

When recorded return to:

Clare H. Abel
Burch & Cracchiolo, P.A.
P. O. Box 16882
Phoenix, Arizona 85011

FIRST AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS
FOR
NORTHERN OAK COMMERCE PARK

TABLE OF CONTENTS

ARTICLE I. 2

DEFINITIONS 2

ARTICLE II.

PROPERTY SUBJECT TO NORTHERN OAK DECLARATION 6

 2.1 General Declaration Creating Northern Oak 6

 2.2 Association Bound. 6

ARTICLE III.

EASEMENTS; DEVELOPMENT RIGHTS AND RIGHTS OF ENJOYMENT IN COMMON AREAS
..... 6

 3.1 Easements of Enjoyment. 6

 3.2 Delegation of Use. 7

 3.3 Rights of Ingress and Egress. Unofficial Document 7

 3.4 Easements for Unintended Encroachments. 7

 3.5 Common Landscaping Easements. 8

ARTICLE IV.

USE RESTRICTIONS 8

 4.1 Covenants Applicable to Lots, Parcels and Other Areas. 8

 4.1.1 Improvements and Alterations. 8

 4.1.2 Temporary Occupancy and Temporary Buildings. 8

 4.1.3 Common Landscaping Easement; Installation and Maintenance of Common
Landscaping 8

 4.1.4 Maintenance of Other Landscaping, Sidewalks and Drive. 9

 4.1.5 Nuisances; Construction Activities. 9

 4.1.6 Diseases and Insects. 9

4.1.7 Repair of Building 9

4.1.8 Exterior Accessories 10

4.1.9 Mineral Exploration 10

4.1.10 Trash Containers and Collection 10

4.1.11 Outdoor Storage 11

4.1.12 Signs 11

4.1.13 Restriction on Further Subdivision, Property Restrictions and Rezoning 11

4.1.14 Utility Easements 11

4.1.15 Utility Service 11

4.1.16 Party Structures 12

4.1.17 Perimeter Walls 13

4.1.18 Overhead Encroachments 13

4.1.19 Parking 13

4.1.20 Towing of Vehicles 13

4.1.21 Roofs 13

4.1.22 Drainage 13

4.1.23 Right of Entry 14

4.1.24 Co-Declarants' Exemption 14

4.1.25 Health, Safety and Welfare 14

4.1.26 Tenants; Leases 14

4.1.27 Permitted Uses 15

4.2 Proximity to Property Not Included in Northern Oak 15

4.4 Variances 16

ARTICLE V.

ORGANIZATION OF ASSOCIATION 16

5.1 Formation of Association 16

5.2 Board of Directors and Officers 16

5.3 The Northern Oak Rules and Architectural Guidelines 17

5.4 Subsidiary Associations 17

5.5 View Impairment 17

5.6 Personal Liability 17

ARTICLE VI.

MEMBERSHIPS AND VOTING 18

6.1 Owners of Lots and Parcels 18

6.2 Right to Vote 19

6.3 Membership Rights 19

6.4 Transfer of Membership; Transfer Fee 19

ARTICLE VII.

Unofficial Document

COVENANT FOR ASSESSMENTS AND CREATION OF LIEN 19

7.1 Creation of Lien and Personal Obligation for Assessments and Maintenance Charges 19

7.2 Common Operation and Maintenance; Common Expenses 20

7.2.1 Common Maintenance 20

(1) Signals and Markers 20

(2) Walls 20

(3) Landscaped Areas 20

(4) Utilities 20

(5) Business Park Pylon Signs 20

(6) Governmental Requirements 20

7.2.2 Expenses Incurred 21

7.2.3 Common Area Expenses 21

7.2.4	<u>Payment of Common Expenses</u>	21
7.2.5	<u>Covenant to Pay; Liens for Common Expenses</u>	22
7.3	<u>Special Assessments for Capital Improvements and Extraordinary Expenses</u>	22
7.4	<u>Rate of Assessment.</u>	22
7.5	<u>Designation of Managing Agent.</u>	22
7.6	<u>Standard of Care.</u>	23
7.7	<u>Assessment of Certain Maintenance Costs.</u>	23
7.8	<u>Improper Maintenance and Use of Lots.</u>	23
7.9	<u>Easement for Maintenance Responsibilities.</u>	23
 ARTICLE VIII.		
	<u>ENFORCEMENT OF PAYMENT OF ASSESSMENTS AND ASSESSMENT LIEN</u>	23
8.1	<u>Association as Enforcing Body.</u>	23
8.2	<u>Association's Remedies to Enforce Payment of Assessments.</u>	23
8.3	<u>Subordination of Assessment Lien.</u>	24
 ARTICLE IX.		
	<u>USE OF FUNDS; BORROWING POWER</u>	24
9.1	<u>Purposes for Which Association's Funds May Be Used.</u>	24
9.2	<u>Borrowing Power.</u>	25
9.3	<u>Association's Rights in Spending Funds From Year to Year.</u>	25
9.4	<u>Eminent Domain.</u>	25
9.5	<u>Reserve Fund.</u>	25
9.6	<u>Insurance.</u>	25
9.6.1	<u>Authority to Purchase.</u>	25
9.6.2	<u>Individual Responsibility.</u>	25
9.6.3	<u>Insurance Claims.</u>	26

9.7 Fidelity Bonds 26

ARTICLE X.

MAINTENANCE 26

10.1 Common Areas and Additional Maintenance Areas. 26

10.1.1 Areas of Association Responsibility. 26

10.1.2 Standard of Care. 27

10.1.3 Delegation of Responsibilities. 27

10.2 Assessment of Certain Maintenance Costs. 27

10.3 Improper Maintenance and Use of Lots and Parcels. 27

10.4 Easement for Maintenance Responsibilities. 28

ARTICLE XI.

ARCHITECTURAL REVIEW 28

11.1 Establishment. 28
Unofficial Document

11.2 Guidelines. 28

11.3 Discretion of the Board or the ARC. 29

11.4 Response Within Forty-five (45) Days. 29

11.5 Board's Certificate. 30

11.6 Fee. 30

11.7 Compliance Deposit. 30

ARTICLE XII.

RIGHTS AND POWERS OF ASSOCIATION 31

12.1 Association's Rights and Powers As Set Forth in Articles and Bylaws. 31

12.2 Enforcement of Provisions of This and Other Instruments. 31

12.3 Contracts with Others for Performance of Association's Duties. 31

12.4 Procedure for Change of Use of Common Area. 32

12.5 Procedure for Alteration of Common Area; Contracts Concerning the Common Area. 32

ARTICLE XIII.

TERM; AMENDMENTS; TERMINATIONS 32

13.1 Term; Method of Termination. 32

13.2 Amendments. 32

13.3 Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. 33

ARTICLE XIV.

ANNEXATION OF ADDITIONAL PROPERTY; WITHDRAWAL 33

14.1 Right of Annexation 33

14.2 Declarations of Annexation 34

14.3 Annexable Property 34

14.4 Withdrawal 34

Unofficial Document

ARTICLE XV.

DISPUTE RESOLUTION 34

15.1 Agreement to Resolve Certain Disputes Without Litigation. 34

15.2 Notice of Claim 34

15.3 Mediation. 35

15.4 Binding Arbitration 35

15.6 Use of Funds 37

15.7 Approval of Litigation 37

ARTICLE XVI.

MISCELLANEOUS 38

16.1 Interpretation of the Covenants. 38

16.2 Severability. 38

16.3 Change of Circumstances. 38

16.4 Rules and Regulations. 38

16.5 Declarant's Disclaimer of Representations. 38

16.6 No Warranty of Enforceability. 39

16.7 References to the Covenants in Deeds. 39

16.8 Gender and Number. 39

16.9 Captions and Titles. 39

16.10 Notices. 39

16.11 Litigation. 39

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**FIRST AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS
RESTRICTIONS AND EASEMENTS
FOR
NORTHERN OAK COMMERCE PARK**

THIS FIRST AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR NORTHERN OAK COMMERCE PARK (hereinafter "Declaration") is dated _____, 200__, and is made by Northern Oak Commerce Park, L.L.C., an Arizona limited liability company, Northern Oak Lot 1, L.L.C., an Arizona limited liability company, and Sage Brush Investors, L.L.C., an Arizona limited liability company, (hereinafter collectively "Co-Declarants").

R E C I T A L S :

A. WHEREAS, Co-Declarants executed and caused to be recorded the Declaration of Covenants, Conditions and Restrictions for Northern Oak Commerce Park recorded on June 19, 2007 recorded at Instrument No. 2007-0703423, Official Records of Maricopa County, Arizona (the "Original Declaration") to provide for the joint ownership management maintenance, repair and replacement of certain common and shared amenities and to provide for the orderly development of the real property known as Northern Oak Commerce Park; and

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B. WHEREAS, Co-Declarants, as the owners of all of the real property described herein below as Northern Oak Commerce Park jointly desire and intend to amend and restate the Original Declaration in its entirety and to have this Declaration supercede and replace the Original Declaration as of the date of recording hereof;

C. WHEREAS, upon the recording of this Declaration, Co-Declarants hereby submit the Property described herein, including all improvements thereon, and all easements, rights and appurtenances belonging thereto, all of which hereafter may be referred to as the "Property," to the Declaration and Co-Declarants hereby further declare that all of such Property shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are declared to be in furtherance of the plan for the improvement, development and sale of said Property, and are established for the purpose of enhancing and perfecting the value and desirability of said Property, and every part thereof. No property other than that brought within the Property by the Declaration is deemed subject to the Declaration unless and until specifically made subject thereto as provided in the Declaration.

NOW THEREFORE, Co-Declarants hereby jointly declare, covenant and agree as follows Co-Declarants, as the owners of all of the real property legally described hereinbelow desires and intendsto submit that certain real property (the Property"), to the covenants, conditions, restrictions and easements herein, including the Lots, Parcel and Tracts described as:

Lots 1 through 11, inclusive of Northern Oak Commerce Park, according to the Plat recorded in Book 961 of Maps, Page 50, thereof, and at Instrument No. 2007-1312319, Official Records of Maricopa County, Arizona; (the "Plat"); collectively referred to as the "Property."

ARTICLE I.

DEFINITIONS

1.1 General Definitions. Capitalized terms not otherwise defined in this Declaration shall have the meanings specified for such terms in the Arizona Planned Communities Act § 33-1801, et seq.

1.2 "Additional Maintenance Areas" shall mean those portions of a Lot, Parcel or public right-of-way or areas owned by other governmental entities which are located within Northern Oak and which are maintained by the Association.

1.3 "Annual Assessment" shall mean the charge levied and assessed each year against each Lot, Parcel and Owner pursuant to Section 7.2 hereof.

1.4 "Architectural Guidelines" shall be established by the Board of Directors and shall include design standards for the appearance, development, and in some cases, use of property in Northern Oak, as well as the review and approval procedures for the alteration of Improvements.

1.5 "Articles" shall mean the Articles of Incorporation of the Association as amended from time to time.

1.6 "Assessment" or "Assessments" shall mean an Annual Assessment, Special Assessment, Maintenance Charge, Special Use Fee, or any other fees, fines or charges assessed hereunder.

1.7 "Assessment Lien" shall mean the lien created and imposed by Article VIII.

1.8 "Assessment Period" shall mean the term set forth in Section 7.7.

1.9 "Association" shall mean the Arizona nonprofit corporation to be organized by Co-Declarant to administer and enforce the Covenants and to exercise the rights, powers and duties set forth in this Declaration, and its successors and assigns. Co-Declarants intend to name the Association the "Northern Oak Commerce Park Owners Association" or the Co-Declarants may name the Association or register a "doing business as" designation for the Association of Northern Oak Commerce Park Owners Association.

1.10 "Association Land" shall mean all land, together with the Improvements located thereon, which the Association at any time owns in fee or in which the Association has a leasehold interest, easement or license for as long as the Association is the owner of the fee or holds such leasehold interest, easement or license.

1.11 "Board" or "Board of Directors" shall mean the body responsible for the Association's general governance and administration, selected as provided in the Bylaws.

1.12 "Bylaws" shall mean the Bylaws of the Association as amended from time to time.

1.13 “Capital Assets” shall mean those items owned, repaired, or maintained by the Association which individually have a life expectancy of three (3) years or greater and exceed \$1,000 or greater in value. Items of a like structure which are less than \$1,000 in value on an individual basis but exceed \$1,000 when all such like items are multiplied by the single value of one like item, shall be considered a Capital Asset. (For illustration purposes only: Ten exterior bollard lights valued at \$175 each with an expected life of 5 years would be a Capital Asset; \$175 x 10 = \$1,750 in value and exceeds a 3 year life.)

1.14 “Capital Expenses” shall mean those expenses that are necessary to purchase or replace a Capital Asset with a useful life of more than one year or to extend the useful life of an asset more than one year.

1.15 “Capital Reserves,” “Capital Reserve Fund” or “Reserves” shall mean those funds that are set aside by the Association to pay for the repair or replacement of community assets, whether or not they are Capital Assets, for which the Association is responsible.

1.16 “Capital Reserve Contribution” shall mean that portion of the Annual Assessment that is assessed against Lots and Parcels to fund Capital Expenses.

1.17 “Common Area” and “Common Areas” shall mean (i) such Tracts as are identified on the recorded Plat(s) that are transferred to the Association and are dedicated for the common use and enjoyment of Owners within the Property and such additional Tracts as are brought within the Covered Property pursuant to a declaration of annexation; (ii) all land or right-of-way easements within Northern Oak which are dedicated to the public or to the City of Glendale, but which the City of Glendale or other governmental agency requires the Association to maintain; (iii) ^{Unofficial Document} areas on a Lot or Parcel within easements granted to the Association or its Members for the location, construction, maintenance, repair and replacement of a wall, which easement may be granted or created on a recorded subdivision plat or by a deed or other conveyance accepted by the Association; (iv) any real property that is owned by the Owner of a Lot or Parcel, but is encumbered by the Common Landscaping Easement as hereinafter described; and (v) any other areas with respect to which the Association has assumed in a recorded document or instrument administrative or maintenance responsibilities, whether or not such areas are located on a Lot or Parcel. Notwithstanding any reference on the recorded final plat concerning the name of the Association to which the Common Areas are dedicated, the Association as identified herein shall have all ownership rights and management and responsibilities for the Common Areas tracts as herein described. In no event shall the Common Areas include any Lot or Parcel the Association acquires by foreclosure of an Assessment Lien or any deed in lieu of foreclosure.

1.18 “Common Landscaping Easement” shall mean the 25-foot area on every Lot or Parcel that is adjacent to the public street within Northern Oak.

1.19 “Comprehensive Sign Program” shall mean those standards and guidelines prepared for and adopted by the Co-Declarants for the Property and may include standards for size, design, materials, illumination, placement and overall quality of any size which sign identifies a business located on a Parcel or Lot, but not including address numbers. The Comprehensive Sign Program may be revised by the Co-Declarants or any Successor Declarant subject to the approval of the City. A copy of the Comprehensive Sign Program in effect for the Property shall be made available to any Owner of a Parcel or Lot on request by any Owner, subject to payment of copying or other reproduction charges incurred by the Co-Declarants in providing that document to the Lot or Parcel Owner.

- 1.20 "Covenants" shall mean the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements set forth herein.
- 1.21 "Covered Property" or "Property" shall mean that real property described herein above and such other property as may be brought within this Declaration pursuant to Article XIV hereof.
- 1.22 "Declarant" or "Co-Declarants" shall mean Northern Oak Commerce Park, L.L.C. an Arizona limited liability company, Northern Oak Lot 1, L.L.C., an Arizona limited liability company and Sage Brush Investors, L.L.C., an Arizona limited liability company and their respective successors and assigns of the Declarant's rights and powers hereunder. The terms "Declarant" and "Co-Declarant" may be used interchangeably and shall have the same meaning regardless of the term used. Any assignment of all or any portion of the Declarant's rights and powers shall be made by a recorded instrument executed by the assignor Co-Declarant.
- 1.23 "Declaration" shall mean this Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Northern Oak, A Commerce Park (including Lots, Parcels and Common Areas or portions of Common Areas within Northern Oak), as amended or supplemented from time to time.
- 1.24 "Development Plan" shall mean the Development Plan for Northern Oak, as approved by and on file with the City of Glendale, as the same may be amended from time to time, a copy of which shall be on file at all times in the office of the Association and the Co-Declarant.
- 1.25 "Exempt Property" means (a) all land and improvements owned by or dedicated to and accepted by the United States, the State of Arizona, or any department or political subdivision for as long as said dedication remains effective; and (b) all Common Area of any Subsidiary Association.
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- 1.26 "Improvement" or "Improvements" shall mean all buildings, roads, driveways, channels, basins, parking areas, fences, walls, rocks, hedges, plantings, trees structures and all other structures facilities, or landscaping improvements of any kind.
- 1.27 "Initial Capital Reserve Fee" shall mean that fee assessed and collected pursuant to Section 7.13 herein below.
- 1.28 "Invitee" shall mean any person whose presence within the Property is approved by or at the request of a particular Lot or Parcel Owner, Lessee or Occupant, including without limitation, family members, guests, employees or contractors.
- 1.29 "Lessee" means any person or entity who is the tenant or lessee of a Lot or Parcel pursuant to a written lease.
- 1.30 "Lot" shall mean any area of real property within Northern Oak designated as a Lot on any recorded subdivision plat.
- 1.31 "Maintenance Charges" shall mean any and all costs assessed pursuant to Sections 10.2 and 10.3.
- 1.32 "Member" shall mean any person holding a Membership in the Association pursuant to this Declaration.

1.33 "Membership" shall mean a Membership in the Association and the rights granted to the Owners and Co-Declarants pursuant to Article VI to participate in the Association.

1.34 "Northern Oak" shall mean the real property that is subject to this Declaration and the development to be completed thereon, together with any real property hereafter annexed pursuant to the provisions of this Declaration. Northern Oak may also be referred to as the Property, or the Project and the names shall for all purposes mean and refer to the same real property.

1.35 "Northern Oak Rules" shall mean the rules for Northern Oak adopted by the Board pursuant to Section 5.3.

1.36 "Owner" (when so capitalized) shall mean the record holder of legal, beneficial or equitable title to the fee simple interest of any Lot or Parcel, including, without limitation, one who is buying a Lot under a recorded contract, but excluding others who hold such title merely as security. Owner shall not include a lessee or tenant of a Lot. In the case of Lots and Parcels, the fee simple title to which is vested of record in a trustee pursuant to Arizona Revised Statutes, Section 33-801, et seq., legal title shall be deemed to be in the Trustor. In the case of Lots and Parcels, the fee simple title to which is vested in a trustee pursuant to a trust agreement in the beneficiary of any such trust entitled to possession shall be deemed to be the Owner. An Owner shall include any person who holds record title to a Lot or Parcel in joint ownership with any other person or holds an undivided fee interest in any Lot or Parcel.

1.37 "Parcel" shall mean that portion of a Lot within the Property (and the Improvements that are attached or that may become attached to the Property) that is divided by legal division or lot split and its metes and bounds legal description.

1.38 "Party Structures" shall mean each wall, fence, driveway or similar structure built on a Lot or Parcel which serves to and/or separates any two adjoining Lots, Parcels or a Lot or Parcel and Common Area shall constitute a Party Structure.

1.39 "Period of Declarant Control" shall mean that period during which Class B Memberships exists in accordance with Section 6.1 hereinbelow.

1.40 "Plant List" shall mean that schedule of landscape plants permitted in Northern Oak Commerce Park, as the same may be amended from time to time. A copy of the Plant List shall be made available to any Lot or Parcel Owner upon written request to the Co-Declarants and upon payment of any copying or reproduction costs incurred by the Co-Declarants.

1.41 "Property" shall mean all of the real property that is legally described hereinabove hereto and that real property that is included in the subdivision plat for Northern Oaks as the same may be modified from time to time.

1.42 "Reserve Analysis" shall mean a review and study that considers the total cash on hand anticipated for the Capital Reserves by fiscal year end and the anticipated Capital Reserve expenditures for the next fiscal year or years.

1.43 "Special Assessment" shall mean any assessment levied and assessed pursuant Section 7.4.

1.44 "Visible From Neighboring Property" shall mean, with respect to any given object, that such object, or any portion thereof, is or would be visible to a person six (6) feet tall standing on any portion of the adjoining Lot or Parcel or adjoining Common Area, on the same plane as the object being viewed.

ARTICLE II.

PROPERTY SUBJECT TO NORTHERN OAK DECLARATION

2.1 General Declaration Creating Northern Oak. Co-Declarants hereby declares that all of Northern Oak (except any property which is hereafter excluded or abandoned pursuant to the provisions of this Declaration) 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. Co-Declarants intend to develop Northern Oak by subdivision into various Lots and Parcels in other areas and to sell and convey such Lots. This Declaration and all subsequent amendments thereto are declared and agreed to be in furtherance of a general plan for the subdivision, development, improvement and sale of Northern Oak and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of Northern Oak and every part thereof. All of this Declaration and applicable amendments thereto shall run with the land for all purposes and shall be binding upon and inure to the benefit of Co-Declarants, the Association, and all Owners and their successors in interest. This Declaration shall not be construed to prevent the Co-Declarant from dedicating or conveying portions of Northern Oak, including streets or roadways, for uses other than as a Lot, Parcel or Common Area, subject to the provisions of Section 3.1.

2.2 Association Bound. Upon approval by the Arizona Corporation Commission of Articles of Incorporation of the Association, the Covenants shall be binding upon and shall benefit the Association.

ARTICLE III.

EASEMENTS; DEVELOPMENT RIGHTS AND RIGHTS OF ENJOYMENT IN COMMON AREAS

3.1 Easements of Enjoyment. Every Owner shall have a nonexclusive easement for the use and enjoyment in and to the Common Areas, which nonexclusive easement shall be appurtenant to and shall pass with the title to every Lot and Parcel. All Tenants, other than Owners, shall have a nonexclusive, nontransferable temporary easement to use and enjoy the Common Areas so long as they remain Lessees. The foregoing grant and rights are subject, among other things, to the following limitations:

- (1) The right of the Association to charge reasonable admission and other Special Use Fees for the use of any facility situated upon the Common Areas.
- (2) The right of the Association to suspend the voting rights, right to use Common Area facilities, and run for Board position by any Member (i) for any period during which any Assessment against his Lot or Parcel remains delinquent; (ii) for a period not to exceed sixty (60) days for any infraction of this Declaration, the Northern Oak Rules or applicable Architectural Guidelines; and (iii) for successive sixty (60) day periods if any such infraction is not corrected during any preceding sixty (60) day suspension period.
- (3) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association. Unless otherwise required by

zoning stipulations or agreements with the City of Glendale prior to the date hereof or unless specified hereafter on a recorded subdivision plat or declaration of annexation, no such dedication or transfer shall be effective unless an instrument signed by the Owners of two-thirds (2/3) of the Memberships in each class of Members agreeing to such dedication or transfer has been recorded, except that the Board shall have authority without Membership approval to transfer to such public agencies, authorities or utilities, easements and rights-of-way which are intended to benefit Northern Oak.

- (4) The right of the Association to regulate the use of the Common Areas through the Northern Oak Rules and to prohibit access to those Common Areas, such as landscaped areas, not intended for use by the Owners or Lessees.
- (5) The right of the Association to change the use of Common Areas and to change the size, shape or location of the Common Areas as provided in Sections 12.4 and 12.5.

3.2 Delegation of Use. Any Owner may, in accordance with this Declaration, the Northern Oak Rules and the limitations therein contained, delegate his right of enjoyment in the Common Areas and facilities to the members of his family, his tenants or lessees, his guests or invitees or to his tenant's family, guests or invitees.

3.3 Rights of Ingress and Egress. Every Owner shall have an unrestricted right of ingress and egress to his Lot(s) or Parcel, which right shall be perpetual and shall be appurtenant to and shall pass with the title to said Lot(s) or Parcel(s) over the following areas:

- (1) for pedestrian traffic over, through ^{Unofficial Document} and across sidewalks, paths, walks and lanes that from time to time may exist upon the Common Areas; and
- (2) for pedestrian and vehicular traffic over, through and across the Common Area streets and roadways, if any, which are designated and paved for such purpose.

Any Owner may, in accordance with this Declaration and the Northern Oak Rules, delegate his right of ingress and egress to his employees, contractor, Lessees, Invitees, the members of his family, his guests, and his tenants (including his tenant's invitees and guests).

3.4 Easements for Unintended Encroachments. Each Lot, Parcel, the Common Areas, and all other areas in Northern Oak shall be subject to an easement of not more than eighteen (18) inches for encroachments of walls, ledges, roofs and other structures created by construction, reconstruction, shifting, settling or movement of any improvements or alteration or restoration authorized by this Declaration as originally designed and constructed by the Co-Declarants. If any such improvement on the Common Areas encroaches upon any Lot, Parcel or other area, or if any such improvement on any Lot, Parcel or other area encroaches upon any portion of the Common Areas, or if any such improvement on any Lot, Parcel or other area encroaches upon another Lot, Parcel or other area, a valid easement for said encroachments and for the maintenance thereof shall exist. In the event any structure on any Lot, Parcel, Common Area or other area is repaired, altered or reconstructed in accordance with the original plans and specifications, similar encroachments shall be permitted and a valid easement for said encroachments and for the maintenance thereof shall exist.

3.5 Common Landscaping Easements. Each Lot and Parcel shall be subject to an easement of not more than twenty-five (25) feet within the front, side or rear yard of the Lot or Parcel which is adjacent to and is visible from the public street. The Common Landscaping Easement shall be appurtenant to and shall pass with the title to every Lot and Parcel and shall include the right of the Association to enter upon the Common Landscaping Easement for the purpose of maintaining, repairing and replacing any and all plant material, decorative screen wall, hardscape, irrigation facilities and related materials and equipment in accordance with the standards and specifications set by the Co-Declarants.

ARTICLE IV.

USE RESTRICTIONS

4.1 Covenants Applicable to Lots, Parcels and Other Areas. Except as otherwise expressly provided herein, the following Covenants and rights shall apply to all Lots, Parcels and other areas in Northern Oak, and the Owners and tenants thereof:

4.1.1 Improvements and Alterations. Except as otherwise expressly provided in this Declaration, the Architectural Guidelines or any applicable Declaration of Annexation which has been approved by the Co-Declarants, (i) no improvements (whether temporary or permanent), alterations, repairs, excavation, grading, lighting, landscaping or other work which in any way alters the exterior appearance of any property within Northern Oak or improvements thereon from its natural or improved state existing on the date this Declaration is recorded shall be made or done, and (ii) no building, fence, exterior wall or other structure shall be commenced, erected, maintained, improved, altered or made without the prior written approval of the Board of Directors. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, including exterior ^{Unofficial Document} color scheme, and all changes in the grade, lighting or landscaping of any area in Northern Oak, shall be subject to the prior written approval of the Board. No changes or deviations in or from the plans and specifications once approved by the Board shall be made without the prior written approval of the Board. Once construction of an improvement has been commenced on the Property, Owner shall diligently pursue completion of such improvement in accordance with approved plans and the construction schedule approved by the Board. Failure to timely complete construction is a violation of this Declaration and shall subject an Owner to fines or other enforcement action as determined by the Board. The Co-Declarants shall be exempt from the requirements of this Subsection and therefore all improvements, alterations, repairs, excavation, grading, lighting, landscaping or other work performed, constructed or installed by the Co-Declarant shall be deemed approved by the Board.

4.1.2 Temporary Occupancy and Temporary Buildings. No trailer, incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for business operations or as a residence, either temporary or permanent. Temporary buildings or structures may be used on any property for construction, repair or sales purposes, with the prior written approval of the Board and for the time period approved by the Board.

4.1.3 Common Landscaping Easement; Installation and Maintenance of Common Landscaping. In order to provide an attractive and consistent streetscape within Northern Oak, a 25- foot landscape easement adjacent to the public street within Northern Oak. Prior to the earlier of: (i) eighteen months following close of escrow on the sale of the Lot or Parcel by Co-Declarants to the Owner; or (ii) taking possession and occupancy of his Lot or Parcel, every Owner shall install the front yard landscaping within the Common Landscaping Easement including such plant material, decorative screen wall, hardscape, irrigation facilities, lighting and related materials and equipment in accordance with the standards and specifications set by the Co-Declarants. Upon completion, the Association shall maintain, repair and replace

all facilities located within the Common Landscaping Easement and shall include the cost of such maintenance, repair and replacement in the Annual Assessment. Any damage to the Common Landscaping Easement and facilities therein, that is caused by the Owner of a Lot or Parcel or any successors, assigns, employees, tenants, contractors, guests or business invitees of the Owner, shall be borne by the Owner of the Lot or Parcel as a Remedial Assessment.

4.1.4 Maintenance of Other Landscaping, Sidewalks and Drive. Unless otherwise provided in a recorded instrument approved by Co-Declarants or the Association, each Owner shall be responsible for the proper maintenance of all landscaping in the following locations: (i) his Lot or Parcel; (ii) public right-of-way areas between sidewalks (or bike paths or trails) and the street curb on the front or side of his Lot or Parcel; (iii) the public areas between a sidewalk and the Lot or Parcel boundary; (iv) portions of Common Area adjacent to the Owner's Lot or Parcel and which lie on the Lot's or Parcel's side of a wall erected on the Common Area; and (v) other public or easement areas adjacent to his Lot or Parcel. However, in the event the maintenance of the above areas is the responsibility of the Association, a utility, or a governmental or similar authority, then the Owners shall be responsible for such maintenance only for so long as such other entities are not performing such maintenance. As used herein maintenance shall include, but not be limited to, keeping the areas neatly trimmed, cultivated and free from trash, weeds and unsightly material. Each Owner will be required to comply with Architectural Guidelines for landscaping and the approved plant palette established by the Board, including, but not limited to, specific plant selections and the timing of landscape installation. Each Owner shall also maintain in good condition and repair all paved and concrete areas, including driveways, roadways, sidewalks and parking areas, located on his Lot or Parcel.

4.1.5 Nuisances; Construction Activities. No weeds, dead trees or plants, rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot, Parcel or other area in Northern Oak, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such other property. No other nuisance shall be permitted to exist or operate upon any Lot, Parcel or other area in Northern Oak. The Board shall have the exclusive right to determine the existence of any nuisance. Without limiting the generality of any of the foregoing provisions and except as otherwise permitted herein, no exterior speakers, horns, whistles, firecrackers, bells, video screens or other sound or visual devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such property. Normal construction activities and parking in connection with the building of improvements in Northern Oak shall not be considered a nuisance or otherwise prohibited by this Declaration, but Lots and Parcels shall be kept in a neat and tidy condition during construction periods, trash and debris shall not be permitted to accumulate, and supplies of brick, block, lumber and other building materials will be piled only in such areas as may be approved by the Board. An Owner shall be responsible for and shall promptly perform all on-site and construction cleanup occasioned by his contractors or subcontractors. In addition, any construction equipment and building materials stored or kept on any Lot or Parcel during construction of improvements may be kept only in areas approved by the Board, which may also require screening of the storage areas. It is acknowledged that normal construction activities may be noisy and may require the use of exterior speakers.

4.1.6 Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot, Parcel or other area which may induce, breed or harbor diseases or insects.

4.1.7 Repair of Building. No building or structure on any area in Northern Oak shall be permitted to fall into disrepair and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any building or structure is damaged or destroyed, then, subject to the approvals required by Subsection 4.1.1 above, such building or structure

shall be promptly repaired, rebuilt or demolished. In the event an Owner fails to comply with this provision, the Board may give notice to the offending Owner, and may then proceed to repair the building or improvement and charge the Owner therefore as permitted in Section 10.3.

4.1.8 Exterior Accessories. No antenna, satellite receiving station or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any Common Area. The location of an antenna or other device for the transmission or reception of television or radio signals or any form of electromagnetic radiation, including without limitation, satellite or microwave dishes within a Lot or Parcel, shall be governed by Section 207 of the Telecommunications Act of 1996, as the same may be amended from time to time, provided however, that in all instances, the placement of such devices shall be made in the least visible and conspicuous manner possible without interfering with the viewer's ability to receive signals, and as approved by the Board. No antenna or satellite shall be installed so as to be Visible from Neighboring Property, unless approved in writing by the Board

4.1.9 Mineral Exploration. No area in Northern Oak shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind, except for grading and excavation work and the removal of fill material including but without limitation, gravel, rock and sand, in connection with the construction of buildings, structures or other Improvements which have been approved in writing by the Board.

4.1.10 Trash Containers and Collection. All trash, rubbish and garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. Each Owner or occupant shall be responsible for placing trash, (excluding Prohibited Waste described below) in the dumpsters or other equipment provided by the individual Owners at their own costs and expense and to arrange for the removal thereof. Notwithstanding the foregoing, no Owner or Occupant shall maintain on any Lot or Parcel or place any of the following ("Prohibited Waste") in any dumpster, compactor and/or other trash storage or removal equipment:

(a) Construction, reconstruction, remodeling, redecorating or similar trash, garbage or materials, or furniture or other large items as specified by the Association. The Owner of the Lot or Parcel where any such items originate shall be responsible for removing directly from the Lot or Parcel at its sole cost, (and the same may not be stored or placed on any Common Areas.

(b) Medical wastes, hazardous, explosive, toxic, infectious, biomedical, radioactive, or similar materials or waste and the Owner of the Lot or Parcel where such materials or wastes originate shall be responsible for removing directly from the Lot or Parcel at its sole cost, in accordance with applicable laws, codes, regulations and safety requirements (and the same may not be stored on any part of the Common Area). Each Owner using or producing the restricted materials or wastes shall engage a daily removal service reasonably approved by the Association. For purposes of this provision "medical wastes" means used hypodermic needles and syringes and other "sharps;" human and animal tissue, body parts, blood wastes and used gloves, used masks and similar items.

(c) Explosive or combustible materials;

(d) Trash, garbage or waste brought onto the Property, or any Lot or Parcel therein, from elsewhere.

All rubbish, trash and garbage shall be removed from the Lots, Parcels and other areas in Northern Oak and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained in Northern Oak.

4.1.11 Outdoor Storage. Except as permitted under the City of Glendale M-1 Zoning Ordinance, no outside storage of equipment, supplies, merchandise or parts shall be permitted within in Northern Oak unless all items stored are not Visible From Neighboring Property.

4.1.12 Signs. A comprehensive sign program has been or will be adopted for the Property. No signs whatsoever (including, but not limited to, commercial, political and similar signs) which are Visible From Neighboring Property shall be erected or maintained in Northern Oak other than those which have been approved by the Board and by the City of Glendale pursuant to the comprehensive sign program for the Property. All signs shall be subject to the Comprehensive Sign Program adopted for Northern Oak, as amended by the city.

4.1.13 Restriction on Further Subdivision, Property Restrictions and Rezoning. No Lot or Parcel shall be further subdivided or separated into smaller Lots or Parcels by any Owner, and no portion less than all of any such Lot or Parcel, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Co-Declarants or, after the Period of Declarant Control, the Board. All leases shall be in writing with a copy of the lease provided to the Association. No leases of a Lot or Parcel shall be for a period of less than thirty (30) days. This provision shall not in any way limit Co-Declarants from subdividing or separating into Lots any property at any time owned by Co-Declarant. No subdivision plat, declaration of annexation or further covenants, conditions, restrictions or easements shall be recorded by any Owner or other person against any property in Northern Oak unless the provisions thereof have first been approved in writing by the Co-Declarant or the Architectural Review Committee and any plan, other covenants, conditions, restrictions or easements recorded without such approval being evidenced thereon shall be null and void. No application for rezoning of any Lot or Parcel, and no applications for variances or use permits shall be filed with any governmental authority unless the proposed use of the property has been approved by the Co-Declarants or, after the Period of Declarant Control, the Board, and the proposed use otherwise complies with this Declaration and the general plan of development for Northern Oak.

4.1.14 Utility Easements. There is hereby created a blanket easement upon, across, over and under the Lots, Parcels and Common Area within Northern Oak for ingress to, egress from, and the installation, replacing, repairing and maintaining of, all utility and service lines and systems, including, but not limited to, water, sewers, gas, telephones, electricity, television cable or communication lines and other systems as such utilities are installed in connection with the initial development of Northern Oak. Pursuant to this easement, a providing utility or service company may install or maintain facilities or equipment on the Property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of buildings on the property. Notwithstanding the foregoing, Co-Declarants shall have the right to require that a providing utility or service company enter into specific easement agreements, on terms and conditions satisfactory to Co-Declarant whereby this blanket easement is superceded with respect to the utility or service company in question, and a specific, designated easement area is established pursuant to the easement agreement. Notwithstanding anything to the contrary contained in this Subsection, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on any area in Northern Oak except as initially programmed and approved by the Co-Declarants or the Architectural Review Committee, or as approved by the Owner and the Board.

4.1.15 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 Northern Oak unless the same shall be contained in conduits or cables

installed and maintained underground or concealed in, under or on buildings or other structures, except for boxes on the ground for electrical or communication connections, junctions, transformers and other apparatus customarily used in connection with such underground lines, wires and other devices. Notwithstanding the foregoing, no above-ground electrical apparatus shall be installed without the approval of the Co-Declarant or the Board. All lines for the transmission of water and sewage shall also be installed and maintained underground or concealed in, on or under structures approved by the Board. The installation and location of all utility lines and equipment must be approved in advance by the Co-Declarants or the Board. Temporary above-ground power or telephone structures and water lines incident to construction activities, shall be permitted with the prior written approval of the Board.

4.1.16 **Party Structures.** Except as hereinafter provided, the rights and duties of Owners of contiguous properties which have Party Structures such as shared perimeter walls on their joint property lines or other similar facilities shall be as follows:

- (1) Each Owner shall have the right to use the Party Structure, provided that such use does not interfere with the other Owner's use and enjoyment thereof.
- (2) If a Party Structure is damaged or destroyed through the act or failure to act of an Owner or any of his tenants, agents, guests or members of his family (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner to promptly rebuild and repair the Party Structure without cost to the Owner of the adjoining property.
- (3) In the event any Party Structure is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act or failure to act of an adjoining Owner, ^{Unofficial Document} his tenants, agents, guests or family, it shall be the obligation of all Owners whose properties adjoin such Party Structure to rebuild and repair such Structure at their joint expense, such expense to be allocated among the Owners in accordance with the frontage of their respective properties on the damaged or destroyed Party Structure.
- (4) In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a Party Structure, 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. Notwithstanding any such decision, an Owner may seek indemnity from any party causing the damage.
- (5) Notwithstanding the foregoing and unless otherwise indicated in an applicable Declaration of Annexation or other recorded document, in the case of Party Structures (1) between Common Areas, Parcels and Lots, or (2) constructed by the Co-Declarant or the Association on Common Areas within a Lot or Parcel, the Association shall be responsible for all maintenance thereof, subject to the provisions of Sections 10.2 and 10.3; except that each Owner of a Lot or Parcel shall remain responsible for painting and maintaining the surface of the portion of the Party Structure facing his Lot or Parcel and/or the portion of the Party Structure which is not a portion of the Common Area, and except that an adjoining Owner shall reimburse the Association for one-half (1/2) of the costs incurred by the Association for any structural repair of the Party Structure located on that Owner's Lot or Parcel property.

4.1.17 Perimeter Walls. Perimeter walls and other fencing shall be constructed in accordance with Architectural Guidelines to be promulgated by the Architectural Review Committee. All fences adjoining the Common Areas, public rights-of-way, parks, washes or drainage ways shall be constructed and maintained in accordance with specifications established by the Architectural Review Committee for the purpose of preserving and protecting the views from adjoining properties and shall be maintained by the Association which maintains the adjoining property except that each Owner shall remain responsible for painting and maintaining the surface of the portion of the perimeter wall facing his Lot or Parcel and except that the Owner shall reimburse the Association for one-half (½) of the costs of any structural repair of that portion of the perimeter wall located on that Owner's property or on or near that Owner's property boundary. The Board shall have sole discretion with respect to the maintenance of the exterior surface facing the perimeter streets and the structural repair of the perimeter walls. The Association shall be responsible for the maintenance of all landscaping immediately outside the perimeter walls and fences and adjoining the arterial right-of-way, except any maintenance assumed by the City of Glendale, or by the Owner of the adjoining Lot or Parcel.

4.1.18 Overhead Encroachments. No tree, shrub or planting of any kind on any Lot, Parcel or other area shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, bike path, pedestrian way or other area from ground level to a height of eight (8) feet without the prior written approval of the Architectural Review Committee.

4.1.19 Parking. Vehicles of all Owners and Tenants, and of their employees, guests and invitees, are to be kept on an Owner's Lot or Parcel and shall not be parked on any public street or private access way. It is the responsibility of each Owner to make certain that his or her Lot or Parcel provides adequate space for its parking needs, including parking for the Owner or Tenant, their Tenants and Invitees, on their own Lot or Parcel. This Section shall not be construed to permit the parking or storing in the above described areas of any vehicle whose parking or storage in Northern Oak is otherwise prohibited by the City of Glendale Zoning Ordinance.

4.1.20 Towing of Vehicles. The Board of the Association shall have the right to have any truck, mobile home, travel trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer or similar equipment or vehicle or any automobile, motorcycle, motor bike, or other motor vehicle which is parked, kept, maintained, constructed, reconstructed, or repaired on any public or private street within the Property towed away at the sole cost and expense of the owner of the vehicle or equipment. Any expense incurred by the Association in connection with the towing of any vehicle or equipment shall be paid to the Association upon demand by the owner of the vehicle or equipment. If the vehicle or equipment is owned by an Owner, any amounts payable to the Association shall be secured by an assessment lien and the Association may enforce collection of such amounts in the same manner provided for in this Declaration for the collection of assessments. Notwithstanding anything contained herein to the contrary, the Northern Oak Board may permit temporary parking on streets or other Northern Oak areas during the development and construction of facilities on an Owner's Lot or Parcel.

4.1.21 Roofs. No solar panel, air conditioning unit, evaporative cooler or other apparatus, structure or object shall be placed on the roof of a Building without the prior written consent of the Architectural Review Committee. Any solar panel approved by the Architectural Review Committee for placement on a roof must be flush mounted if Visible From Neighboring Property.

4.1.22 Drainage. No Owner or Tenant shall interfere with or obstruct the drainage pattern over his Lot from or to any other Lot or Parcel as that pattern may be established or altered by the Co-Declarants.

4.1.23 Right of Entry. During reasonable hours and upon reasonable notice to the Owner or other occupant of a Lot or Parcel, any member of the Architectural Review Committee, any member of the Board or any authorized representative of either of them, shall have the right to enter upon and inspect any Lot, Parcel or other area, and the improvements constructed or being constructed thereon (except for the interior portions of any completed and occupied Building), to determine compliance with this Declaration, the Architectural Guidelines, or any approval stipulations issued by the Architectural Review Committee or to perform repairs and maintenance as provided in Section 10.3, and such persons shall not be deemed guilty of trespass by reason of such entry. In addition, the Association shall have an easement and right of entry upon any Lot, Parcel or other area at any time or times without notice in order to perform emergency repairs.

4.1.24 Co-Declarants' Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Co-Declarants or their duly authorized agents of structures, improvements or signs necessary or convenient to the development or sale of property within Northern Oak if those structures, improvements or signs have been approved by the Co-Declarants or the Architectural Review Committee.

4.1.25 Health, Safety and Welfare. In the event additional uses, activities and facilities are deemed by the Board to be a nuisance or to adversely affect the health, safety or welfare of Owners or Tenants, the Board may make rules restricting or regulating their presence in Northern Oak as part of the Architectural Guidelines. Each Owner and occupant of a Lot or Parcel, and their respective guests and invitees, is responsible for their own personal safety and the security of their real and personal property in Northern Oak. The Association may, but shall not be obligated to, maintain or support certain activities within the community designed to enhance the level of safety or security which each person provides for himself and his property. Neither the Association nor Co-Declarants shall in any way be considered insurers or guarantors of safety or security within the community, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ^{Unofficial Document} ineffectiveness of security measures undertaken.

Further, no representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the community, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and shall be responsible for informing its tenants and all occupants of its Lot or Parcel that the Association, its Board and committees, and Co-Declarant are not insurers or guarantors of security or safety and that each Person within Northern Oak assumes all risks of personal injury and loss or damage to property including Lots, Parcels and the contents of Lots or Parcels, resulting from acts of third parties.

4.1.26 Tenants; Leases. The entire Lot or Parcel may be let to a Lessee from time to time by the Owner, subject to the provisions of this Declaration, the Northern Oak Rules, any applicable Architectural Guidelines and declaration of annexation. Any agreement for the lease of all or any portion of a Lot or Parcel must be in writing, and for a minimum thirty (30) day period, and must be expressly subject to this Declaration, the Northern Oak Rules, the Architectural Guidelines, the Articles and the Bylaws. Any violation of these documents shall be a default under the lease. An Owner shall notify the Association regarding the existence of all leases. The Owner shall remain liable for compliance with the Declaration, Articles, Bylaws, Northern Oak Rules and Architectural Guidelines and shall be responsible for any violations thereof by his Lessee or his Lessee's employees, contractors, subcontractors, agents, Invitees and guests. All notices shall be sent to the Owner. As set forth hereinabove in Section 4.1.12, no "For Rent, For Lease" or "To Let" sign advertising a Lot, Parcel or any portion thereof or Improvement located thereon shall be placed on any Lot, Parcel or Common Area or anywhere that is Visible From Neighboring Property.

4.1.27 Permitted Uses. Except as otherwise set forth herein, Property within Northern Oak may be used only for those uses and such accessory uses as are permitted under the City of Glendale Zoning Ordinance, Section 5.8.40, et seq., M-1, Light Industrial zoning district ("M-1"), as the same may be amended from time to time. Notwithstanding anything herein the contrary, in the event the M-1 ordinance is amended to eliminate uses which were undertaken within Northern Oak and were legal at the time they were begun, then such use shall be permitted to continue on the Lot or Parcel for so long as such use is considered a legal non-conforming use pursuant to the City of Glendale Zoning Ordinance. Notwithstanding anything contained herein to the contrary, any business activity that is a nuisance, or a hazardous or offensive use, or that threatens the security or safety of other Owners, as may be determined in the sole discretion of the Board, shall not be permitted.

4.1.28 Prohibited Uses. At no time shall the Property or any Lot or Parcel therein be used for conducting any Adult Business as the same is defined in the City of Glendale Zoning Ordinance. Further, the following additional uses shall be prohibited:

- (1) Ammunition manufacturing or assembly including commercial loading of small arms;
- (2) Dead vehicle storage, trucking companies and moving-storage companies;
- (3) recreational vehicle (RV) storage
- (4) recycling or environmental remediation facility;
- (5) cleaning and dyeing outlets, unless: (i) all activity except loading and unloading restricted to a closed building; (ii) all solvents and other agents shall be of coated solvent type and noncombustible and nonexplosive and shall have the approval of the City Fire Marshal; and same shall not emit odors, smoke or noise beyond the Lot or Parcel boundaries; (iii) only cleaning machines with self-contained power transmissions shall be permitted. The capacity of all machines within any one establishment shall not exceed a total of three hundred (300) pounds per hour, according to the manufacturer's rating,
- (6) drive-in theater;
- (7) second-hand or used merchandise sales; and
- (8) kennels, animal boarding facilities, animal hospitals or veterinary practices unless: (i) the facility is so constructed and operated as to prevent objectionable noise and odor outside the walls of the office; (ii) keeping or boarding of animals shall not occupy more than twenty-five percent (25%) of the gross floor area of the office; (iii) there are no outdoor kennels or runs; and (iv) there is no direct outside exit from any room containing kennels.

4.2 Proximity to Property Not Included in Northern Oak. The Owners of all Lots and Parcels located on the perimeter of Northern Oak, are hereby advised that their Lots or Parcels are adjacent to or in close proximity to certain real property which, as of the date of this Declaration, is (i) not a part of the Northern Oak subdivision or this Declaration; and (ii) could be rezoned and/or developed to uses other than its present use.

4.3 Drainage. No structure, building, landscaping, fence, walls or other improvement shall be constructed, installed, placed, or maintained nor shall any natural or engineered grade be altered in any manner that would obstruct, interfere with, or change the direction or flow of water in accordance with

drainage plans for the Property or any part thereof, or for any Lot or Parcel as shown on the drainage plans on file with the County or municipality in which the Property is located.

4.4 Variations. The Board may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in Article IV of this Declaration or in any Declaration of Annexation if the Board determines, in its discretion (a) either (i) that a restriction would create an unreasonable hardship or burden on an Owner or (ii) that a change of circumstances since the recordation of this Declaration has rendered such restriction obsolete, and (b) that the activity permitted under the variance will not have any substantial adverse effect on the Owners and Occupants of Northern Oak and is consistent with the high quality of life intended for Owners of Northern Oak. The request for a variance must be made in writing and must be accompanied by adequate supporting documentation. No variance may be issued without Co-Declarant's written consent for so long as Co-Declarants owns any portion of the Property or has the unilateral right to annex property described in Article XIV hereof.

ARTICLE V.

ORGANIZATION OF ASSOCIATION

5.1 Formation of Association. The Association shall be a non-profit Arizona corporation. Upon incorporation, the Association shall be charged with the 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.

5.2 Board of Directors and Officers. ^{Unofficial Document} The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws as the same may be amended from time to time. The Board may also appoint various committees and appoint a manager who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Association (the "Manager"). The Board shall determine the compensation to be paid to the Manager and any employees of the Association. The Board's responsibilities shall include, but not be limited to, the following:

- (1) administration and execution of the obligations, rights and responsibilities for Architectural Review;
- (2) preparing and administering an operational budget;
- (3) establishing and administering an adequate reserve fund;
- (4) scheduling and conducting the annual meeting and other meetings of the Members;
- (5) collecting and enforcing the assessments;
- (6) accounting functions and maintaining records;
- (7) promulgation and enforcement of the Northern Oak Rules (but not the Architectural Guidelines);
- (8) maintenance of the Common Arcas; and

- (9) all the other duties imposed upon the Board pursuant to this Declaration, the Bylaws, the Articles and the Northern Oak Rules.

5.3 The Northern Oak Rules and Architectural Guidelines. 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 Northern Oak Rules. The Northern Oak Rules may restrict and govern the use of the Common Area by any Member, by the family of such Member, or by any invitee, licensee or tenant of such Member; provided, however, that the Northern Oak Rules shall not discriminate among Members and shall not be inconsistent with this Declaration, the Articles and the Bylaws. In addition, from time to time and subject to the provisions of this Declaration, the Architectural Review Committee shall have the right to adopt, amend and repeal Architectural Guidelines; provided, however, that such rules and guidelines shall be fair and reasonable and shall be consistent with the provisions of this Declaration, the Articles and Bylaws. Upon adoption, the Northern Oak Rules and/or Architectural Guidelines shall be enforceable in the same manner as this Declaration and shall have the same force and effect as if set forth in and a part of this Declaration. The Board, in performing its architectural review responsibilities, is specifically responsible for the administration and enforcement of the provisions of Article V of this Declaration; the adoption, administration and enforcement of the Architectural Guidelines; and all other duties and obligations designated to the Board by the Declaration, Articles, Bylaws and Northern Oak Rules. Upon adoption, the Northern Oak Rules and the Architectural Guidelines shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of any inconsistency between the rules and regulations adopted by the Board and the architectural guidelines, the rules and regulations of the Board shall control. Copies of all Architectural Guidelines as adopted or amended shall be available for inspection at the office of the Association during reasonable business hours.

5.4 Subsidiary Associations. In the event a subsidiary association or sub-association is formed by the Co-Declarant or an Owner of a Lot or Parcel in Northern Oak for the purpose of administering certain Common Areas and Improvements that are intended for the benefit of less than all of the Members of the Association ("Subsidiary Association" or "Sub-Association"), the Articles of Incorporation, Bylaws and other governing documents for such association (including any declaration of restrictions) shall not be effective unless such documents have been approved by the Co-Declarants (so long as there are Class B votes) and the Association. The governing documents for a Subsidiary Association or Sub-Association must specify that such association and the rights of its members are subject to the provisions of this Declaration, the provisions of the Articles and Bylaws of the Association and the provisions of Northern Oak Rules and Architectural Guidelines. The Board may delegate to a Subsidiary Association the responsibility for billing and collecting for some or all of the Assessments.

5.5 View Impairment. Neither the Co-Declarants nor the Association guarantees or represents that any view over or across any property, including any Lot or Parcel, from adjacent Lots or Parcels will be preserved without impairment. Neither the Co-Declarants nor the Association shall have the obligation to prune or thin trees or other landscaping except as set forth in Section 4.1.3. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

5.6 Personal Liability. No Board member, committee member, officer or employee of the Association shall be personally liable to any Member or to any other person or entity, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence; provided, however, the limitations set forth in this Section 5.6 shall not apply to any person who has failed to act in good faith or has engaged in willful or intentional misconduct. The Association shall indemnify its employees, committee members, directors and officers when acting on behalf of the Association, to the full extent permitted by law, except for willful misconduct and bad faith acts or omissions.

ARTICLE VI.

MEMBERSHIPS AND VOTING

6.1 Owners of Lots and Parcels. Every Owner of a Lot or Parcel, including Co-Declarants, which is subject to assessment shall be a Member of the Association. For purposes of this Section, Lots and Parcels owned by the Co-Declarants shall be considered Assessable Property even though said Lots and Parcels are not subject to Assessment, so long as there is Class B Membership in the Association. Each such Owner (including Co-Declarants) shall have voting rights as follows:

- (a) Class A. Class A membership shall be that held by each Owner of a Lot or Parcel other than Co-Declarants (while two classes of Membership exist). Each Class A Member shall be allocated votes in the Association equal to one vote for each net square foot of the Lot or Parcel owned by the Member. Class A Members may not vote for or elect Directors until Class B Membership terminates as provided below. If a Lot or Parcel is owned by more than one person, each such person shall be a Member of the Association but the Owners thereof shall have no more than the allocated votes thereto.
- (b) Class B. Class B Membership shall be that held by Co-Declarants. The Class B Member shall be entitled to three times the number of votes for each Lot and Parcel in the Property which Co-Declarant owns in the Property based upon the same formula for allocation of votes to Lots and Parcels owned by Class A Members. Notwithstanding the foregoing, Class B Membership shall be converted to Class A Membership and Co-Declarants' concurrent right to appoint and remove directors and officers and control the Association as set forth below shall forever cease to exist on the occurrence of whichever event of the following is first in time:
 - (1) One Hundred and Twenty (120) days after the date when seventy-five percent (75%) of the area of all Lots and Parcels in the Property have been sold to Owners other than Co-Declarants; or
 - (2) Four (4) years from the date both Co-Declarants or their respective successors have ceased to offer Lots and Parcels for sale in the ordinary course of business; or
 - (3) When the each Co-Declarant notifies the Association in writing that it relinquishes its Class B Membership; except that Co-Declarants may retain the right (by recorded instrument reserving said right) to approve specified actions of the Association or the Board during the period prior to expiration of Class B Membership by operation of Section 6.1(b) (1) or (2).
 - (4) Each Co-Declarant, as Class B Member, or its successors, or any Person designed in writing by Co-Declarants as having such authority, may appoint and remove members of the Board and officers of the Association and control the Association in its sole discretion. The period during which Class B membership exists shall be deemed the "Period of Declarant Control."

6.2 Right to Vote. No change in the ownership of a Membership shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory

proof thereof. The vote of each such Membership must be cast as a unit; fractional votes shall not be allowed. In the event that a Membership is owned by more than one person or entity and such Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Membership, it will thereafter be conclusively presumed that he was acting with the authority and consent of all other Owners of the same Membership unless objection thereto is made to the Board, in writing at or prior to the time the vote is cast. In the event more than one vote is cast for a particular Membership, all said votes shall be deemed void.

6.3 Membership Rights. Each Member shall have the rights, duties and obligations set forth in this Declaration and such other rights, duties and obligations as are set forth in the Articles, Bylaws, Northern Oak Rules, and Architectural Guidelines, as the same may be amended from time to time.

6.4 Transfer of Membership; Transfer Fee. The rights and obligations of the Owner of a Class A Membership in the Association shall not be assigned, transferred, pledged, designated, conveyed or alienated in any way except upon transfer of ownership to an Owner's Lot or Parcel and then only to the transferee thereof. There may be a resale disclosure package fee to be determined by the Board. A transfer of ownership of a Lot or Parcel may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record or such other legal process as permitted by Arizona law. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Lot or Parcel shall automatically transfer the Membership(s) appurtenant to said Lot to the new Owner. Upon the transfer of ownership of any Lot or Parcel (excluding the initial sale by the Co-Declarants), the Board, in its discretion, may assess a reasonable transfer fee to cover administrative costs associated with said transfer of ownership. Additionally, the management firm employed or contracted by the Association may also require the payment of administrative fees in connection with mortgage or loan refinancing or title transfers.

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ARTICLE VII.

COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

7.1 Creation of Lien and Personal Obligation for Assessments and Maintenance Charges. The Co-Declarants, for all Property which is subject to the Declaration, hereby covenant and agrees, and each Owner by acceptance of a deed therefor (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to accept and be subject to mandatory payment to the Co-Declarants the following: (1) Common Expenses, (2) Special Assessments, (3) Maintenance Charges and (4) Remedial Assessments incurred by the Owner or any Lessee occupying the Owner's Lot or any portion thereof. The Common Expenses, Special Assessments, Maintenance Charge, Remedial Assessments and other fees, fines and charges which are the obligation of an Owner hereunder, together with interest, costs, collection agency fees, and reasonable attorneys' fees of the Co-Declarant incurred in connection with the enforcement and collection thereof or in otherwise enforcing this Declaration, shall be a charge and continuing servitude and lien upon the Lot against which each such Common Expense or Special Assessment, Maintenance Charge or Remedial Assessment or other charge is made, except as otherwise prohibited by law. In addition, each Common Expense or Special Assessment, Maintenance Charge, Remedial Assessment or other charge shall be the personal obligation of the Owner of such Lot at the time when such payment becomes due and payable. Each Owner's share of the Common Expenses and Special Assessments shall be based on the number of acres or portions thereof owned divided by the total number of acres or portions thereof for all Lots within Northern Oak Commerce Park. The personal obligation for delinquent Assessments and other charges shall not pass to the successors in title of the Owner unless expressly assumed by them; however, the Lot shall remain subject to the lien of the delinquent Assessment except as provided in Section 7.3 below. No Assessments may be charged against any Lot which is not covered by this Declaration. No Owner may waive or otherwise exempt himself from liability for the Assessments by non-use or abandonment of his Lot. The obligation to

pay Assessments is a separate and independent covenant on the part of each Owner. No diminution, abatement or set-off shall be allowed by reason of any action or failure to act of the Co-Declarants.

7.2 Common Operation and Maintenance; Common Expenses.

7.2.1 Common Maintenance. Commencing on that day on which this Declaration is recorded, the Co-Declarants, its successors, assigns, agents or employees, shall be subject to the terms and conditions hereinbelow set forth, and shall operate and maintain or cause to be operated and maintained the Common Maintenance Areas of the Property that may be located on a Lot, but are maintained in common for the benefit of all Owners with the Business Park, by way of example but not of limitation, Common Maintenance Areas may include well facilities,, the front yard landscaping of each Lot, which operation and maintenance shall include, but not be limited to:

- (1) Signals and Markers. Placing, keeping in repair and replacing any necessary appropriate directional signs, markers, striping, pedestrian crossings and lines upon or within the Property.
- (2) Walls. Maintaining the exterior of any perimeter walls in a good condition and state of repair (provided, however, that nothing herein shall make maintenance or repair of any walls comprising a part of any building on any Lot the obligation or responsibility of the Co-Declarants or Association).
- (3) Landscaped Areas. Cleaning and maintaining all landscaped areas, including landscaping and planters adjacent to the public right-of-way (notwithstanding that some or all of such landscaping may be situated upon a Lot and not upon the Common Maintenance Area), ^{Unofficial Document} repairing automatic sprinkler systems or water lines, replacing shrubs and/or other plants as necessary and keeping such areas at all times adequately weeded, pruned, trimmed, watered and fertilized; provided, however, that if any Owner requires or installs "special" landscaping other than that normal and consistent with the landscaping requirements of the remainder of the Property, the maintenance and cost thereof shall be borne solely by such Owner without cost or expense to the other Owners and shall not be included in Common Expenses.
- (4) Utilities. Maintaining, cleaning, repairing and replacing any and all common drainage areas, storm drains (so as to keep the common drainage areas, if any, drained and free of water), utility lines, sewers and other utility systems and services located in the Common Maintenance Areas which are necessary for the operation of the Common Maintenance Areas, including water lines which are intended to service the landscaping improvements constructed within the portion of the front yards of Lots that is maintained by the Co-Declarant or Association.
- (5) Business Park Pylon Signs. Maintaining and repairing any and all monument or pylon signs that are erected to identify the Business Park and pylon signs that are installed for the benefit of more than one Owner of a Lot within the Property pursuant to this Declaration.
- (6) Governmental Requirements. Complying with all applicable requirements of governmental agencies pertaining to the Common Maintenance Areas under any laws, ordinances, rules, regulations or orders now or hereafter adopted, enacted or made and applicable to the Common Maintenance Areas.

7.2.2 Expenses Incurred. The Co-Declarants or Association shall expend only the monies reasonably necessary for such operation, maintenance, repair and replacement in order to keep the Common Maintenance Areas in good repair and clean condition and to operate the same on a not-for-profit basis to the end that the expense in connection therewith will be kept at a minimum.

7.2.3 Common Area Expenses. Expenses of maintaining the Common Maintenance Areas ("Common Expenses"), shall be borne and paid, on a pro rata basis as set forth herein, by all of the Owners. For purposes hereof, if two or more persons or entities share fee title on an undivided basis to a portion of the Property, said persons or entities shall be treated as being a single Owner. Each Owner's share of the Common Expenses shall be determined as set forth in Section 6.2.4.

The Co-Declarants or Association shall, annually, send to each and every Owner of any portion of the Business Park a written statement of the projected total costs and expenses of operation and maintenance, including a management fee of up to ten percent (10%) of such cost for the preceding period. Such management fee of up to ten percent (10%) shall not be applicable to the payment of any portion of the cost of any single capital expenditure or maintenance expense item which is in excess of Five Thousand Dollars (\$5,000.00). Within thirty (30) days after receipt thereof, each and every such Owner shall pay to the Co-Declarants or Association the fractions of the total amount of said costs and expenses hereinafter described. Each Owner or its authorized representative shall have the right to examine the records of expenses in connection therewith at reasonable business hours and without unreasonable frequency.

Notwithstanding the foregoing, in the event that in any year the Co-Declarants or Association incurs any extraordinary expenses in connection with its operation or maintenance of the Common Maintenance Areas (which extraordinary expenses would constitute Common Expenses pursuant to the definition set forth above), the Co-Declarants or Association shall have the option, in its sole discretion, to bill the Owner immediately for the Owner's proportionate share of such extraordinary Common Expenses (rather than wait until the end of such year to bill same), in which event, the Owner shall, within thirty (30) days after delivery of such bill, pay to the Co-Declarants or Association the Owner's proportionate share of such extraordinary Common Expenses.

7.2.4 Payment of Common Expenses. Based upon the ratio of the acreage of any Lot or Parcel to the total acreage of all Lots, the fraction of the total amount of said costs and expenses to be paid by the Owner of each Lot shall be as follows:

Net Lot Area (in acres or portions thereof) Share of Common Expenses

Lot 1	=	1.352 net acres*	8.3%
Lot 2	=	0.805 net acres*	5.0%
Lot 3	=	0.732 net acres*	4.5%
Lot 4	=	0.712 net acres*	4.4%
Lot 5	=	0.735 net acres*	4.5%
Lot 6	=	0.946 net acres*	5.8%
Lot 7	=	0.826 net acres*	5.1%
Lot 8	=	0.819 net acres*	5.1%
Lot 9	=	0.772 net acres*	4.8%
Lot 10	=	0.933 net acres*	5.8%
Lot 11	=	7.549 net acres*	46.7%
Total		<u>16.181 net acres*</u>	<u>100.0 %</u>

* This number and the foregoing percentages are subject to recalculation as hereinbelow provided.

The Net Lot Area divided by the Total Net Lot Area (16.181 net acres) equals the fraction of the total amount of costs and expenses to be paid by the Owner of each Lot.

7.2.5 Covenant to Pay; Liens for Common Expenses. Each Owner, by acceptance of his, her or its deed with respect to its Lot, is deemed to covenant and agree to pay such Owner's share of Common Expenses. Such Owner's share of the Common Expenses, together with interest thereon at twelve percent (12%) per annum, from the date which is ten (10) days after such Owner's receipt of the billing therefor (as provided above), and together with such costs and reasonable attorneys' fees as may be incurred in seeking to collect such amounts, shall be not only the personal obligation of such Owner, but shall also be a charge on the land and shall be a continuing lien upon the Owner's Lot, provided that such lien shall be subordinate and inferior to (a) the lien of all taxes, bonds, assessments and other levies which by law would be superior thereto, and (b) the lien of any first mortgage or first deed of trust made in good faith and for value and now or hereafter recorded against the Owner's Lot. Such lien may be foreclosed in the manner provided by applicable law for the foreclosure of realty mortgages. No Owner shall be relieved of his, her or its obligation to pay such Owner's share of the Common Expenses by abandoning or not using all or any portion of his Lot. The Co-Declarants or Association shall, upon the written request of an Owner, furnish to such Owner a certificate stating the date to which such Owner's share of the Common Expenses have been paid and the amount, if any, of any sums billed to such Owner but remaining unpaid as of the date of such certificate.

7.3 Special Assessments for Capital Improvements and Extraordinary Expenses. In addition to the Common Expenses authorized above, the Association may levy a Special Assessment for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital asset within the Common Maintenance Areas, including fixtures and personal property related thereto, for the purpose of defraying other extraordinary expenses, provided that any such assessment shall have the written assent of the Owners of not less than fifty-one percent (51%) of the Total Net Lot Area. The provisions of this Section are not intended to preclude or limit the assessment, collection or use of Common Expenses for the aforesaid purposes.

7.4 Rate of Assessment. The amount of the Annual Assessments and Special Assessments shall be fixed by the Co-Declarants or the Association as hereinabove set forth. Both Common Expenses and special assessments, if any, may be collected on a monthly, quarterly or annual basis, at the discretion of the Co-Declarants or Association

7.5 Designation of Managing Agent. Co-Declarants or Association, if the Co-Declarants have delegated their property management tasks to the Association, may, at their option, designate an independent management company to perform Co-Declarants' or Association's obligations to maintain the Common Maintenance Areas pursuant to this Declaration. Upon any such designation, the management company shall be entitled to a reasonable fee for its services not in excess of the management fee referred to in Section 7.2.3, and such management fee shall no longer be paid to Co-Declarants or Operator. At such time as neither Co-Declarant owns any real property within the Business Park, the Owners of a majority of the Total Net Lot Area may assign that responsibility to the Association or may designate an Owner as the Managing Agent. For so long as either Co-Declarant owns any property within the Business Park, the Co-Declarants may elect to relinquish its duties, obligations, rights and remedies to the Association at any time.

7.6 Standard of Care. The Co-Declarants or Association shall use a reasonably high standard of care in providing for the repair, management and maintenance of the Common Maintenance Areas. The Common Maintenance Areas facilities furnished or maintained by the Co-Declarants shall be used at the

risk of the user; and neither the Co-Declarants nor the Association shall be liable to any person or entity for any claim, damage, or injury occurring thereon or related to the use thereof.

7.7 Assessment of Certain Maintenance Costs. In the event that the need for maintenance or repair of Common Maintenance Areas, structures, spur tracks(s) and other property maintained by the Co-Declarants for the benefit of the Owners within the Business Park is caused through the willful or negligent act of any Owner, or that Owner's employees, customers, guests or tenants, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Owner and the Owner's Lot is subject and shall be secured by the Assessment Lien.

7.8 Improper Maintenance and Use of Lots. In the event any portion of any Lot is so maintained as to present a nuisance, or substantially detract from the appearance or quality of the surrounding Parcels, Lots or other areas of Northern Oak Commerce Park which are substantially affected thereby or related thereto, or in the event any portion of a Lot is being used in a manner which violates this Declaration or any applicable declaration of annexation, or in the event the Owner of any Lot is failing to perform any of its obligations under this Declaration, any rules or Development Guidelines, the Co-Declarants or Association may, by resolution, make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto, give written notice thereof to the offending Owner that unless corrective action is taken within fourteen (14) days, the Co-Declarants or Association may cause such action to be taken at said Owner's cost. If at the expiration of said 14-day period of time the requisite corrective action has not been taken, the Co-Declarants or Association shall be authorized and empowered to cause such action to be taken and the cost thereof shall be billed to the offending Owner and shall be secured by the Assessment Lien as a Remedial Assessment.

7.9 Easement for Maintenance Responsibilities. The Co-Declarants shall have an easement upon, across, over and under the Lots and all other areas in Northern Oak Commerce Park for the purpose of repairing, maintaining and replacing the Common Maintenance Areas, Common Maintenance Area Improvements and other areas maintained by the Co-Declarants or the Association and for the purpose of performing all of the Co-Declarants' other rights, duties and obligations hereunder.

ARTICLE VIII.

ENFORCEMENT OF PAYMENT OF ASSESSMENTS AND ASSESSMENT LIEN

8.1 Association as Enforcing Body. As provided in Section 12.2, the Co-Declarants, the Association, the Board, and the Members shall have the right to enforce the provisions of this Declaration.

8.2 Association's Remedies to Enforce Payment of Assessments. If any Member fails to pay the Annual or Special Assessments, Maintenance Charges, Remedial Assessments or other charges when due, the Association may enforce the payment thereof by taking either or both of the following actions, concurrently or separately (and by exercising either of the remedies hereinafter set forth, the Association does not prejudice or waive its right to exercise the other remedy):

- (1) Bring an action at law and recover judgment against the Member personally obligated to pay the Annual, Special, or Remedial Assessments or Maintenance Charges;

- (2) Foreclose the Assessment Lien against the Lot or Parcel in accordance with the then prevailing Arizona law relating to the foreclosure of realty mortgages (including the right to recover any deficiency), and the Lot or Parcel may be redeemed after foreclosure sale as provided by law. The Association may bid on the subject property at such a foreclosure sale.

Notwithstanding subordination of an Assessment Lien as described in Sections 8.3 and 8.4, the delinquent Member shall remain personally liable for the Assessments and related costs after his Membership is terminated for foreclosure or deed in lieu of foreclosure or otherwise.

8.3 Subordination of Assessment Lien. The Assessment Lien provided for herein shall be subordinate to any first mortgage lien held by, or first deed of trust of which the beneficiary is, a lender who has lent funds with the Lot or Parcel as security, or held by the lender's successors and assigns, and shall also be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior. Except as above provided, the Assessment Lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon each Lot and Parcel, including but not limited any homestead exemption permitted under Arizona law. Sale or transfer of any Lot or Parcel shall not affect the Assessment Lien; provided, however, that if the sale or transfer is pursuant to foreclosure of a mortgage or a deed of trust to which the Assessment Lien is subordinate, or pursuant to any sale or proceeding in lieu thereof, the purchaser at the mortgage foreclosure or deed of trust sale, or any grantee taking by deed in lieu of foreclosure, shall take the Lot or Parcel free of the Assessment Lien for all Annual, Special and Remedial Assessments and Maintenance Charges that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure; provided however, that such mortgage or deed of trust foreclosure sale purchaser or grantee shall take title subject to all Annual, Special and Remedial Assessments, Maintenance Charges and the Assessment Lien therefor accruing subsequent to the date of issuance of a sheriff's or trustee's deed or deed given in lieu of foreclosure.

ARTICLE IX.

USE OF FUNDS; BORROWING POWER

9.1 Purposes for Which Association's Funds May Be Used. The Association shall apply all funds and property collected and received by it (including the Annual and Special Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of Northern Oak and the Members and Lessees by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any kind and all land, properties, improvements, facilities, services, projects programs, studies and systems, within or without Northern Oak, which may be necessary, desirable or beneficial to the general common interests of Northern Oak, the Members and the Lessees. The following are some, but not all, of the areas in which the Association may seek to aid, promote and provide for such common benefit; social interaction among Members and Lessees, maintenance of landscaping on Common Areas, Additional Maintenance Areas including the public rights-of-way, maintenance of trails, washes and drainage areas within and adjoining Northern Oak, recreation, liability insurance, communications, ownership and operation of recreational and other facilities, vehicle storage areas, transportation, health, utilities, public services, safety and indemnification of officers and directors of the Association. Subject to this Declaration and the Articles and Bylaws, the Association may expend its funds in any manner permitted under the laws of the State of Arizona.

9.2 Borrowing Power. The Association may borrow money in such amounts, at such rates, upon such terms and security, and for such periods of time as is necessary or appropriate.

9.3 Association's Rights in Spending Funds From Year to Year. The Association shall not be obligated to spend in any year all the sums received by it in such year (whether by way of Annual or Special Assessments, fees or otherwise), and may carry forward as surplus any remaining balances. The Association shall not be obligated to reduce the amount of an Annual Assessment in the succeeding year if a surplus exists from a prior year and the Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes. The Board shall cause to be prepared an annual compilation of the Association's books within one hundred eighty (180) days of the end of its fiscal year and such compilation shall be available upon request to the Members subject to appropriate administrative or copying charges.

9.4 Eminent Domain. The term "taking" as used in this Section shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any portion of the Common Area, the Owners hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards made or to be made in connection with the taking and shall be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Association. In the event of a total or partial taking, the Board may, in its sole discretion, retain any award in the general funds of the Association or distribute pro rata all or a portion thereof to the Owners and all holders of liens and encumbrances, as their interest may appear of record, at a uniform rate per Membership.

9.5 Reserve Fund. In addition to and separate from the collection of the Capital Reserve Fund described in Section 7.12, and from the Annual Assessments received by the Association, the Board may establish a reserve fund for the maintenance, repair and replacement of the Common Areas and for the maintenance, repair and replacement of landscaping and facilities within the Additional Maintenance Areas. Such reserve fund may be co-mingled with the initial Capital Reserve Fund to make up the total reserves on hand for Capital Asset replacement, repairs and maintenance.

9.6 Insurance.

9.6.1 Authority to Purchase. The Association shall maintain insurance against liability incurred as a result of death or injury to persons or damage to property on the Common Areas or upon Additional Maintenance Areas, in the total amount of not less than Two Million Dollars (\$2,000,000.00). If reasonably available, the Association shall obtain officers and directors liability insurance in an amount deemed prudent by the Board. In addition, the Association may carry any other insurance coverage which the Board in its discretion deems necessary or desirable. The deductible for any claim thereunder shall be paid by the party who would be liable for the loss or repair in the absence of insurance.

9.6.2 Individual Responsibility. Unless otherwise provided in a recorded declaration of annexation or other declaration approved by the Co-Declarants, it shall be the responsibility of each Owner and Resident or other person to provide for himself insurance on his property interests within Northern Oak, including, but not limited to, his additions and improvements thereon, furnishings and personal property therein, his personal liability to the extent not covered by the property and public liability insurance obtained by the Association, if any, and such other insurance as such person desires. No person shall maintain any insurance which would limit or reduce in any manner the insurance proceeds payable under the casualty insurance maintained by the Association in the event of damage to the improvements or fixtures on the Common Areas. Neither the Association nor any Board Member nor the Co-Declarants shall be liable to any person or mortgagee if any risks or hazards are not covered by the insurance obtained by the Association or if the amount of insurance is not adequate.

9.6.3 Insurance Claims. The Association is hereby irrevocably appointed and authorized by the Owners to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims, and to do all other acts reasonably necessary to accomplish any of the foregoing. The Board has full and complete power to act for the Association in this regard and may, at its discretion, appoint an authorized representative or committee, or enter into an insurance trust agreement wherein the trustee shall have authority, to negotiate losses under any policy purchased by the Association. All proceeds from insurance acquired by the Association shall be payable to the Association. Any proceeds resulting from damage to the Common Areas shall be used to repair the damage, unless otherwise approved by a majority of the votes of each class of Members at a meeting called for such purpose. Any excess proceeds may be retained by the Association as reserves or to reduce future assessments or, if distributed to Members, such proceeds shall be distributed to Members and their mortgagees as their interests may appear of record at a uniform rate per Membership.

9.7 Fidelity Bonds. The Board, acting on behalf of the Association, shall obtain and maintain at all times adequate fidelity bond coverage to protect against dishonest acts on the part of officers, directors and employees of the Association and all others who handle, or are responsible for handling funds held or administered by the Association. Any independent management agent which handles funds for the Association shall also obtain (and pay for) such fidelity bond coverage with respect to its own activities (and those of its directors, officers and employees receiving compensation for services rendered.) Such fidelity bond (i) shall name the Association as obligee; (ii) shall be issued by one or more companies authorized to issue such bonds in the State of Arizona; and (iii) shall be in an amount sufficient to cover the maximum total of funds reasonably expected by the Board to be in the custody of the Association or such agent at any time while such bond is in force, but in no event shall the amount of such fidelity bond coverage be less than the sum of three months' Annual Assessments on all Lots and Parcels, plus the total of dues held in the Association's reserves. Each such fidelity bond shall provide that the issuer thereof shall provide not less than ten (10) days' written notice to the Association and to each first mortgage lien holder who has requested written notice before such bond may be canceled or substantially modified for any reason.

ARTICLE X.

MAINTENANCE

10.1 Common Areas and Additional Maintenance Areas.

10.1.1 Areas of Association Responsibility. The Association, or its duly delegated representative, shall maintain and otherwise manage all Common Areas and Additional Maintenance Areas and the improvements thereon; provided, however, the Association shall not be responsible for providing or maintaining the landscaping or structures on any Common Areas which are part of Lots or Parcels unless (i) such landscaping or structures are available for use by all Owners and Lessees or are within easements intended for the general benefit of Northern Oak and (ii) the Association assumes in writing the responsibility as set forth in a recorded instrument as hereinafter provided.

The Association shall maintain any landscaping and other improvements not located on Lots or Parcels which are within the boundaries of Northern Oak and are identified on a recorded instrument as Common Areas, or which are located on property not owned by the Association but which are intended for the general benefit of the Owners and Lessees of Northern Oak, except the Association shall not be required to maintain (but may elect to maintain) areas which (i) the City of Glendale or its successor, an improvement district or other government entity is maintaining, or (ii) are to be maintained by the Owners of a Lot or Parcel pursuant to Section 4.1.3 of this Declaration. Specific areas to be maintained by the

Association may be identified on recorded subdivision plats approved by the Co-Declarants, and/or in deeds from the Co-Declarants to the Association or to a transferee of a Lot or Parcel, but the failure to so identify such areas shall not affect the Association's rights or responsibilities with respect to Common Areas, Additional Maintenance Areas or the Association's rights with respect to other areas intended for the general benefit of Northern Oak. Notwithstanding anything to the contrary herein, the Board shall have discretion to enter into an agreement with the City of Glendale to permit the Association to upgrade and/or maintain landscaping on property owned by the City of Glendale, or which is owned by the Association, but is maintained by the City of Glendale, whether or not such property is within Northern Oak, if the Board determines such agreement benefits the Association.

10.1.2 Standard of Care. The Board shall use a reasonably high standard of care in providing for the repair, management and maintenance of the Common Areas, Additional Maintenance Areas and other properties maintained by the Association; however, the Board shall be the sole judge as to the appropriate maintenance of all such areas. The Common Areas and Additional Maintenance Areas, including, but not limited to, the sidewalks, streets and any landscaping or drainage facilities furnished or maintained by the Association shall be used at the risk of the user; and neither the Co-Declarants nor the Association shall be liable to any person or entity for any claim, damage, or injury occurring thereon or related to the use thereof.

10.1.3 Delegation of Responsibilities. In the event any subdivision plat, declaration of annexation, deed restriction or this Declaration permits the Board to determine whether or not Owners of certain Lots or Parcels will be responsible for maintenance of certain Common Areas or Additional Maintenance Areas including public rights-of-way, the Board shall have the sole discretion to determine whether or not it would be in the best interest of the Owners of Northern Oak for the Association or for an individual Owner to be responsible for such maintenance, considering cost, uniformity of appearance, location and other factors deemed relevant by the Board. Unofficial Document The Board may cause the Association to contract with others for the performance of the maintenance and other obligations of the Association under this Article X and, in order to promote uniformity and harmony of appearance, the Board may also cause the Association to contract to provide maintenance services to Owners of Lots and Parcels in exchange for the payment of such fees as the Association and Owner may agree.

10.2 Assessment of Certain Maintenance Costs. In the event that the need for maintenance or repair of Common Areas, Additional Maintenance Areas, structures and other property maintained by the Association is caused through the willful or negligent act of any Owner, or that Owner's family, guests or tenants, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Owner and the Owner's Lot or Parcel is subject and shall be secured by the Assessment Lien. Any charges or fees to be paid by the Owner of a Lot or Parcel pursuant to Section 10.1.3 in connection with a contract entered into by the Association with an Owner for the performance of an Owner's maintenance responsibilities shall also become a part of such Assessment and shall be secured by the Assessment Lien as a Remedial Assessment.

10.3 Improper Maintenance and Use of Lots and Parcels. In the event any portion of any Lot or Parcel is so maintained as to present a nuisance, or substantially detract from the appearance or quality of the surrounding Lots, Parcels or other areas of Northern Oak which are substantially affected thereby or related thereto, or in the event any portion of a Lot or Parcel is being used in a manner which violates this Declaration or any applicable declaration of annexation, or in the event the Owner of any Lot or Parcel is failing to perform any of its obligations under this Declaration, any declaration of annexation, the Northern Oak Rules or Architectural Guidelines, the Board may by resolution make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto, give written notice thereof to the

offending Owner that unless corrective action is taken within fourteen (14) days, the Board may cause such action to be taken at said Owner's cost. If at the expiration of said 14-day period of time the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be added to and become a part of the Assessment to which the offending Owner and the Owner's Lot or Parcel is subject and shall be secured by the Assessment Lien as a Remedial Assessment.

10.4 Easement for Maintenance Responsibilities. The Association shall have an easement upon, across, over and under the Lots, Parcels and all other areas in Northern Oak for the purpose of repairing, maintaining and replacing the Common Areas, Common Area improvements, Additional Maintenance Areas, and other areas maintained by the Association and for the purpose of performing all of the Association's other rights, duties and obligations hereunder.

ARTICLE XI.

ARCHITECTURAL REVIEW

11.1 Establishment. A separate Architectural Review Committee may, but need not be established to perform the functions set forth in this Declaration as directed by Board. If no Architectural Review Committee is appointed then the Board shall serve as the Architectural Review Committee and shall perform all functions herein described. The Committee may adopt rules, regulations and guidelines for the performance of its duties, including procedures for the preparation, submission and determination of the application for any approvals required by this Declaration or any Declaration of Annexation. The Architectural Review Committee, if created, shall have sole and exclusive authority with respect to all approvals and use decisions regarding Lots and Parcels within Northern Oak. The Architectural Review Committee shall consist of not less than three (3) ^{Unofficial Document} nor more than five (5) regular members. During the first seven (7) years following the recordation of this document or until such time as the Co-Declarants has relinquished its appointment rights, the Board appointed by the Co-Declarants shall serve in this role. Thereafter, the members of the Board shall serve in this role unless the Board chooses to delegate its responsibilities hereunder to an Architectural Review Committee elected by a vote of a majority of the Board. If a separate Committee is elected by the Board, Committee members shall be elected to one (1) year terms (or until replaced). In the event of a temporary or permanent vacancy on a Committee, an alternate member selected by the Committee shall serve as a replacement until the next election or until the regular Member is again available. Members of the Architectural Review Committee need not be architects, need not possess any special qualifications of any type. Committee members appointed by Co-Declarants need not be Owners. The Co-Declarants may voluntarily relinquish (either temporarily or permanently) its right to appoint all or some of the members of the Architectural Review Committee by recording an amendment to the Declaration executed by the Co-Declarants alone.

11.2 Guidelines. The Board, or if one is established, the Architectural Review Committee, shall keep a record of the minutes of all meetings. A quorum for any meeting shall consist of a majority of the regular members of the Committee and the concurrence of a majority of the regular Committee members shall be necessary for any decision of the Architectural Review Committee. Alternate member(s) may participate at any meeting in lieu of any absent regular member(s), may constitute a quorum by his (their) presence and shall have all of the authority of a regular member while so participating. As provided in Section 5.3, the Architectural Review Committee shall promulgate Architectural Guidelines to be used in rendering decisions, including procedures for the preparation, submission and determination of applications for approval. The decision of the Architectural Review Committee shall be final on all matters submitted to it pursuant to this Declaration. Members of the Committee shall not be entitled to compensation for their services, unless otherwise approved by the Board.

The Architectural Guidelines shall interpret and implement procedures for the Board's or its Architectural Review Committee's review of, and the standards for development within Northern Oak, including, but not limited to, architectural design, placement of buildings, landscaping, plant selection, color schemes, exterior finishes and materials, signs, wall design and similar matters and shall have the same force and effect as the Association Rules. The Architectural Guidelines may also include provisions requiring the establishment of landscaping on Lots and Parcels pursuant to specific timetables.

11.3 Discretion of the Board or the ARC. The Board, shall be under no duty or obligation to pass upon, approve or disapprove any structural stability matters or matters pertaining to the stability of footings or foundations or matters pertaining to geological conditions involved in any foundation or footings and may indicate on any plans or specifications or drawings or other materials or in any certificate that the Board has not passed upon, approved or disapproved any such referred to matters. All actions of said Board authorized under this Declaration, including without limitation, the approval or disapproval of plans, specifications, drawings, plot plans, grading plans and height, as well as other matters in which the Board is authorized hereunder to act, shall be in the sole and complete discretion of said Board in this regard. Neither the Board nor any member thereof shall be liable to any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of:

- (1) the approval or disapproval of any plans, drawings or specifications, whether or not defective;
- (2) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications;
- (3) the development of any ^{Unofficial Document} property within Northern Oak;
- (4) the execution of any estoppel certificate, whether or not the facts therein are correct; or
- (5) the enforcement of this Declaration and the Architectural Guidelines;

provided, however, that with respect to the liability of a Board member, such member has acted in good faith on the basis of such information as may be possessed by him. The approval by the Board of any plans, specifications or other matter shall not be deemed to constitute a waiver of any right to withhold approval of any similar plans, specifications or other matter subsequently submitted for approval. Subject to Section 11.1, the vote or written consent of a majority of its regular members, at a meeting or otherwise, shall constitute the act of the Board.

11.4 Response Within Forty-five (45) Days. Any approval required under this Article XI by the Board shall not be withheld unreasonably. Failure to approve or disapprove a request within forty-five (45) days after such request is filed with the Board (or within any shorter period of time set forth in the applicable Architectural Guidelines) shall waive the approval requirement. Notice of disapproval shall be written and it shall set forth the reason or reasons for the disapproval. Notwithstanding Section 16.10, no request shall be deemed filed with the Board until it is actually received by the Board, and all submissions to the Board shall be made by certified mail or personal delivery. In any event, after the expiration of one (1) year from the completion of construction of any structure, work, improvement or alteration, the said structure, work, improvement or alteration shall, in favor of purchasers or encumbrances in good faith and for value, be deemed to be in compliance with this Declaration and the applicable Architectural Guidelines, unless actual

notice of non-compliance executed by the Board shall appear of record in the office of the County Recorder of Maricopa County, or a complaint has been filed to enforce compliance.

11.5 Board's Certificate. Any approval of any plans and specifications or other matter by the Board given or made pursuant to the provisions of this Declaration which is evidenced by a certificate signed by at least a majority of the members of said Board shall be irrevocable and not subject to change by such Board. Any such certificate may be conclusively relied upon by all parties, including, but not limited to, any Owner, tenant or purchaser of any Lot, Parcel or of any interest therein; by any lender taking any Lot or Parcel as security; and by any title insurance company. Any such certificate may be recorded by said Board in the office of the Maricopa County Recorder.

11.6 Fee. The Board may establish a reasonable processing fee to defer the costs of the Association and the Board in considering any requests for approvals submitted to it, which fee shall be paid at the time the request for approval is submitted.

11.7 Compliance Deposit. The Board shall have the right, on a case-by-case basis and in its sole discretion, to condition the approval by the Board of plans submitted by an Owner, upon the receipt by the Board of a deposit (the "Compliance Deposit") to secure the performance of the Owner's obligations under this Article to clean up and/or remove equipment, building materials, dirt, debris and similar materials, and to protect from damage and repair any damage to improvements sustained, in connection with construction activities by or for the benefit of Owner and to ensure that the construction or modification will be made in accordance with the plans and specifications approved by the Board. The Compliance Deposit shall be in such amount as may reasonably be determined by the Board. The Board may apply the Compliance Deposit toward payment of (a) any costs incurred by the Board or the Association with respect to any construction cleanup or removal required and/or the repair or replacement of any damaged or destroyed improvements, the cost for which the Owner is responsible under ^{Unofficial Document} Article VII; (b) any costs incurred by the Association or the Board in connection with the inspection of the construction or modification to ascertain whether the construction or modification is being made in accordance with the approved plans; and (c) any attorney fees, court costs and other costs (including, but not limited to, costs incurred to correct the violation) incurred by the Association in connection with any violation of the Declaration related directly or indirectly with the construction or modification. Following receipt by the Board of a written request from an Owner delivered subsequent to the completion of the construction or modification, and following confirmation by the Board that any necessary cleanup work or damages attributable to the Owner or the Owner's employees, agents, contractors, subcontractors or suppliers has been properly performed, repaired or replaced, as applicable, that all costs attributable to the Owner in connection therewith have been paid in full and that the construction or modification was made in accordance with the plans and specifications approved by the Board, the Board shall return to such Owner the unapplied portion of the Owner's Compliance Deposit. The liability of an Owner to promptly cleanup such Owner's Lot, Parcel and any Common Area and to repair or replace any improvements damaged or destroyed by an Owner or the Owner's employees, agents, contractors, subcontractors or suppliers shall not be limited to the amount of such Owner's Compliance Deposit, and in no event shall the posting of a Compliance Deposit limit or prejudice the right of the Board or the Association to pursue any available legal remedies against the Owner or any of Owner's employees, agents, contractors, subcontractors or suppliers causing the need for cleanup or causing the damage or destruction.

ARTICLE XII.

RIGHTS AND POWERS OF ASSOCIATION

12.1 Association's Rights and Powers As Set Forth in Articles and Bylaws. In addition to the rights and powers of the Association set forth in this Declaration, the Association shall have such rights and

powers as are set forth in its Articles and Bylaws, which shall include all rights and powers as may be reasonably necessary in order to carry out the purposes of the Association as set forth herein. After incorporation of the Association, a copy of the Articles and Bylaws of the Association shall be available for inspection by Members, prospective purchasers, mortgagees and other persons or entities with an interest in Northern Oak at the office of the Association during reasonable business hours.

12.2 Enforcement of Provisions of This and Other Instruments. The Association, in the first instance, and the Board, each as the agent and representative of the Owners or any Owner (including Co-Declarants, so long as either Co-Declarant is an Owner), shall have the right (without obligation) to enforce, by any proceeding at law or in equity, the Covenants set forth in this Declaration, the Articles, Bylaws, Northern Oak Rules and Architectural Guidelines and any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens or easements provided for in any contract, deed, declaration or other instrument which (a) shall have been executed pursuant to, or subject to, the provisions of this Declaration, or (b) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Association or by Co-Declarants. The Association is authorized to impose sanctions for violations without court approval. Such sanctions may include reasonable monetary fines and suspension of the right to vote or use any recreational facilities on the Common Area as provided in Subsection 2 of Section 3.1. In the event suit is brought or arbitration is instituted or an attorney is retained by the Association or the Architectural Review Committee to enforce the terms of this Declaration or other document as described in this Section 12.2 and the Association or the Board prevails, the Association or Board, as applicable, shall be entitled to recover, in addition to any other remedy, reimbursement for attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith, including, but not limited to, the Association's administrative costs and fees. Said attorneys' fees, costs and expenses shall be the personal liability of the breaching Owner and shall also be secured by the Assessment Lien against said Owner's Lot or Parcel. If the Association and the Board shall fail or refuse to enforce this Declaration for an unreasonable period of time after written request by a Member to do so, then any Member may enforce the provisions of the Declaration at his own expense by any appropriate action, whether in law or in equity, but regardless of the outcome, no expenses of the action shall be paid by the Association.

12.3 Contracts with Others for Performance of Association's Duties. Subject to the restrictions and limitations contained herein, the Association may enter into contracts and transactions with others, including the Co-Declarants and their affiliated companies, and such contracts or transactions shall not be invalidated or in any way affected by the fact that one or more directors or officers of the Association or members of any committee are employed by or otherwise connected with Co-Declarants or their respective affiliates, provided that the fact of such interest shall be disclosed or known to the other directors acting upon such contract or transaction, and provided further that the transaction or contract is fair and reasonable. Any such director, officer of committee member may be counted in determining the existence of a quorum at any meeting of the Board or committee of which he is a member which shall authorize any contract or transaction described above or grant or deny any approval sought by the Co-Declarants, their respective affiliated companies or any competitor thereof and may vote thereat to authorize any such contract, transaction or approval with like force and effect as if he were not so interested. Notwithstanding anything to the contrary contained herein, during the period when either Co-Declarant has a Class B vote, any professional management contract entered into by the Association must be terminable with or without cause, upon no more than ninety (90) days' written notice and without payment of any penalty.

12.4 Procedure for Change of Use of Common Area. Upon (a) adoption of a resolution by the Board stating that in the Board's opinion, the then present use of a designated part of the Common Area or of the Association's interest in other Common Areas is no longer in the best interests of the Owners and (b) the approval of such resolution by a majority of the votes of each class of Members at a meeting duly called for such purpose, the Board shall have the power and right to change the use thereof (and in connection

therewith, construct, reconstruct, alter or change the buildings, structures and improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided such new use (i) shall be for the benefit of the Owners, and (ii) shall be consistent with any deed restrictions and zoning regulations restricting or limiting the use of the land. Alternatively, the Board, upon satisfaction of Subsection (a) above, may, in lieu of calling a meeting, notify in writing all Owners of the proposed change of use and of their right to object thereto and, if no more than ten percent (10%) of the Class A Members eligible to vote object in writing within thirty (30) days after receipt of such notice, the proposed transaction shall be deemed approved by the Members and a meeting of the Members shall not be necessary.

12.5 Procedure for Alteration of Common Area; Contracts Concerning the Common Area. The Association shall have the right to dedicate or transfer all or any part of the Common Areas to any public authority or utility as provided in Subsection 3 of Section 3.1. In addition, the Association shall have the right to change the size, shape or location of the Common Areas, to exchange the Common Areas for other property or interests which become Common Areas, and to abandon or otherwise transfer Common Areas (to a non-public authority) upon (i) the adoption of a resolution by the Board stating that ownership and/or use of the relevant Common Areas is no longer in the best interests of the Owners and that the change desired shall be for their benefit and shall not substantially adversely affect them, and (ii) the approval of such resolution by a majority of the votes of each class of Members, voting in person or by proxy, at a meeting called for such purpose. Alternatively, the Board, upon satisfaction of Subsection (i) above, may, in lieu of calling a meeting pursuant to Subsection (ii) above, notify in writing all Owners of the proposed transaction and of their right to object thereto and, if no more than ten percent (10%) of the Class A Members who are eligible to vote object in writing within thirty (30) days after receipt of such notice, the proposed transaction shall be deemed approved by the Members and a meeting of the Members shall not be necessary.

ARTICLE XIII. Unofficial Document

TERM; AMENDMENTS; TERMINATIONS

13.1 Term; Method of Termination. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect for a term of twenty (20) years from the date this Declaration is recorded. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each. This Declaration may be terminated at any time if seventy-five percent (75%) of the authorized votes shall be cast in favor of termination at an election duly called and held for such purpose. If the necessary votes are obtained, the Board shall cause to be recorded with the County Recorder of Maricopa County, Arizona, a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. Thereupon, this Declaration shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles. Any Association funds remaining following such termination and dissolution shall be distributed to the Members and their mortgagees as their interest may appear at a uniform rate per Membership.

13.2 Amendments. Until the first sale of a Lot or Parcel within the Property to an Owner other than Co-Declarants, this Declaration may be amended by recorded instrument duly executed by the Co-Declarants, without the necessity of calling a meeting of Owners or obtaining the consent of Owners. Thereafter, this Declaration may be amended either at any time during the initial twenty-year term or during any extension thereof, pursuant to Section 13.1 by recording with the County Recorder of Maricopa County, Arizona, a Certificate of Amendment, duly signed and acknowledged in the same manner as required for a Certificate of Termination in Section 13.1. The Certificate of Amendment shall set forth in full the amendment adopted, and, except as provided hereafter, shall certify that at an election duly called and held for this purpose pursuant to the provisions of the Articles and Bylaws, the Members casting seventy-five

percent (75%) of the votes cast at the election voted affirmatively for the adoption of the amendment. The Declaration may be amended with respect to all or any portion of the Lots and Parcels covered hereby. Within fifteen (15) years from the date of recording this Declaration and so long as either Co-Declarant is the Owner of any Lot or Parcel in Northern Oak, this Declaration and any Declaration of Annexation may be amended or terminated only with the written approval of the Co-Declarants. Thereafter, except as otherwise provided herein, any amendment to a declaration of annexation must be approved by the Board. This Declaration may not be amended to reduce or alter the rights of the Co-Declarants without the approval of the Co-Declarants. The Co-Declarants alone may amend this Declaration at any time (a) to annex additional property hereunder as provided in Article XIV, (b) to exclude from the Property any property not then covered by this Declaration or a recorded declaration of annexation, (c) to relinquish its right to appoint the members of the Architectural Review Committee as provided in Section 11.1, or (d) to amend as permitted in Section 13.3 hereafter. In addition, at any time, the Co-Declarants alone shall have the right to amend the Declaration or any declaration of annexation to comply with applicable law or to correct any error or inconsistency in the Declaration or a declaration of annexation if the amendment does not adversely affect the rights of any Owner.

13.3 Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in this Article to the contrary notwithstanding, Co-Declarants reserve the right to amend all or any part of this Declaration to such extent and with such language as may be requested by any federal, state or local government agency which requests such an amendment as a condition precedent to such agency's approval of the Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s), Parcel(s) or any portions thereof. Any such amendment shall be effected by the recordation by Co-Declarants of the amendment duly signed by or on behalf of the authorized agents of Co-Declarants with their signatures acknowledged, specifying the federal, state or local government agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such amendment, when recorded, shall be binding upon all of the Northern Oak and all persons having an interest therein.

ARTICLE XIV.

ANNEXATION OF ADDITIONAL PROPERTY; WITHDRAWAL

14.1 Right of Annexation. Co-Declarants hereby expressly reserves the right until seven (7) years from the date of recording of this Declaration to expand Northern Oak, without the consent of any Owner, Mortgagee or any other party with an interest in Northern Oak, by annexing additional property. The annexation of any or all annexation property shall be accomplished by the Co-Declarants recording with the County Recorder of Maricopa County, Arizona, a Declaration, which establishes the identifies the property being annexed. The Co-Declarants may annex non-contiguous property hereunder. A declaration of annexation annexing property as permitted hereunder 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 document revoke, modify or add to the Covenants established by this Declaration and applicable to property previously covered by a declaration of annexation.

14.2 Declarations of Annexation. The annexations authorized under Section 14.1 shall be made by recording a declaration of annexation. A Declaration of Annexation may contain such complementary additions to and modifications of this Declaration as may be necessary to reflect the different character, if any, of the annexation property (or the applicable portion or portions thereof). In no event, however, shall any such

Declarations of Annexation revoke, conflict with, modify or add to the covenants established by this Declaration with respect to property previously covered by this Declaration.

14.3 Annexable Property. The annexable property may include any real property that is adjacent to the Property described in the Northern Oak Plat recorded in the Official Records of Maricopa County, Arizona, and may include such additional property which is adjacent to the Covered Property or is separated from the Covered Property by a public street, as defined herein, or as the Co-Declarants determine in their sole discretion, is appropriate.

14.4 Withdrawal. Notwithstanding any other provisions of this Declaration, Co-Declarants reserves the right to amend this Declaration so long as it has the right to annex additional property pursuant to this Article, for the purpose of removing property then owned by the Co-Declarants or their respective assignees from coverage of this Declaration, to the extent originally included in error or as a result of any changes in Co-Declarants' plans for the Property, provided such withdrawal is not unequivocally contrary to the overall scheme of development for the Property.

ARTICLE XV.

DISPUTE RESOLUTION

15.1 Agreement to Resolve Certain Disputes Without Litigation. As used in this Article XV, the term "Claim" shall mean: (a) any claim or cause of action arising out of or related in any way to the planning, design, engineering, grading, construction or development of the Common Area or any Lot, Parcel or any Improvements situated thereon, including, without limitation, any claim or cause of action that the Common Areas are defective or that the Co-Declarants or their respective agents, contractors, employees, subcontractors, architects, engineers or consultants ^{Unofficial Document} were negligent in the planning, design, engineering, grading, construction or development thereof; of (b) any claim or cause of action against the Co-Declarants or any employee, agent, director, member or officer of Co-Declarants arising out of or in any way related to the development of the Property or the management or operation of the Association, including, without limitation, any claim for negligence, fraud, intentional misconduct or breach of fiduciary duty. The Association, the Co-Declarants, all Owners, Lessees, Invitees and other Persons bound by this Declaration, and any Person not otherwise bound by this Declaration who agrees to submit to this Article (collectively, the "Bound Parties") agree that the dispute resolution procedures set forth in this Article shall apply to all Claims.

15.2 Notice of Claim. Any Bound Party having or alleging to have a Claim (a "Claimant") against any other Bound Party (a "Respondent") shall notify each Respondent in writing of the Claim (the "Claim Notice"), stating plainly and concisely: (a) the nature of Claim, including, date, time, location, Persons involved, and Respondent's role in the Claim; (b) the factual and legal basis of the Claim; and (c) what Claimant wants Respondent to do or not do to resolve the Claim.

In the event the Claimant is the Association, the Association must provide written notice to all Members prior to delivering a Claim Notice or commencing any legal action, cause of action, proceeding, reference or arbitration against a Co-Declarants which notice shall (at a minimum) include: (a) a description of the Claim, (b) a description of the attempts of any Co-Declarants to correct such Alleged Defect and the opportunities provided to Co-Declarants to correct such Alleged Defect, (c) the estimated cost to repair such Alleged Defect, (d) the name and professional background of the attorney retained by the Association to pursue the claim against a Co-Declarant and a description of the relationship between such attorney and member(s) of the Board (if any), (e) a description of the fee arrangement between such attorney and the Association, (f) the estimated attorneys' fees and expert fees and costs necessary to pursue the claim against the Declarant and the source of the funds which will be used to pay such fees and expenses, (g) the estimated

time necessary to conclude the action against the Co-Declarant, (h) a description of the manner in which the action will be funded and a description of any demands, notices, offers to settle or responses to offers to settle made either by the Association or a Bound Party, and (i) an affirmative statement from the Board that the action is in the best interests of the Association and its Members. If the Alleged Defect is alleged to be the result of an act or omission of a person licensed by the State of Arizona under Title 20 or Title 32 of the Arizona Revised Statutes (a "Licensed Professional"), then the notice from the Association must be accompanied by an affidavit from a Licensed Professional in the same discipline as the Licensed Professional alleged to be responsible for the Alleged Defect. The affidavit must contain the information required to be contained in a preliminary expert opinion affidavit submitted pursuant to Section 12-2602B of the Arizona Revised Statutes.

15.3 **Mediation.** If the Parties do not resolve the Claim through negotiation within thirty (30) days after the date of the Claim Notice or within such longer period as may be agreed upon by the Parties ("Termination of Negotiations"), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation by the American Arbitration Association ("AAA") or such other independent mediation service agreed to by the Claimant and Respondent.

If Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim.

If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation Notice"). The Termination of Mediation Notice shall set forth when and where the Parties met, that the Parties are at an impasse, and the date that mediation was terminated.

15.4 **Binding Arbitration.** In the event a Claim is not resolved by Mediation, the Claimant shall have fifteen (15) days after the date of the Termination of Mediation Notice to submit the Claim to binding arbitration in accordance with this Section. If the Claimant fails to timely submit the Claim to arbitration, then the Claim shall be deemed waived and abandoned and the Respondent shall be relieved of any and all liability to Claimant arising out of the Claim. If the Claimant submits the Claim to binding arbitration in accordance with this Section, the arbitration shall be conducted in accordance with the following:

(a) **Initiation of Arbitration.** The arbitration shall be initiated by either party delivering to the other a Notice of Intention to Arbitrate as provided for in the AAA Commercial Arbitration Rules, or such other AAA rules as the AAA determines to be applicable (the "AAA Rules"). A Respondent may join as a party to the arbitration any Bound Party who may be liable to the Respondent or the Claimant with respect to the Claim.

(b) **Governing Procedures.** The arbitration shall be conducted in accordance with the AAA Rules and A.R.S. § 12-1501, et seq. In the event of a conflict between the AAA Rules and this Section 15.4, the provisions of this Section 15.4 shall govern.

(c) **Appointment of Arbitrator.** The parties shall appoint a single Arbitrator by mutual agreement. If the parties have not agreed within ten (10) days of the date of the Notice of Intention to Arbitrate on the selection of an arbitrator willing to serve, the AAA shall appoint a qualified Arbitrator to serve. Any arbitrator chosen in accordance with this Subsection (c) is referred to in this Section 15.4 as the "Arbitrator".

(d) Qualifications of Arbitrator. The Arbitrator shall be neutral and impartial. The Arbitrator shall be fully active in such Arbitrator's occupation or profession, knowledgeable as to the subject matter involved in the dispute, and experienced in arbitration proceedings. The foregoing shall not preclude otherwise qualified retired lawyers or judges.

(e) Disclosure. Any candidate for the role of Arbitrator shall promptly disclose to the parties all actual or perceived conflicts of interest involving the dispute or the parties. No Arbitrator may serve if such person has a conflict of interest involving the subject matter of the dispute or the parties. If an Arbitrator resigns or becomes unwilling to continue to serve as an Arbitrator, a replacement shall be selected in accordance with the procedure set forth in Subsection (c) above.

(f) Compensation. The Arbitrator shall be fully compensated for all time spent in connection with the arbitration proceedings in accordance with the Arbitrator's usual hourly rate, unless otherwise agreed to by the parties, for all time spent by the Arbitrator in connection with the arbitration proceeding. Pending the final award, the Arbitrator's compensation and expenses shall be advanced equally by the parties.

(g) Preliminary Hearing. Within thirty (30) days after the Arbitrator has been appointed, a preliminary hearing among the Arbitrator and counsel for the Parties shall be held for the purpose of developing a plan for the management of the arbitration, which shall then be memorialized in an appropriate order. The matters which may be addressed include, in addition to those set forth in the AAA Rules, the following: (i) definition of issues; (ii) scope, timing and types of discovery, if any; (iii) schedule and place(s) of hearings; (iv) setting of other timetables; (v) submission of motions and briefs; (vi) whether and to what extent expert testimony will be required, whether the Arbitrator should engage one or more neutral experts, and whether, if this is done, engagement of experts by the Parties can be obviated or minimized; (vii) whether and to what extent the direct testimony of witnesses will be received by affidavit or written witness statement; and (viii) any other matters which may promote the efficient, expeditious, and cost-effective conduct of the proceeding.

(h) Management of the Arbitration. The Arbitrator shall actively manage the proceedings as the Arbitrator deems best so as to make the proceedings expeditious, economical and less burdensome than litigation.

(i) Confidentiality. All papers, documents, briefs, written communication, testimony and transcripts as well as any and all arbitration decisions shall be confidential and not disclosed to anyone other than the Arbitrator, the parties or the parties' attorneys and expert witnesses (where applicable to their testimony), except that upon prior written consent of all parties, such information may be divulged to additional third parties. All third parties shall agree in writing to keep such information confidential.

(j) Hearings. Hearings may be held at any place within the State of Arizona designated by the Arbitrator and, in the case of particular witnesses not subject to subpoena at the usual hearing site, at a place where such witnesses can be compelled to attend.

(k) Final Award. The Arbitrator shall promptly (within sixty (60) days of the conclusion of the proceedings or such longer period as the parties mutually agree) determine the claims of the parties and render a final award in writing. The Arbitrator may award the prevailing party in the proceeding all or a part of such party's reasonable attorneys' fees and expert witness fees, taking into account the final result of arbitration, the conduct of the parties and their counsel in the course of the arbitration, and other relevant factors. The Arbitrator shall not award any punitive damages. The Arbitrator shall not award indirect, consequential or special damages regardless of whether the possibility of such damage or loss was disclosed

to, or reasonably foreseen by the party against whom the claim is made; provided however, that such damages may be deemed by the Arbitrator to be direct damages in an award reimbursing payments made by a party therefor to a third party. The Arbitrator shall assess the costs of the proceedings (including, without limitation, the fees of the Arbitrator) against the non-prevailing party.

15.5 Right to Enter, Inspect, Repair and/or Replace. Within a reasonable time after the receipt by the Co-Declarant of a Claim Notice, the Declarant shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, the Common Area, any Lot or Parcel, including any Building constructed thereon, and/or any Improvements for the purposes of inspecting and/or conducting testing to determine the validity of the Claim and, if deemed necessary by the Co-Declarant, to correct, repair and/or replace the alleged deficiency in the planning, design, engineering, grading, construction or development of the Common Area or any Lot or Parcel, or any Improvement constructed on the Common Area or a Lot or Parcel which is the basis for the Claim (the "Alleged Defect"). In conducting such inspection, testing, repairs and/or replacement, Co-Declarant shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.

Nothing set forth in this Section shall be construed to impose any obligation on the Co-Declarant to inspect, test, repair, or replace any item or Alleged Defect for which the Co-Declarant is not otherwise obligated under applicable law or any limited warranty provided by the Declarant in connection with the sale of the Lots, Parcels and/or the Improvements constructed thereon. The right of the Co-Declarant to enter, inspect, test, repair and/or replace reserved hereby shall be irrevocable and may not be waived or otherwise terminated except by a writing, in recordable form, executed and Recorded by the Co-Declarant. In no event shall any statutes of limitations be tolled during the period in which the Co-Declarant conducts any inspection or testing of any Alleged Defects.

15.6 Use of Funds In the event the Association ^{Unofficial Document} recovers any funds from a Co-Declarant, or any other Person as a result of a claim involving an Alleged Defect, the funds shall first be used to correct and/or repair the Alleged Defect or to reimburse the Claimant for any costs actually incurred by such Claimant in correcting and/or repairing the Alleged Defect, and any excess funds shall be paid into the Association's reserve fund.

15.7 Approval of Litigation. The Association shall not deliver a Claim Notice to any Bound Party, commence any legal action or arbitration proceeding against any Bound Party or incur any expenses (including, without limitation, attorneys' fees) in connection with any Claim without the written approval of Owners entitled to cast more than seventy-five percent (75%) of the total votes in the Association, excluding the votes of any Owner who would be a defendant in such proceedings. The Association must pay for any such legal action or arbitration proceeding with monies that are specifically collected for such purposes and may not borrow money or use reserve funds or other monies collected for specific Association obligations other than legal fees. In the event that the Association commences any legal action or arbitration proceeding involving a Claim, all Owners must notify prospective purchasers of such legal action or arbitration proceeding and must provide such prospective purchasers with a copy of the notice received from the Association in accordance with Section 15.2.

15.8 Arizona Statutory Compliance. In the event a court of competent jurisdiction invalidates all or part of this Article XV regarding resolution of Alleged Defects and litigation becomes necessary, Co-Declarant, Association and all Owners shall be bound by the applicable Arizona construction defect statute presently codified at A.R.S. §12-1361, et seq. and A.R.S. §33-2001 et seq.

BY ACCEPTANCE OF A DEED OR BY ACQUIRING A LOT OR PARCEL, EACH PERSON, FOR HIMSELF, HIS HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS, TRANSFEREES AND ASSIGNS, AGREES TO HAVE ANY CLAIM FOR ALLEGED DEFECT RESOLVED ACCORDING TO THE PROVISIONS OF THIS ARTICLE XV AND WAIVES THE RIGHT TO PURSUE CO-DECLARANT, OR ANY CO-DECLARANT'S AGENTS IN ANY MANNER OTHER THAN AS PROVIDED IN THIS ARTICLE XV. THE ASSOCIATION, EACH LOT AND PARCEL OWNER AND CO-DECLARANT ACKNOWLEDGE THAT BY AGREEING TO RESOLVE ALL CLAIMS FOR ALLEGED DEFECTS AS PROVIDED IN THIS ARTICLE XV, THEY ARE GIVING UP THEIR RESPECTIVE RIGHTS TO HAVE SUCH CLAIMS TRIED BEFORE A JURY. THE ASSOCIATION, EACH LOT OWNER, PARCEL OWNER AND CO-DECLARANT FURTHER WAIVE THEIR RESPECTIVE RIGHTS TO AN AWARD OF PUNITIVE AND CONSEQUENTIAL DAMAGES RELATING TO A CLAIM FOR ALLEGED DEFECT BY ACCEPTANCE OF A DEED OR BY ACQUIRING A LOT OR PARCEL, EACH LOT OWNER AND PARCEL OWNER VOLUNTARILY ACKNOWLEDGES THAT HE IS GIVING UP ANY RIGHTS HE MAY POSSESS TO PUNITIVE AND CONSEQUENTIAL DAMAGES OR THE RIGHT TO A TRIAL BEFORE A JURY RELATING IN ANY WAY TO A CLAIM FOR ALLEGED DEFECT.

ARTICLE XVI.

MISCELLANEOUS

16.1 Interpretation of the Covenants. Except for judicial construction, the Association, by its Board and Architectural Review Committee, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefitted ^{Unofficial Document} or bound by the Covenants hereof.

16.2 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

16.3 Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

16.4 Rules and Regulations. In addition to the right to adopt rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Association (through its Board and Committee) shall have the right to adopt rules and regulations with respect to all other aspects of the Association's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration, the Articles and Bylaws or any applicable Architectural Guidelines.

16.5 Declarant's Disclaimer of Representations. Anything to the contrary in this Declaration notwithstanding, and except as otherwise may be expressly set forth on a recorded plat or other instrument recorded in the office of the County Recorder of Maricopa County, Arizona, Co-Declarants makes no warranties or representations whatsoever that the plans presently envisioned or the complete development of Northern Oak can or will be carried out, or that any land now owned or hereafter acquired by the Co-Declarants is or will be subjected to this Declaration or any other declaration, or that any such land (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or if that land is one used for a particular use, such use will continue in effect.

16.6 No Warranty of Enforceability. While Co-Declarants have no reason to believe that any of the Covenants contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Co-Declarant makes no warranty or representation as to the present or future validity or enforceability of any such Covenants. Any Owner acquiring a Lot or Parcel in Northern Oak in reliance on one or more of the Covenants shall assume all risks of the validity and enforceability thereof and by acquiring any Lot or Parcel agrees that Co-Declarants shall have no liability therefor.

16.7 References to the Covenants in Deeds. Deeds or any instruments affecting any part of Northern Oak may contain the Covenants herein set forth by reference to this Declaration; but regardless of whether any such reference to this Declaration is made in any Deed or instrument, each and all of the Covenants shall be binding upon the Owner or other person claiming through any instrument and his heirs, executors, administrators, successors and assigns.

16.8 Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

16.9 Captions and Titles. All captions, titles or headings of the Articles, Sections and Paragraphs in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.


16.10 Notices. If notice of any action or proposed action by the Board or any committee or of any meeting is required by applicable law, this Declaration or resolution of the Board to be given to any Owner then, unless otherwise specified herein or in the resolution of the Board, such notice requirement shall be deemed satisfied if notice of such action or meeting is published once in any newspaper in general circulation within Maricopa County or its successor or Northern Oak. This Section shall not be construed to require that any notice be given if not otherwise required, and shall not prohibit satisfaction of any notice requirement in any other manner. If notice is made by mail, it shall be deemed to have been received twenty-four (24) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to such person at the address given by that person to the Association for the purpose of service of such notice, or to the address of the Lot or Parcel owned by such person if no address has been given. Notice to the Board acting as an Architectural Review Committee shall be delivered or sent by certified mail to the office of the Association.

16.11 Litigation. Notwithstanding anything set forth in Article XV hereinabove, the following actions may be filed in a court of competent jurisdiction by the Association (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of Assessments as provided in Article VII hereof, (c) proceedings involving challenges to taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. In such legal actions the prevailing party may be awarded its attorneys fees, costs and expenses of bringing the action.

[SIGNATURES OF THE FOLLOWING PAGES]

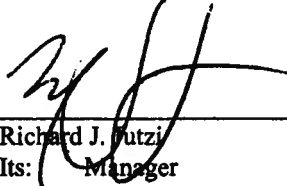
IN WITNESS WHEREOF, the undersigned has executed this Declaration as of the day and year first above written.

NORTHERN OAK COMMERCE PARK, an Arizona limited liability company

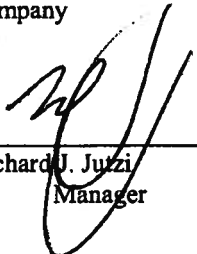
By: 
DAVID ROTHBERG
Its: MANAGER

SAGE BRUSH INVESTORS, L.L.C., an Arizona limited liability company

BY: Willowdale Investments, L.L.C., an Arizona limited liability company, Its Manager

By: 
Richard J. Jutzi
Its: Manager

Unofficial Document
NORTHERN OAK LOT 1, L.L.C., an Arizona limited liability company

By: 
Richard J. Jutzi
Its: Manager

STATE OF ARIZONA)
) s s.
County of Maricopa)

The foregoing instrument was acknowledged before me this 14th day of January, 2008, by David Rothman, the Managing Member of Northern Oak Commerce Park, L.L.C., an Arizona limited liability company, for and on behalf thereof.

Barbara J. Cook
NOTARY PUBLIC

My Commission Expires:
Oct. 11, 2010

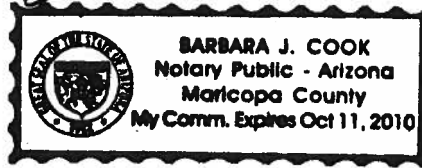


STATE OF ARIZONA)
) s s.
County of Maricopa)

The foregoing instrument was acknowledged before me this 14th day of January, 2008, by Richard J. Jutzi, who is personally know to me as the Managing Member of Willowdale Investments, L.L.C., Manager of Sage Brush Investors, L.L.C., an Arizona limited liability company, for and on behalf thereof.

Barbara J. Cook
Unofficial Document
NOTARY PUBLIC

My Commission Expires:
Oct. 11, 2010

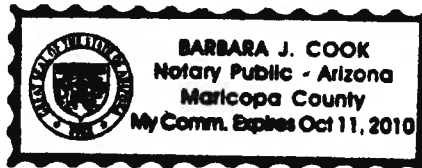


STATE OF ARIZONA)
) s s.
County of Maricopa)

The foregoing instrument was acknowledged before me this 14th day of January, 2008, by Richard J. Jutzi, the Managing Member of Northern Oak Lot 1, L.L.C., an Arizona limited liability company, for and on behalf thereof.

Barbara J. Cook
NOTARY PUBLIC

My Commission Expires:
Oct. 11, 2010



CONSENT AND RATIFICATION OF DECLARATION

The undersigned on behalf of Valley First Community Bank, an Arizona corporation as the holder of a lien and security interest as evidenced by that certain Construction Deed of Trust dated June 1, 2006 and recorded on July 5, 2006 at Instrument No. 2006-0898619, Official Records of Maricopa County, Arizona and that Deed of Trust dated January 17, 2007 and recorded at Instrument No. 2007-0078609, Official Records of Maricopa County, Arizona, as modified by that certain Modification of Deed of Trust dated March 13, 2007 and recorded at Instrument No. 2007-0314620, Official Records of Maricopa County, Arizona, in a portion of the real property that is the subject of the foregoing Declaration of Covenants, Conditions, Restrictions and Easements ("Declaration") hereby consents to, ratifies and joins in the foregoing Amended and Restated Declaration.

Valley First Community Bank.
an Arizona corporation

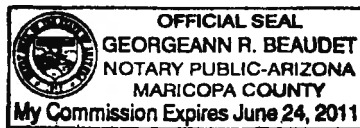
By: Dan Kleinske
Its: V.P.

STATE OF ARIZONA)
) s s. Unofficial Document
County of Maricopa)

The foregoing instrument was acknowledged before me this 15 day of JANUARY, 2008, by DAN KLEINSKE, the Vice President of Valley First Community Bank, an Arizona corporation, for and on behalf thereof.

Georgeann R. Beudet
NOTARY PUBLIC

My Commission Expires:
6-24-2011



CONSENT AND RATIFICATION OF DECLARATION

The undersigned on behalf of Sage Brush Investors, L.L.C., an Arizona limited liability company, an Arizona corporation as the holder of a lien and security interest as evidenced by that certain 2nd Lien Deed of Trust and Assignment of Rents (Due on Sale) dated June 6, 2006 and recorded at Instrument No. 2006-0898620, Official Records of Maricopa County, Arizona, that certain 2nd Lien Deed of Trust and Assignment of Rents (Due of Sale) dated January 17, 2007 and recorded at Instrument No. 2007-0078610, Official Records of Maricopa County, Arizona, and that certain 2nd Lien Deed of Trust dated March 15, 2007 and recorded at Instrument No. 2007-0314621, Official Records of Maricopa County, Arizona, in a portion of the real property that is the subject of the foregoing Declaration of Covenants, Conditions, Restrictions and Easements ("Declaration") hereby consents to, ratifies and joins in the foregoing Amended and Restated Declaration.

SAGE BRUSH INVESTORS, L.L.C., an Arizona limited liability company

BY: Willowdale Investments, L.L.C., an Arizona limited liability company Its Manager

By: [Signature]
Richard J. Jutzi
Its: Manager

Unofficial Document

STATE OF ARIZONA)
) s s.
County of Maricopa)

The foregoing instrument was acknowledged before me this 14th day of January, 2008, by Richard J. Jutzi, who is personally know to me as the Managing Member of Willowdale Investments, L.L.C., Manager of Sage Brush Investors, L.L.C., an Arizona limited liability company, for and on behalf thereof.

[Signature]
NOTARY PUBLIC

My Commission Expires:
Oct. 11, 2010

