition free from obstruction. The Association shall have the right, after thirty (30) days notice to the Owner, to repair or otherwise maintain the drainageway or channel on said Owner's Lot, which the Association, acting through its Board, determines has not been maintained by the Owner in compliance with this provision. All costs and expenses including reasonable attorneys' fees incurred by the Association shall be born by the Owner, and shall be paid to the Association on demand plus interest at ten percent (10%) for contracting parties from ten (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an assessment and collected in like manner as assessments levied pursuant to Article VI.

(aa) Easement for Subsequent Construction. There is hereby created an easement running in favor of Declarant, and its beneficiary, the Developer, the Developer's successors and assigns and its or their agents, employees, or independent contractors, to enter upon any portion of the Property for the purpose of constructing or installing improvements upon any additional land annexed to the Property pursuant to the terms of Article X of this Declaration.

(bb) Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant, and/or Developer or its duly authorized agents, of Improvements or signs necessary or convenient to the development or sale of Lots and the Property.

Section 2. Standards for Construction and Exterior Appearance.

(a) Compliance with Town Code. All buildings and structures erected within Stonecreek, and the use and appearance of all land within Stonecreek, shall comply with all applicable Town of Gilbert zoning and code requirements as well as the Declaration and these Guidelines.

(b) Exterior Colors. Any repainting or redecorating of exterior surfaces will also require submission of a color scheme to the Architectural Control Committee for approval.

(c) Walls/Fences/Gates.

(1) Prior to the construction of any fence or wall, plans indicating materials to be used and location shall be submitted to the Architectural Control Committee for approval. Property lines shall be verified by the Builder (or Owner) prior to construction.

(2) Any fences or walls installed by the Declarant will not be removed, altered or painted without the Architectural Control Committee's prior written approval.

Section 3. Permitted Uses and Restrictions - Common Area. The permitted uses and restrictions for Common Area shall be as follows:

(a) Permitted Uses. In general, the Common Area shall be used for the benefit of the Owners, for the furnishing of services and facilities for which the same are reasonably intended and for the enjoyment to be derived from such reasonable and proper use, without hindering the exercise of or encroaching upon the right of any other Owner to utilize the Common Area, provided that no lawful use shall be permitted.

(b) Restricted Uses.

(1) The Common Area shall not be used by Owners for storage of supplies, material or personal property of any kind.

(2) In general, no activity shall be carried on nor condition maintained by any Owner upon the Common Area which spoils the appearance of the Property or hinders or encroaches upon the right of any other Owner to utilize the Common Area as reasonably intended.

(c) Maintenance by Association. The Association may, at any time, as to any Common Area conveyed, leased, or transferred to it, or otherwise placed under its jurisdiction, in the discretion of the Board, without any approval of the Owners being required.

(1) Reconstruct, repair, replace or refinish any Improvement or portion thereof upon any such area, (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area) in accordance with (a) the last plans thereof approved by the Board, (b) the original plans for the improvement, (c) if neither of the foregoing is applicable and if such improvement was previously in existence, then in accordance with the original design, finish or standard of construction of such improvement as same existed;

(2) Construct, reconstruct, repair, replace or refinish any road improvement or surface upon any portion of such area used as a road, street, walk, and parking area;

(3) Replace injured and diseased trees or other vegetation in any such area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes:

- 00000
- (4) Place and maintain upon any such area signs, markers and lights as the Board may deem appropriate for the proper identification, use and regulation thereof, subject to the approval of the Architectural Committee;
 - (5) Remove all papers, debris, filth and refuse from the Common Area and wash or sweep paved areas as required; clean and relamp lighting fixtures as needed;
 - (6) Repaint striping, markers, directional signs, etc., as necessary;
 - (7) Pay all real estate taxes and assessments on the Common Area;
 - (8) Pay all electrical, water, gas and other utility charges or fees from services furnished to the Common Area;
 - (9) Damage or Destruction of Common Area by Owners. In the event any Common Area is damaged or destroyed by an Owner or any of his guests, tenants, licensees, or agents, such Owner does hereby authorize the Association to repair said damaged area, and the Association shall so repair said damaged area in a good workmanlike manner in conformance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association, in the discretion of the Association. The amount necessary for such repairs shall, to the extent required under local law, be paid by said Owner, to the Association and the Association may enforce collection of same in the same manner as provided elsewhere in this Declaration for collection and enforcement of assessments.

ARTICLE IX INSURANCE

Section 1. Scope of Coverage. Commencing not later than the time of the first conveyance of a Lot to a person other than the Declarant, the Association shall maintain adequate insurance for liability, including officers and directors liability, committees appointed by the Board, property, and fidelity.

Section 2. Certificates of Insurance. An insurer that has issued an insurance policy under this Article shall issue certificates or a memorandum of insurance to the Association and, upon request, to any Owner, mortgagee or beneficiary under a deed of trust.

Section 3. Repair and Replacement of Damaged or Destroyed Property. Any portion of the Common Area damaged or destroyed shall be repaired or replaced promptly by the Association unless (a) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (b) Owners owning at least eighty percent (80%) of the Lots vote not to rebuild, the cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Association. If the entire Common Area is not repaired or replaced, insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition which is not in violation of any state of local health or safety statute or ordinance and the remainder of the proceeds shall be distributed to the Owners on the basis of an equal share for each Lot.

Section 4. Owner's Responsibility. Each Owner shall be responsible for maintaining insurance on Lot and improvements thereon.

ARTICLE X ANNEXATION OF LAND

Section 1. Annexation Without Approval and Pursuant to General Plan. Additional property may be annexed to Stonecreek and become subject to this Declaration and subject to the jurisdiction of the Association without the approval, assent or vote of the Association or

its Members, provided that a Supplementary Declaration of Covenants, Conditions and Restrictions, as described hereinafter in the Section of this Article entitled "Supplementary Declarations", covering the property sought to be annexed shall be executed and recorded by Declarant or its successors and assigns; provided, however, no Supplementary Declaration shall be so executed and recorded pursuant to this Section more than seven (7) years (i) subsequent to the recordation of this Declaration or (ii) subsequent to the last recordation of a Supplementary Declaration, whichever of (i) or (ii) shall have later occurred. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of said property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter said property shall be part of the Stonecreek and all of the Owners of Lots or parcels in said property shall automatically be Members of the Association.

Section 2. Supplementary Declarations. The annexations authorized under the foregoing section shall be made by recording in the office of the County Recorder of Maricopa County, Arizona, a Supplementary Declaration of Covenants, Conditions and Restrictions, or similar instrument, with respect to the property which shall extend the plan of this Declaration to such property.

Such Supplementary Declarations contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration. In no event, however, shall any such Supplementary Declaration, revoke, modify or add to the covenants established by this Declaration.

ARTICLE XI GENERAL PROVISIONS

Section 1. The Declaration. By acceptance of a deed or by acquiring any ownership interest in any of the real property, included within this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing, thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the real property covered thereby evidences his interest that all the restrictions, conditions, covenants, rules and regulation contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

Section 2. 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 3. Severability. Invalidation of any one of these covenants or restrictions by judgement or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for the term of thirty (30) years from the date this Declaration is recorded, after which time they shall be extended for successive periods of ten (10) years. This declaration may be amended during the first thirty (30) year period by an instrument signed by not less than ninety percent (90%) of the Lot

Owners, and thereafter by an instrument signed by not less than seventy-five (75%) of the Lot Owners. Any amendment must be recorded.

Section 5. Notices provided for in these Restrictions shall be in writing and shall be addressed to the last known address of the Lot Owner in the files of STONECREEK HOMEOWNERS ASSOCIATION. Notices shall be deemed delivered when mailed by United States First Class, Registered or Certified Mail addressed to the Lot Owner at such address or when delivered in person to such Owner.

Section 6. As long as there is a Class B Membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Common Area, and the amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, GENERAL HOMES-ARIZONA, 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 14th day of November, 1986.

GENERAL HOMES-ARIZONA, INC.

BY: Patricia L. Sneed
Patricia L. Sneed

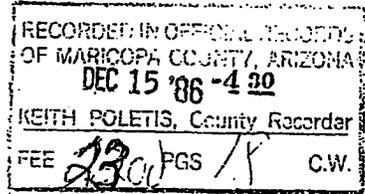
ITS: Vice President

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

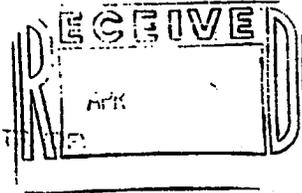
On this _____ day of _____, 1986, before me the undersigned Notary Public personally appeared Patricia L. Sneed who acknowledged herself to be the Vice President of GENERAL HOMES-ARIZONA, INC. and that as such officer, being authorized to do so executed the foregoing instrument for the purpose therein contained by signing the name of the corporation, by herself as such officer.

WITNESS my hand and official seal.

My Commission Expires:



When recorded return to:
General Homes - Arizona, Inc.
1400 E. Southern, Suite #600
Tempe, Arizona 85282
Attn: Alan Marks



FIRST SOUTHWESTERN TITLE

FIRST AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS

87 075162

STONECREEK

This amendment, made on the date hereinafter set forth, by General Homes - Arizona, Inc., a Delaware corporation, hereinafter referred to as "Declarant".

WHEREAS, the Declarant, being the owner of all the following described property situated within the County of Maricopa, State of Arizona, to wit:

Lots 1 through 231, inclusive, and Tracts A through O as it appears in the books and records of the County of Maricopa, Arizona, Book 300 of Maps, Page 41, and

Pursuant to those Declaration of Covenants, Conditions and Restrictions recorded December 15, 1986 in the records of the County of Maricopa, Arizona in Document No. 86 692202

Declarant hereby desires to amend Page 1, Paragraph 4 which reads as follows:

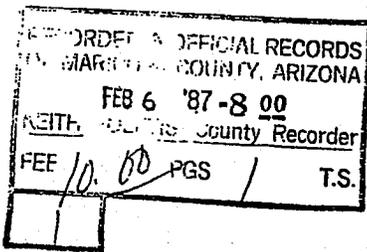
WHEREAS, Declarant has the right to develop those portions of STONECREEK, Tracts S & P of the recorded plat, Stonecreek, as it appears in the books and records of Maricopa County, Arizona, Book 300 of Maps, Page 41 (hereinafter referred to as the "Additional Property"); and

To be amended as follows:

WHEREAS, Declarant has the right to develop those portions of STONECREEK, Tracts P, Q, R & S of the recorded plat, Stonecreek, as it appears in the books and records of Maricopa County, Arizona, Book 300 of Maps, Page 41 (hereinafter referred to as the "Additional Property"); and

This Amendment will not alter any other provision of said recorded Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, General Homes - Arizona, Inc., a Delaware corporation, as Declarant, has caused its corporation name to be signed by the undersigned officer thereunto duly authorized this 30th day of January, 1987.



GENERAL HOMES - ARIZONA, INC.
a Delaware corporation

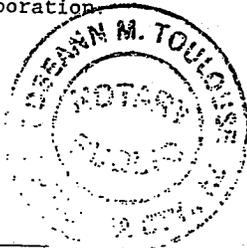
By Patricia L. Sneed
Patricia L. Sneed
Its Vice President

STATE OF ARIZONA

ss:

COUNTY OF MARICOPA

The foregoing document was acknowledged before me this 30th day of January 1987, by PATRICIA L. SNEED, Vice President of GENERAL HOMES - ARIZONA, INC., for and on behalf of said corporation.



Roseann M. Toulouze
Notary Public

My commission expires:

7-9-88