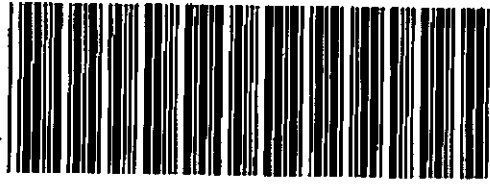


When recorded mail to:

RICHARD T. JOHNSON
20 E. TAM O'SHANTER
PHOENIX AZ 85022



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

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**HILLCREST IMPROVEMENT ASSOCIATION
EIGHTH AMENDED DECLARATION OF RESTRICTIONS**

KNOW ALL MEN BY THESE PRESENTS:

That Hillcrest Improvement Association, an Arizona nonprofit corporation, as trustee, being the owner of all the described premises situated within the City of Phoenix, County of Maricopa, State of Arizona, to wit:

The Southwest quarter (SW 1/4) of the Southeast quarter (SE 1/4) of Section Eight (8), Township Three (3) North, Range Three (3) East of the Gila and Salt River Base and Meridian (G&SRB&M), including Tracts A, B, C, D, E, F, G, and H inclusive, Hillcrest One, Two, Three and Four, a subdivision of Maricopa County, Arizona, according to the plat of record thereof in the office of the County Recorder of Maricopa County, Arizona, in Book 115 of Maps, page 28 thereof, Book 119 of Maps, page 26 thereof, Book 137 of Maps, page 26 thereof, and Book 149 of Maps, page 44 thereof.

And those individuals, being the owners of Lots One through One Hundred Seventeen in Hillcrest One, Two, Three and Four as described above, desiring to establish the nature of the use and enjoyment of said lots and tracts, hereby declares that the following covenants, conditions, restrictions and reservations shall attach to the said real property, and every lot or tract thereof with all improvements thereon, and shall constitute covenants running with the land.

1. The owners of Lots One (1) through One Hundred Seventeen (117) inclusive of Hillcrest Subdivision shall own an undivided One-One Hundred Seventeenth (117th) interest in all common areas delineated as tracts and as set forth in the respective plats of record covering said tracts.
2. Anything in this declaration to the contrary notwithstanding, at least one occupant of each lot must be 55 years of age or older; provided, however, this paragraph shall not apply to lots occupied by persons at least 18 years of age who occupied the lot prior to the 15th day of September, 1996, and if an occupant who is 55 years of age or older dies, the remaining occupant(s) of the lot, who is (are) at least 18 years of age, may continue to occupy the lot even though none of such persons is 55 years of age or older.
 - a. No person under the age of 18 years may occupy a lot for more than thirty days in any twelve-month period.
 - b. The provisions of this Paragraph 2 are for the purpose of establishing the policies and procedures necessary for the subdivision to qualify under the exemption as housing intended and operated for occupancy by at least one person 55 years of age or older per lot under the Fair Housing Amendments Act of 1988, as amended, and the regulations promulgated thereunder. The Board of Directors is authorized to adopt such other policies and procedures which may be necessary from time to time in order for the subdivision to meet all of the requirements for such exemption.
 - c. In the event of any change in the number or identity of persons occupying a lot as a result of transfer, sale, gift, lease, sublease, assignment, death, birth, marriage, separation or divorce, the owner of the lot shall immediately notify the Board of Directors in writing and provide the Board of Directors with the names, ages and relationship of all occupants of the lot.

d. An owner may request in writing that the Board of Directors make a temporary exception to the requirements of the first paragraph of Paragraph 2 or subparagraph a. of this paragraph with respect to such owner's lot, provided that the granting of such temporary exception would not jeopardize compliance of the property with the requirements for housing intended and operated for occupancy by at least one person 55 years of age or older per lot under the Fair Housing Amendments Act of 1988, as amended, and the regulations promulgated thereunder. The Board of Directors may grant such a temporary exception based on the personal hardship of the owner. The Board of Directors, however, shall be under no obligation to make any exception under any circumstances, and the granting of any requested exception shall be at the sole discretion of the Board of Directors. Any request for a temporary exception shall set forth the names, ages and relationship of all proposed occupants of the lot and the reason the exception is being requested, the length of time for which temporary exception is requested and the personal hardship upon which the request is based.

e. In order for the subdivision to qualify as housing for older persons under the Fair Housing Amendments Act of 1988, as amended, and the regulations promulgated thereunder, at least eighty percent of the occupied lots must be occupied at all times by one person 55 years of age or older. In order for the Association to determine whether or not that requirement is being met at all times, each owner shall, within ten days after being requested to do so by the Board of Directors, furnish to the Association an affidavit signed by the owner verifying that at least one occupant of the owner's lot is 55 years of age or older. In addition, if requested to do so by the Board of Directors, an owner shall promptly furnish to the Association such documentary evidence as may be requested by the Association to verify the accuracy of the affidavits, set forth in any verification submitted to the Association by the owner.

3. Said premises shall be for private residential use only and shall be restricted to single family dwellings only. No business uses or activities of any kind whatsoever shall be permitted or conducted upon said lots.

4. All improvements erected upon said lots shall be of new construction and no buildings or structures shall be moved from other locations onto said lots, except a storage building may be erected on the lot. Said storage building shall be no larger than 80 square feet of floor space, no higher than seven feet and shall be screened to conceal same from the street or adjacent lots. The owner of a lot shall be responsible for all damage to the improvements erected thereon and shall maintain in full force and effect property insurance for the full cost of replacement thereof.

5. a. No animals, livestock or poultry shall be kept on the premises other than household pets. No signs of a commercial nature shall be allowed, except for one "For Rent" or one "For Sale" sign per lot. No store, office or other place of business of any kind, and no institution or other place for the care or treatment of the sick or disabled shall be placed or permitted to remain on any of said lots. No theater, bar, restaurant, saloon or other place of entertainment shall be erected or permitted upon the premises or any part thereof, and no business of any kind or character whatsoever shall be conducted in or from any residence. No unsightly object or nuisance shall be erected, placed or maintained on any of said lots. No use or activity shall be permitted which may endanger the health of or unreasonably disturb the owner of any lot in the subdivision.

b. (1) In order for Hillcrest Improvement Association to regulate the installation, use and maintenance of satellite dishes or antennas in accordance with the FCC Ruling of October 14, 1996, these rules shall apply to the following three types of antennas listed in the FCC rule:

(i) Direct Broadcast Satellite (DBS) less than one meter in diameter, (ii) Multi-point Distribution Service (MDS) antennas less than one meter in diameter, (iii) antennas designed to receive television broadcast signals. All antennas shall be subject to the approval of the Board of Directors pursuant to Paragraph 12(a) of this declaration.

(2) If the antenna is one of these three types allowed by the FCC rule, it shall comply with these regulations: (a) No antenna may encroach upon the common areas or on the property of another owner; (b) The antenna must be shielded from view from any common area or from the adjacent lots as long as there is no unreasonable increase in the cost of installation, maintenance, use or there is no interference with the reception of an acceptable quality signal; (c) The Association may require that the antenna be shielded by plantings or screening that comply with the Association's architectural requirements; (d) An antenna must be painted to match the exterior color of the building to which it is attached; (e) No more than one antenna of each provider may be installed; (f) The antenna must comply with all applicable building codes.

(3) If the antenna is attached to a mast, these regulations shall apply: (a) mast height shall be no higher than necessary to receive an acceptable quality signal; (b) masts that extend more than twelve feet above the roof line must be approved by the Board of Directors prior to installation and must include a description of the method of attachment to the dwelling and the reason for the exception to the height limitation.

6. Each lot shall be maintained free of rubbish, trash or garbage and the same be removed from the premises and not allowed to accumulate thereon, and garbage cans, incinerators, clotheslines and areas for the storage of equipment or woodpiles shall be kept screened by an adequate planting or fencing so as to conceal same from adjacent lots and streets.

7. All car storage areas shall be kept free of debris and storage items. All garages shall be kept closed at all times other than those needed for the entering or exiting of vehicles, the conduct of a hobby and those needed for the daily maintenance and repair of the premises. All screening, whether fences, hedges or walls, shall be erected or maintained upon lots in Hillcrest Subdivision in accordance with the original construction or as approved by the Association, as hereinafter set forth.

8. Hillcrest Improvement Association shall do all things necessary for the general benefit and welfare of the property owners in Hillcrest Subdivision, and shall manage and maintain the private drives, walks, parks, recreation areas, including the swimming pool and all other commonly owned lands, in Hillcrest Subdivision and do all other necessary things as set forth in the Articles of Incorporation of the association.

9. a. The owner of record of each lot shall pay to Hillcrest Improvement Association within thirty days from the due date of the notice and invoice a sum equal to the total of the following:

(1) The pro rata share of the actual cost to the Association of all maintenance and improvements and payment of taxes.

(2) The pro rata share of the actual cost to the Association of all recreational facilities existing or as may be constructed and or approved by the Association.

(3) The pro rata share of the cost, as determined by the Board of Directors, for the establishment and maintenance of a reserve for ordinary repair and maintenance of the grounds and improvements.

b. The total of the items in Section 9a shall not exceed the amount levied in the previous year except by the written consent of fifty-one percent of the owners of record in the Association. Notices and invoices for payment of any and all dues and assessments shall be rendered by the Treasurer annually or at any other interval as may be fixed by the Board of Directors. In the event any such invoice is not paid within thirty days from the date the amount is due, a finance charge of 1 1/2% per month (an annual percentage rate of 18%) shall be charged to the delinquent lot owner(s). The amount of the invoice, plus all finance charges, shall become a lien upon the lot or lots against which such assessment was levied. Such liens may be enforced and foreclosed as provided in the Articles of Incorporation of the Association. Such liens shall be foreclosed in the manner provided by the statute for foreclosure of materialmen's liens. All costs incurred by the Association in regard to lien filing and collection shall be paid by the delinquent lot owner(s) before the lien will be released. In addition the delinquent lot owner's voting rights on all Association matters shall be suspended until the delinquency is paid in full.

c. A repair and replacement fund shall be established effective January 1, 1996, which fund shall be separate and apart from the regular operating account funds of this Association. There shall be no commingling of the regular operating funds with these replacement reserve funds. This fund shall be used solely for the purpose of repairing or replacing major equipment items and infrastructure of the common grounds. All expenditures from this account shall require prior approval by the Board of Directors.

This reserve fund account shall be a dedicated fund and is to be established by using a designated amount each year from the annual assessment levied by the Board of Directors in accordance with Paragraph 9a hereof. This designated amount per owner shall be deposited directly into the replacement reserve account at the beginning of each year.

d. Every five years the needs of the Association shall be reviewed with the members of the Association to determine the adequacy of this reserve and it shall be adjusted accordingly to properly serve the future requirements of the Association.

10. Upon the failure of any owner(s) of a lot to maintain the premises and improvements thereon in a manner satisfactory to the Board of Directors of Hillcrest Improvement Association, the Association is herewith granted the right for its agents and/or employees to enter upon such lot and to make such reasonable repairs, maintenance, rehabilitation or restoration of the premises and the exterior of any improvements located thereon as may be necessary and the cost thereof shall be charged against the owner(s) of said lot by invoice in the manner set forth in Paragraph 9 above and shall be made a lien on said lot, and may be foreclosed, as set forth above.

11. The Board of Directors of Hillcrest Improvement Association shall have, in addition to the powers set forth in the Articles of Incorporation of the Association, the duty and authority to enforce the following rules with respect to any and all changes in occupancy or ownership of lots in Hillcrest Subdivision, whether by sale, transfer, lease or conveyance of such lots in the subdivision.

The following procedures and policies will govern as the Board of Directors carries out its responsibilities in connection with the sale, transfer, lease, or conveyance of such lots.

a. The owners of a lot shall give the Board of Directors of Hillcrest Improvement Association notice in writing within ten days after action has been initiated with respect to the intended sale, transfer, lease or conveyance of such lot.

b. The owners or a lot owner's agent shall take action to insure that an application by the proposed transferee or lessee, on a form prescribed by the Board of Directors, is submitted as soon as possible.

c. No sale, transfer, lease or conveyance shall be made until the following instrument is filed in the Office of the Recorder of Maricopa County and is incorporated in the instrument of sale, transfer, lease or conveyance by reference:

(1) An affidavit by the owner(s) of record of the lot that the required notice had been given to the Board of Directors, as prescribed in Paragraph 11a herein; and that an application had been submitted as prescribed in Paragraph 11b herein.

d. (1) Anyone who becomes a renter or lessee of a home within Hillcrest Subdivision shall abide by the provisions of the Declaration of Restrictions and all rules and regulations of the Association. The owner/landlord shall furnish a copy of all rules and regulations to the tenant/lessee prior to the inception of the lease/rental. The owner/landlord shall provide a signed statement from the tenant/lessee that tenant/lessee has read and understands the rules and regulations of the Association and agrees to be bound by them.

(2) In addition there shall be a separate addendum to every lease/rental agreement wherein the owner/ landlord and the tenant/lessee both agree to hold harmless and indemnify Hillcrest Improvement Association, its members, officers and directors against any and all loss sustained arising out of the lease/rental of the specified property. Further, the owner/landlord shall be responsible to the Association, its members, officers and directors for any and all actions of his/her tenant/lessee.

(3) Copies of the required signed statement from the tenant and the required indemnity addendum shall be filed with the Secretary of the Association as soon as they are signed by all parties thereto, but not later than thirty days after inception date of the lease. These required forms will be furnished by the Secretary of the Association to all parties of interest after receipt of notification to the Association.

12. The following procedures and policies will apply with respect to construction, improvements, painting and landscaping on lots in Hillcrest Subdivision:

a. No improvement, whether a building, fence, wall or other structure shall be commenced, erected or maintained on any lot in Hillcrest Subdivision until the plans and specifications for same, showing all details, including shape, height, materials, floor plans, location, color of paint and materials have been submitted to and have been approved by the Board of Directors and a copy thereof, as finally approved, has been returned to the owner(s) of subject lot. A copy of such approval will be included in the minutes of the meeting at which the application was approved by the Board of Directors.

b. All subsequent additions, alterations or improvements on any building, fence, wall or other structure shall be subject to prior approval of the Board of Directors.

c. The Board of Directors shall have the right to deny approval of any plans or specifications which are not, in the Board's opinion, suitable or desirable for aesthetic or any other pertinent or cogent reasons.

d. The Board of Directors shall have the right to take into consideration the effect of any proposed structure or building and the materials of which same is to be built upon the site where the building or structure is proposed to be constructed or erected, the suitability of same with the surrounding area, and the effect of such structure or building upon adjacent and neighboring properties.

e. After May 15, 1998 all structures in Hillcrest Subdivision shall be painted with a nonglossy paint that is pure white in color with no shading elements added. All structures which are not in compliance with this requirement as of this date shall be allowed to remain painted their existing color with the requirement that they will be painted the required pure white color at the next scheduled repainting of the structure. No partial painting of structures shall be permitted. Upon the sale of the property the buyer shall sign an agreement that they are aware that the exterior paint color is not in compliance with these CC&R's and agrees to bring the color into compliance at the time of the next repainting. This agreement shall become a part of the escrow agreement on the sale of the property and must be completed before the close of the sale. A copy must be furnished to the Association.

f. Any change in the color or materials used on trim work must be approved by the Board of Directors.

g. Any change in the concept of landscaping of that portion of a lot visible from the street must be approved by the Board of Directors.

13. Each lot owner shall be subject to the following provisions, limitations and restrictions with respect to party walls constructed within Hillcrest Subdivision.

a. Every wall built as a part of the original construction within Hillcrest Subdivision and placed on the dividing line between separate lots shall constitute and be considered a party wall. As to such wall, each of the owners immediately adjacent thereto shall assume the obligations and be entitled to the rights and privileges of these restrictive covenants and to the rights, duties and obligations set forth in the Articles of Incorporation of the Association and the By-Laws of said Association and, to the extent not inconsistent herewith, the general rules of law regarding party walls.

b. If a party wall is damaged or destroyed through the act or acts of any adjoining owner or his agent, servants, guests or members of his family, whether such act is willful, negligent or accidental, such adjoining owner shall forthwith proceed to rebuild or repair the same to as good a condition as formerly without cost to the adjoining owner. The failure to forthwith institute rebuilding or repairing of such party wall shall be sufficient reason for the Board of Directors of the Association to rebuild or repair the same and charge the lot of the responsible owner under the provisions of the Articles of Incorporation of the Association and Paragraph 10 herein.

c. Any party wall damaged or destroyed by some act or event other than that produced by one of the adjacent owners, his agents, servants, guests or family, shall be rebuilt or repaired by both adjoining owners to the same condition as formerly at their joint and equal expense and as promptly as reasonably possible. The failure of adjoining owners to effect such rebuilding or repairs as are reasonably necessary shall be sufficient reason for the Board of Directors of the Association to rebuild or repair said party wall and charge the lots of both adjoining owners, as provided in the Articles of Incorporation of the Association and Paragraph 10 herein.

d. Any owner of a lot who proposes to modify, rebuild, repair or make additions to his residence or to any other structure on his lot in any manner which requires the extension, alteration or modification of any party wall shall first obtain the written consent of the adjacent owner. In addition, said owner must meet the requirements of these restrictions, covenants of the building codes or similar ordinances of any governmental body having jurisdiction, and the requirements of the Articles of Incorporation and the By-Laws of the Association.

e. For the purposes of general maintenance, the wall which actually constitutes the residence shall be maintained by the owner of that residence, except in instances falling under the provisions of Paragraph 13b herein.

f. In the event of a disagreement between owners of adjoining lots with respect to repair, reconstruction or maintenance of a party wall or with respect to sharing the cost of repairing, rebuilding or maintaining same, then upon the written request of either of said owners to the Board of Directors of the Association, the matter shall be submitted to the Board for arbitration under such rules as may be from time to time adopted by the Board. If no such rules are adopted or the Board refuses to act, then the matter shall be submitted to three arbitrators; one chosen by each of the owners and the third selected by the arbitrators so chosen. If they cannot reach agreement within five days, the dispute shall be referred to the Arbitration Service of the Better Business Bureau of Maricopa County for resolution.

g. No private agreement of any adjoining property owners shall modify or abrogate any of these restrictive covenants or the obligations, rights, duties and limitations set forth upon the individual lot owners by reason of the Articles of Incorporation of the Association or the By-Laws thereof.

h. The covenants and agreements herein contained shall be binding upon the heirs, administrators, successors and assigns of the owner, but no person shall be liable for any act or omission respecting the covenants herein contained, except such as took place while such person was an owner in Hillcrest Subdivision.

14. Parking regulations within Hillcrest Subdivision:

a. Private passenger and pickup type vehicles belonging to residents of Hillcrest Subdivision and their houseguests shall not be parked overnight on the private streets or other exterior portions of private lots, other than driveways.

b. Camping, pleasure vans, camper vehicles, trailers, motor homes (recreation vehicles) and boats shall not be parked overnight on the private streets, nor shall they be parked on driveways or other portions of private lots for more than seventy-two hours at a time without specific approval from the Board of Directors.

c. Commercial vans, pickup trucks and other types of commercial and industrial vehicles owned by Hillcrest Subdivision residents or their houseguests shall not be parked overnight on the private streets or any exterior portions of private lots, including driveways. Commercial and industrial vehicles are defined as those having an identifying logo or business name thereon.

d. No extensive repairs on any vehicles or boats shall be performed on any of the private streets, driveways or exterior portions of private lots within Hillcrest Subdivision.

15. All pets, including but not limited to dogs and cats, when not on their owner's lot, must be on a leash at all times. When pets are walked on common property the owner shall clean up all waste material immediately.

16. The restrictive covenants, conditions, limitations and agreements herein contained shall run with the land and shall be binding upon all persons purchasing, leasing or occupying any lot or lots entitled to membership in Hillcrest Improvement Association after the date upon which this instrument has been duly recorded. The covenants, restrictions, conditions and reservations herein contained may be enforced by the Board of Directors of the Association and may be enforced by the owner of any lot in Hillcrest Subdivision or any one or more of said individuals; provided, however, that the violation or breach of any covenant, restriction, reservation and/or any right of re-entry by reason thereof shall not defeat nor render invalid the lien of any mortgage or deed of trust made in good faith and for value upon said lot or lots, and except as hereinafter provided, each and all of said covenants, restrictions, reservations and conditions shall be binding upon and effective against any owner of said premises whose title thereto is acquired by foreclosure, trustee sale or otherwise, and provided also that the breach of any of said covenants, restrictions, reservations and conditions may be enjoined, abated or remedied by appropriate legal proceedings, notwithstanding the existence of any lien, deed of trust or mortgage instrument. Any and all instruments of conveyance of any interest in all or part of the lot or lots of Hillcrest Subdivision shall contain reference to this instrument and shall be subject to the covenants, restrictions, reservations and conditions herein set forth as fully as though said terms and conditions were therein set forth in full, provided, however, that the restrictive covenants, terms and conditions of this instrument shall be binding upon all persons affected by the same, whether the expressed reference is made to this instrument or not.

17. These presents may be amended at any time by the written consent of fifty-one percent of the lot owners entitled to be members of the Hillcrest Improvement Association, and such amendment shall be binding upon all such lot owners, their heirs, administrators, successors and assigns.

18. The invalidity of any one of the agreements, covenants, restrictions, reservations or conditions herein contained by judgment, decree or court order shall in no way affect the validity of the remaining provisions of this instrument and the same shall remain in full force and effect.

IN WITNESS HEREOF, Hillcrest Improvement Association, as trustee, has hereunto caused its corporate name to be signed and its corporate seal to be affixed and the same to be attested by the signature of its authorized officer this the 15th day of May, 1998.

HILLCREST IMPROVEMENT ASSOCIATION,
as Trustee

By: Richard T. Johnson
President

STATE OF ARIZONA)
County of Maricopa) ss.

On this the 9 day of June, 1998, Richard T. Johnson, personally appeared before me, who acknowledged himself to be an officer of Hillcrest Improvement Association and that, being authorized to do so, hereby declares that on May 15, 1998, this, the Eighth Amended Declaration of Restrictions, was approved by fifty-one percent (51%) of those lot owners entitled to be members of Hillcrest Improvement Association.. This amendment shall be binding upon all such lot owners, their heirs, administrators, successors and assigns.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Valerie Jipner
Notary Public

My commission expires:

4/17/2001

