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AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR THE ISLANDS

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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
THE ISLANDS

RECITALS

WHEREAS, Continental Homes Corporation, a California corporation, d/b/a Continental Homes Service Corporation ("Declarant") recorded a Declaration of Covenants, Conditions, Restrictions and Easements for The Islands on December 3, 1984, at recording number 84-520816, amended on May 24, 1985, at recording number 85-238966, supplemented on December 4, 1987, at recording number 87-725830, amended on December 4, 2003, at recording number 2003-1655937, amended on May 19, 2005, at recording number 2005-0668972, official records of Maricopa County, Arizona (collectively, the "Declaration"), and governs the property referred to in Exhibit "A";

WHEREAS, The Islands is intended to include planned residential, office, commercial and other communities, together with lakes, parks, recreational areas, open spaces, walkways and other social, civic and cultural buildings and facilities;

WHEREAS, various Tract Declarations also apply to certain Parcels of land located within The Islands;

WHEREAS, the Association, by and through its members, wishes to amend and restate the Declaration in its entirety as set forth herein;

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

ARTICLE I

DEFINITIONS

The following words and phrases used in this Declaration shall have the following meanings:

A. "Additional Property" shall mean real property and any improvements thereon, which may be added to The Islands, and made subject to this Declaration, in one or more additional phases by a Supplemental Declaration.

B. "Annual Assessment" shall mean the charge levied and assessed each year pursuant to Section 7.2.

C. "Architectural Review Committee Guidelines" shall mean the guidelines and standards established by the Architectural Review Committee.

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

E. "Assessable Property" shall mean any Lot or Parcel within The Islands, except such parts thereof as may from time to time constitute Exempt Property.

F. "Association" shall mean "The Islands Community Association," an Arizona non-profit corporation, its successors and assigns.

G. "Association Rules" shall mean the rules for The Islands, adopted by the Board pursuant to Section 12.2, as amended from time to time.

H. "Board" shall mean the Board of Directors of the Association.

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

J. "Commercial Condominium Development" shall mean a Parcel or portion thereof subjected to a horizontal property regime and limited by a Tract Declaration to commercial use.

K. "Commercial Vehicle" shall mean any vehicle that meets any one or more of the following criteria: any type of signage, design or lettering for advertising, vehicle classed by manufacturer's rating exceeding 3/4 ton, commercial utility racks located on the vehicle, or work equipment stored on the vehicle that is visible from outside of the vehicle.

L. "Common Area" and "Common Areas" shall mean all real property and the improvements or amenities thereon, which may from time to time be owned or leased by the Association, including licenses, easements (including but not limited to easements for landscaping, flood control, drainage, bicycle or jogging paths, ingress or egress, and parts of the Lakes) or other rights running to the benefit of the Association and intended for the use and enjoyment of the Members and the Residents of The Islands, or with respect to which the Association has administrative, maintenance or other similar responsibilities, whether or not such areas are located on a Lot or Parcel.

M. “Condominium Unit” shall mean an apartment unit, together with any appurtenant interest in all common elements, created by a horizontal property regime.

N. “Declarant” shall mean the Declarant (as heretofore defined) and the successors and assigns of Declarant’s rights and powers hereunder.

O. “Designee” shall mean a person designated by a Member to exercise certain rights pursuant to Section 6.6.

P. “Dwelling Unit” shall mean any building or part thereof situated upon a Lot or Parcel and intended for use and occupancy as a residence by a Single Family.

Q. “Exempt Property” shall include the following items located within The Islands:

- (1) All land and improvements owned by or dedicated to a public or governmental authority for as long as the public or governmental authority is the owner or beneficiary thereof except that a Parcel with a Land Use Classification of School Use, Municipal Use, or Park Use is not Exempt Property unless it is otherwise indicated in the applicant’s Tract Declaration;
- (2) All Common Area for so long as the Association is the owner thereof; and
- (3) Any and all areas designated on a Recorded subdivision plat as an area to be used in common by the Owners and Residents of such subdivision.

R. “Lakes” shall mean the lakes shown on the Master Development Plan for The Islands, including the bottoms and sides of the Lakes. The Lakes shall be a part of the Common Area, although portions of the Lakes may be on Lots and Parcels.

S. “Lake Easement Line” shall mean that fixed boundary, as established by a Recorded instrument, located on each Lakefront Lot and Lakefront Parcel.

T. “Lakefront” shall describe a Lot or Parcel that has a portion of its boundary on or in one of the Lakes.

U. “Lot” shall mean (a) an area of real property designated as a lot on a Recorded subdivision plat approved by Declarant and limited by a Tract Declaration to either Single Family or Cluster Residential Use and (b) a Condominium Unit limited to residential use by a Tract Declaration, together with its undivided interest in the common elements appurtenant to the Condominium Unit.

V. “Maintenance Charge” shall mean any and all costs assessed pursuant to Section 10.2 and 10.3.

W. “Master Development Plan” shall mean the development plan for The Islands approved by the Town of Gilbert, Arizona, as the same may be amended from time to time. A current copy shall be on file at all times in the Association office.

X. “Member” shall mean any person holding a Membership in the Association pursuant to this Declaration.

Y. “Membership” shall mean the amalgam of rights and duties of Owners with respect to the Association.

Z. “Owner” shall mean the record holder of legal title to the fee simple interest in any Lot or Parcel including contract purchasers, but excluding others who hold such title merely as security. If fee simple title in a Lot or Parcel is vested of record in a trustee pursuant to Arizona law, legal title shall be deemed to be in the trustor. An Owner shall include any person who holds record title to a Lot or Parcel in joint ownership or as an undivided fee interest.

Aa. “Parcel” shall mean an area of real property limited by a Tract Declaration to a specific Land Use Classification, except that with respect to an area with either a Single Family or Cluster Residential Use Classification, such area shall cease to be a Parcel upon Recordation of a subdivision plat or other instrument creating Lots and related amenities and except that any other Parcel shall cease to be a Parcel when and if such Parcel is submitted to a horizontal property regime. Lots, Exempt Property and Common Area are not Parcels. In the case of staged developments, the term Parcel shall include areas not yet included in a subdivision plat or horizontal property regime.

Bb. “Private Waterfront Area” shall mean the area located between the edge of a Lake and a Lake Easement Line located on the non-Lake portion of a Lot or Parcel, all as more particularly described in Section 4.4.

Cc. “Recording” and “Recorded” shall mean placing or having placed a document of public record in the office of the County Recorder of Maricopa County, Arizona.

Dd. “Rental Apartments” shall mean Dwelling Units within an improvement consisting of four (4) or more commercially integrated Dwelling Units under single ownership, upon one or more contiguous parcels, each of which is utilized otherwise than as a hotel or on a transient basis, for leased residential purposes to non-Owners on a non-cooperative basis. This term is intended to include rented apartments as such term is customarily used as of the date hereof and not unusual or atypical arrangements.

Ee. “Rental Business Space” shall mean an area within a commercial building or shopping center designed for lease to a business Tenant.

Ff. “Resident” shall mean:

- (1) Each buyer under a contract for conveyance and each Tenant residing or conducting a business on any part of the Assessable Property;
- (2) Members of the immediate family of each Owner and person described above who lives within The Islands;
- (3) Such persons as the Board, in its absolute discretion, may authorize, including without limitation employees and guests of an Owner or Resident.

Gg. “Residential Apartment Development” shall mean a Parcel or portion thereof comprised of Rental Apartments and surrounding area and which are intended, as shown by the site plan therefore, to be integrated and under the same ownership.

Hh. “Residential Condominium Development” shall mean a horizontal property regime limited by a Tract Declaration to residential use.

Ii. “Single Family” shall mean a group of persons related by blood, marriage or legal adoption, or a group of not more than three (3) unrelated persons maintaining a common household.

Jj. “Special Assessment” shall mean any assessment levied and assessed pursuant to Section 7.4.

Kk. “Tenant” shall mean a person occupying property in The Islands under any type of rental arrangements.

Ll. “Tract Declaration” shall mean a declaration, recorded pursuant to, and more particularly described in, Section 4.1.

Mm. “Visible From Neighboring Property” shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing at ground level on neighboring property.

Nn. “Water Access Areas” shall mean Common Areas where permitted users of the Lakes may have access to the Lakes for boating and other recreational uses.

Oo. "Waterfront Facilities" shall mean docks, wharves, floats, slips, ramps, piers, landings, pumping equipment and related piping, meters, fixtures and other structures or equipment designed for use with and access to the Lakes.

Pp. "Assessment" shall mean an annual assessment, special assessment or maintenance charge.

Qq. "Assessment Lien" shall mean the lien created and imposed by Section 7.1 hereof.

Rr. "Special Use Fee" shall mean admission charges, special fees and fines authorized by this Declaration which an Owner, Resident or any other person is obligated to pay to the Association over, above and in addition to any Annual or Special Assessments or Maintenance Charges imposed or payable hereunder.

ARTICLE II

PROPERTY SUBJECT TO THE DECLARATION

Section 2.1. General Declaration Creating The Islands. The Islands was intended to be developed in accordance with the Master Development Plan. The Tract Declarations designate Common Areas and establish such additional covenants, conditions and restrictions as may be appropriate for that portion of The Islands. All of the real property within The Islands 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 and any recorded Tract Declarations applicable thereto, as amended or modified from time to time; provided, however, property within The Islands that is owned or dedicated to the public or a governmental entity shall not be subject to this Declaration while owned or dedicated, although restrictions imposed in this Declaration upon the Owners and Residents concerning the use and maintenance of such property shall be applicable at all times. This Declaration shall run with the real property designated on Exhibit "A" for all purposes and shall be binding upon and inure to the benefit of the Association, all Owners, Residents and their successors in interest.

Section 2.2 Association Bound. Upon the filing of the Articles with the Arizona Corporation Commission, this Declaration shall be binding upon and shall benefit the Association.

ARTICLE III

EASEMENTS AND RIGHTS OF ENJOYMENT IN THE COMMON AREAS

Section 3.1. Easements of Enjoyment. Every Owner, Resident and Member of the Association shall have a non-exclusive easement for use and enjoyment in and to the Common

Areas which shall be appurtenant to and shall pass with the title to every Lot and Parcel, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and Special Use Fees for the use of the Common Areas and facilities situated thereon. Such fees shall be uniform among Members, Owners and Residents.

(b) The right of the Association to suspend the voting rights and rights to the use of the Common Areas and facilities thereon of any Member, Owner or Resident (i) for any period during which an Assessment remains delinquent, (ii) for a period not to exceed sixty (60) days for an infraction of this Declaration, a Tract Declaration or the Association Rules, and (iii) for successive 60-day periods if any such infraction is not corrected during any preceding suspension period.

(c) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public authority or utility in accordance with Section 12.7 hereof.

(d) The right of the Association to regulate the use of the Common Areas through the Association Rules.

(e) The right of the Association to change the use of Common Areas in accordance with Section 12.6.

(f) The right of the Association 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) in accordance with Section 12.7 hereof.

Section 3.2. Delegation of Use. Any Member or Resident may, in accordance with the Association Rules and this Declaration, delegate his enjoyment in the Common Areas and facilities located thereon (a) to the members of his family, his Tenants and his guests, and (b) in the case of a Tenant in a Rental Business Space to persons employed at the Rental Business Space and to other executives of the Tenant; provided, however, the Association Rules may limit the number of persons from a Rental Business Space that may have access to the Common Areas.

ARTICLE IV

LAND USE CLASSIFICATIONS, PERMITTED USES AND RESTRICTIONS

Section 4.1. Land Use Classifications. Land Use Classifications may be set forth in a Tract Declaration. Each Tract Declaration shall be construed as a supplement to this Declaration and fully a part hereof as if all of the provisions thereof were set forth herein. The Land Use

Classifications established by a Tract Declaration shall not be changed except as specifically permitted by this Declaration. The contemplated Land Use Classifications are as follows:

- (a) Single Family Residential Use.
- (b) Residential Apartment Development Use, which may be converted to Residential Condominium Development Use.
- (c) Residential Condominium Development Use, which may be converted to Residential Apartment Development Use.
- (d) Commercial Office Use, which may include office properties included within a horizontal property regime.
- (e) Shopping Center Use, which may include retail shopping use properties included within a horizontal property regime.
- (f) General Commercial Use, which may include various businesses and restaurants and which may be included within a horizontal property regime.
- (g) Lake Area Use.
- (h) Commercial Recreational Facility Use.
- (i) Cluster Residential Use, consisting of Lots with Dwelling Units and may include those types of residential housing arrangements known as townhouses, clustered housing, zero-lot line housing, and similar arrangements, together with related amenities.
- (j) School use.
- (k) Church use.
- (l) Municipal use.
- (m) Vehicle Storage Use.
- (n) Park Use.
- (o) Association Land.

Unless otherwise specifically provided in this Declaration and subject to applicable zoning laws, the definitions and characteristics of such Land Use Classifications, and specific permitted and

prohibited uses of real property in such Land Use Classifications, shall be determined in the Tract Declaration.

Section 4.2. Covenants, Conditions, Restrictions and Easements Applicable to Single Family Residential Use, Residential Apartment Development Use, Residential Condominium Development Use, and Cluster Residential Use. The following covenants, conditions, restrictions and reservations of easements and rights shall apply to all Lots and Parcels, included within a Land Use Classification of Single Family Residential, Residential Apartment Development, Residential Condominium Development or Cluster Residential and the Owners and Residents thereof.

(a) Architectural Review. Except as otherwise expressly provided in this Declaration or the Architectural Review Committee Guidelines, without the prior written approval of the Architectural Review Committee (i) no improvements, alterations, repairs, excavation, grading, landscaping or other work which in any way alters the exterior appearance of any property or improvements thereon from their natural or improved state shall be made or done and (ii) no building, fence, exterior wall, residence, or other structure or grading shall be commenced, erected, maintained, altered, changed or made on any Lot or Parcel at any time. No substantial changes or deviations in or from the plans and specifications, once approved by the Architectural Review Committee, shall be permitted.

(b) Animals. No animal or fowl, other than a reasonable number of generally recognized house or yard pets, shall: (i) be maintained on any Lot or Parcel and then only if they are kept or raised thereon solely as domestic pets and not for commercial purposes; or (ii) be permitted to make an unreasonable amount of noise or create a nuisance. Notwithstanding the foregoing, no water fowl, reptiles or horses shall be permitted within The Islands. No structure for the care, housing or confinement of any animal or fowl shall be Visible From Neighboring Property.

(c) Temporary Occupancy and Temporary Buildings. No trailer, basement, tent, shack, garage, barn or temporary structure of any kind, shall be used as a residence, whether temporary or permanent. Temporary structures used during construction shall be removed immediately after completion of such construction.

(d) Maintenance of Landscaping and Driveways. Unless otherwise provided in a Recorded instrument, each Owner shall be responsible for the proper maintenance of all landscaping in the following locations: (i) his Lot or Parcel (including set back areas and Common Areas located thereon) and (ii) planted public rights-of-way areas between sidewalks (or bikepaths) and the street curb on his Lot or Parcel or other public or easement areas adjacent to his Lot or Parcel; except that in the event the maintenance of the above areas is the responsibility of the Association, a utility, a governmental or similar authority, then only for so long as such entities are not undertaking such responsibility. As used herein, maintenance shall include but not be limited to keeping the areas neatly trimmed, cultivated and free of trash, weeds

and unsightly material. Landscaping may be required to be placed on a Lot or Parcel within certain time frames established by the Architectural Review Committee. Each Owner shall maintain in good condition and repair all paved and concrete areas, including driveways, roadways and parking areas located on his Lot or Parcel.

(e) Nuisances; Construction Activities. No rubbish or debris of any kind shall be permitted to accumulate upon or adjacent to any Lot or Parcel, and especially in the immediate vicinity of the Lake, so as to create a nuisance or render any such property or activity thereon unsanitary, unsightly or offensive. Although normal construction activities shall not be considered a nuisance or otherwise prohibited, Lots and Parcels must be kept in a neat and tidy condition during construction periods. The Architectural Review Committee is authorized to designate the areas and manner in which supplies of building materials and construction equipment shall be stored and the routes construction vehicles may use. All such designations shall be reasonable and non-discriminatory.

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

(g) Repair of Building. No building or improvement shall be permitted to fall into disrepair and each such building and improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any building or improvement is damaged or destroyed, then, subject to the approvals required by subsection (a) above, such building or improvement shall be immediately repaired, rebuilt, or demolished.

(h) Antennas. Unless governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, no antenna or other device for the transmission or reception of television, internet or radio signals or any other form of electromagnetic radiation or any associated equipment shall be erected, used or maintained outdoors on any Lot or Parcel or Common Area, whether attached to a building or structure or otherwise, so as to be Visible From Neighboring Property or the street, unless approved in writing by the Architectural Review Committee. Any device governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, shall comply with the applicable antenna installation rules of the Association and shall be mounted, to the extent reasonably possible, so as to not be Visible From Neighboring Property or the street.

(i) Mineral Exploration. No Lot or Parcel shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals, gravel, earth or any earth substance of any kind.

(j) Garbage. No garbage or trash shall be placed on a Lot or Parcel except in sanitary, covered containers. In no event shall any such containers be Visible From Neighboring

Property, except on collection days, and then only for a reasonable time. All trash and garbage shall be regularly removed from each Lot and Parcel and shall not be allowed to accumulate thereon.

(k) Clothes Drying Facilities. No outside clotheslines or other facilities for drying or airing clothes shall be placed on any Lot or Parcel without the prior written consent of the Architectural Review Committee unless they are not Visible From Neighboring Property.

(l) Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon any Lot or Parcel except (i) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures or improvements thereon, or (ii) that which the Association may require for the operation and maintenance of The Islands.

(m) Signs. No signs of whatever nature, Visible From Neighboring Property, shall be placed on any Lot or Parcel except: (i) signs required by legal proceedings; (ii) signs required to be allowed by law; (iii) a maximum of two (2) identification signs for Dwelling Units, each with a maximum face area of seventy-two (72) square inches or less; and (iv) signs, including "for sale" and "for lease" signs, builder signs, lender signs and subdivision and apartment identification signs, the nature, number and location, content and design of which shall be approved in advance and in writing by the Architectural Review Committee.

(n) Restriction on Further Subdivision, Property Restrictions, and Rezoning. All site plans or plats must be approved in writing by the Architectural Review Committee prior to Recordation thereof or commencement of construction on the Parcel. No Lot or Parcel shall be further subdivided 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 Board, which approval must be evidenced on the Recorded plat or other instrument. No portion of a Lot but for the entire Lot, together with the improvements thereon, may be rented, and then only to a Single Family. No further covenants, conditions, restrictions or easements shall be Recorded against any Lot or Parcel without the written consent of the Board being evidenced on the Recorded instrument and without such approval such restrictions and easements shall be null and void. No applications for rezoning, variances, or use permits shall be filed without the prior written approval of the Board (or the Architectural Review Committee, if such authority has been delegated to such committee) and then only if such proposed use is in compliance with this Declaration, any applicable Tract Declaration, and the general plan of development of The Islands.

(o) Utility Easements. There is hereby created a blanket easement upon, over and under each Lot and Parcel for ingress to, egress from, and the installation, replacing, repairing and maintaining of all utility and service lines and systems, as such lines and systems are installed in connection with the initial development of the Lot or Parcel and the construction

of the first building thereon. Utility or service facilities and equipment may be affixed and maintained on, in and under the roofs and exterior walls of buildings on the Lots and Parcels. Notwithstanding anything to the contrary contained in this subsection, no utility or service line may be installed or relocated on any Lot or Parcel except as initially approved by the Declarant or the Architectural Review Committee, or, if installed after Recordation of the Tract Declaration, approved by the Owner and the Architectural Review Committee.

(p) Party Walls. Except as hereinafter provided, the rights and duties of Owners of contiguous Lots or Parcels which have party walls and party fences (collectively "Party Walls") shall be as follows:

(i) Each Owner shall have the right to use the Party Wall, provided that such use does not interfere with the other Owner's use and enjoyment thereof.

(ii) If a Party Wall is damaged or destroyed through the willful or negligent act of an Owner, Resident, or his Tenants, agents, guests or family, the Owner shall be obligated to rebuild and repair the Party Wall at his sole expense. Any dispute over an Owner's liability shall be resolved as provided in subsection (iv) below.

(iii) In the event any Party Wall is destroyed, or damaged, other than by the acts of an adjoining Owner, Resident or his Tenants, agents, guests or family, or deteriorates from ordinary wear and tear, it shall be the joint obligation of all Owners whose Lots or Parcels adjoin such Party Wall to rebuild and repair such wall, such expense to be ratably divided among the Owners on the basis of the amount of frontage of their Lots or Parcels on the damaged or destroyed Party Wall.

(iv) In the event of a dispute between Owners with respect to a Party Wall or the sharing of the cost thereof, such Owners shall submit the dispute to the Architectural Review Committee whose decision shall be binding unless appealed to the Board, in which event the Board's decision is final. Notwithstanding any such decision, no Owner is prohibited from seeking indemnity from the party causing the damage.

(v) Notwithstanding the foregoing and unless otherwise indicated in a Tract Declaration or Recorded document, in the case of Party Walls (1) between Common Areas and Lots or Parcels or (2) constructed by the Declarant or the Association on Common Areas within a Lot or Parcel (except for the hard edge around the Lakes which is the exclusive responsibility of the Association), the Association shall be responsible for all maintenance thereof, subject to the provisions of Sections 10.2 and 10.3, and except that each Owner of a Lot or Parcel adjacent thereto shall be responsible for painting and repairing the portion of the Party Wall facing his Lot or Parcel unless such Party Wall is a part of the Common Area and otherwise maintained by the Association.

(vi) This subsection 4.2(p) does not control or relate to Party Walls between Condominium Units.

(q) Utility Service. All lines, wires or other devices for the communication or transmission of electric current or power, including telephones, television and radio signals, shall be contained in conduits or cables installed and maintained underground or concealed, in, under, or on structures approved by the Architectural Review Committee. Temporary power or telephone structures incident to construction activities, with the prior approval of the Architectural Review Committee, are permitted.

(r) Overhead Encroachments. No tree, shrub, or planting of any kind shall be allowed to overhang or encroach upon any public right-of-way, bicycle path or any other pedestrian way from ground level to a height of eight (8) feet, without the prior written approval of the Architectural Review Committee.

(s) Trucks, Trailers, Campers, Boats and Motor Vehicles. No motor vehicle (classed by manufacturer rating as exceeding 3/4 ton, including flat bed trucks and semi-tractors), Commercial Vehicle, mobile home, semi-trailer, trailer, camper shell, detached camper, boat, boat trailer, or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any Lot or Parcel or street so as to be Visible From Neighboring Property, Common Area or street; provided, however, this provision shall not apply to (i) pickup trucks of less than 3/4-ton capacity with camper shells not exceeding seven (7) feet in height measured from ground level and mini-motor homes not exceeding seven (7) feet in height and eighteen (18) feet in length which are parked as provided in subsection (u) below and are used on a regular and recurring basis for basic transportation, (ii) boats permitted to be stored or moored on Lots, Parcels, or Lake Areas pursuant to Section 4.4 below; or (iii) or temporary facilities maintained during, and used exclusively in connection with, construction activities approved by the Architectural Review Committee. No automobile motorcycle, motorbike or other motor vehicle shall be constructed, repaired or, if inoperable, stored upon any Lot, Parcel or street so as to be Visible From Neighboring Property; provided, however, this provision shall not apply to repairs of an emergency or temporary nature, not to exceed forty-eight (48) hours.

(t) Parking. Vehicles shall be kept in garages, carports, residential driveways, and other designated parking areas. No parking is permitted on any collector street within The Islands. As used in this Declaration, the term "collector street" shall refer to any street within The Islands which is shown on the Map of Dedication, recorded on December 29, 1984, in Book 275 of Maps, page 41, records of Maricopa County, Arizona, or any other Map of Dedication (exclusive of dedications made in connection with the development of a specific subdivision or Parcel) that is recorded by Declarant or the Association. The Association may adopt specific rules regulating parking within The Islands (which rules may include fines or assessments for their violation) and, in addition, the Association may delegate such rule making to subsidiary associations having additional jurisdiction over a particular Parcel.

(u) Right of Entry. During reasonable hours and upon reasonable notice, any member or authorized representative of the Architectural Review Committee or the Board shall have the right to enter upon and inspect any Lot, Parcel or improvements thereon, except for the interior portions of any completed improvement, to determine compliance with this Declaration. Any such person shall not be deemed guilty of trespass by reason of such entry.

(v) Health, Safety and Welfare. In the event 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 Residents, the Board or Architectural Review Committee may make rules restricting or regulating their presence.

(w) Incidental Uses. The Board may approve, regulate and restrict incidental uses of property within a Land Use Classification. By way of example and not of limitation, the Board may permit: private roadways; tennis and/or swimming clubs intended primarily for the benefit of all or certain Owners; tennis courts, swimming pools and other recreational facilities.

Section 4.3. Covenants, Conditions, Restrictions and Easements Applicable to Single Family Residential Land Use Classification. The following covenants, conditions, restrictions and reservations of easements and rights shall apply only to Lots included within a Single Family Residential Land Use Classification and the Owners and Residents thereof.

(a) General. No structure whatsoever, other than one private, single family residence, together with a private garage for not more than three (3) cars, a guest house or servant quarters and incidental structures related to typical residential activities shall be erected, placed or permitted on such property. The premises are hereby restricted to residential dwellings for residential use. No trade or business may be conducted on any Lot, except that an Owner or other Resident of a Lot may conduct a business activity upon the Lot so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside of the Lot; (ii) the business activity conforms to all applicable zoning ordinances or requirements for the Properties; (iii) the business activity does not involve persons coming onto the Lot or the door-to-door solicitation of Owners or other Residents of The Islands; and (iv) the business activity is consistent with the residential character of The Islands and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of other Residents, as may be determined from time to time in the sole discretion of the Board. Furthermore, no advertising or directional signs may be placed upon the Lot or any portion of the Common areas regarding the business activity. The terms "business" and "trade" as used in this section shall be construed to have ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (a) such activity is engaged in full or part time; (b) such activity is intended or does generate a profit; or (c) a license is required for such activity. No structures of a temporary

character, trailer, basement, tent, shack, garage, barn or other out building shall be used on any portion of the premises at any time as a residence, either temporarily or permanently.

(b) Tenants. The entire Dwelling Unit on a Lot may be let to a Single Family Tenant from time-to-time by the Owner, subject to the provisions of this Declaration, and applicable Tract Declaration and the Association Rules.

Section 4.4. Covenants, Conditions, Restrictions and Easements Applicable to Lake Area Land Use Classification. The following covenants, conditions, restrictions and reservations of easements and rights shall apply to Lots and Parcels included within a Lake Area Land Use Classification and the Owners and Residents thereof.

(a) General. Lake Areas, which may include portions of Lots, Parcels and Common Area, shall be designated as such in a Recorded plat, Tract Declaration, subdivision plat, or in a deed from Declarant. Lake Areas shall consist of the following: (i) Water Access Areas; (ii) Private Waterfront Areas; and (iii) The Lakes.

(b) Rules Regarding The Lake Areas. The Board shall have the exclusive authority to regulate the use and operation of the Lake Areas and may establish rules regarding the following matters, including but not limited to: landscaping and maintenance of the Private Waterfront Areas and Water Access Areas; storage, launching, recovery, mooring, maintenance, overhauling, operation, and repairing of watercraft; fishing and other aquatic activity; storage of equipment and personal property of every kind; the disposal of sanitary sewage and garbage; and use of the waterfront Access Areas and the Waterfront Facilities. All Owners and Residents shall abide by such rules and shall be responsible for all acts of their family, guests, invitees, and Designees. The Board shall have the right to supplement, amend, change or revoke such rules without advance notice.

(c) Swimming. No swimming shall be permitted in the Lakes, except in case of an emergency.

(d) Right-of-Way. The Association reserves the right to enter upon and use the Private Waterfront Area for any lawful purpose in connection with the creation, use, operation and maintenance and repair of the Lakes. Such usage may not interfere with the Owner's use thereof for any unreasonable time period.

(e) Emergency. All permitted users of the Lakes have the right to enter upon and use a Private Waterfront Area, but only in case of an emergency situation.

(f) Private Waterfront Area/Waterfront Facilities. Except for the rights reserved in subsections 4.4(d) and (e) above, all Private Waterfront Areas are for the exclusive use of the Owner or Residents of the Lot or Parcel to which the Private Waterfront Areas are appurtenant and his family members, guests, Tenants, agents or Designees. Without the prior

written consent of the Architectural Review Committee, no Owner of a Private Waterfront area shall construct, maintain or locate any Waterfront Facilities on such Private Waterfront Area. The Owner of a Private Waterfront Area shall be permitted to construct Waterfront Facilities over and upon that portion of the Lakes located on, or adjacent to his Lot or Parcel, the type and location thereof to be determined by the Architectural Review Committee. All such Waterfront Facilities may be used only for the accommodation of private watercraft and other noncommercial, recreational purposes. Each Owner of such Waterfront Facilities, including those located on or in the Lakes, shall, at his sole expense, maintain such Waterfront Facilities in neat and clean appearance and in good and safe condition and repair.

(g) Boats and Watercraft. Unless otherwise approved in writing by the Board, only the following watercraft shall be allowed in any Lake Area: power boats operated by the Association for maintenance, safety, tour or other community purposes; sailboats, canoes; kayaks, paddle boats; and electrical or battery operated boats. Except for the Association's boats, no gasoline or other combustible powered boats shall be permitted. No watercraft shall be used for residential purposes (whether temporary or permanent). The size of all watercraft shall be subject to restriction by the Board. All watercraft must be registered with the Association and must bear assigned identification numbers. No watercraft shall be operated so near the shore of the Lakes as to unnecessarily disturb the Owners, Residents or Tenants or otherwise create a nuisance

(h) Lake Patrol. One or more persons may be named by the Association to constitute the Lake patrol. The Lake Patrol shall have the authority to restrict the usage of any Lake Area by any person or watercraft due to negligence in the operation of a watercraft, or violation of any safety regulation or Association Rule regarding Lake usage or for reasons elsewhere set forth in this Declaration. Any person whose use of the Lake Area is restricted by the Lake Patrol may request review of such restriction by the Board, the decision of which shall be binding.

Section 4.5. General Covenants, Conditions and Restrictions Applicable to Commercial Parcels. Except as otherwise set forth in this Section, the following covenants, conditions, restrictions and reservations of rights shall apply to Parcels included within Commercial Use Classifications, including Neighborhood, Community, Shopping Center, General and Regional, and the Owners and Tenants thereof. The use of the word "Parcel" in Section 4.5 shall include any and all individual units located within the Parcel.

(a) Architectural Review. Except as otherwise expressly provided in this Declaration or the Architectural Review Committee Guidelines, without the prior written approval of the Architectural Review Committee (i) no improvements, alterations, repairs, excavation, grading, landscaping or other work which in any way alters the exterior appearance of any property or improvements thereon from their natural or improved state existing on the date a Tract Declaration for such property was first Recorded shall be made or done and (ii) no building, fence, exterior wall, business, or other structure or grading shall be commenced,

erected, maintained, altered, changed or made on any Parcel at any time. No substantial changes or deviations in or from the plans and specifications, once approved by the Architectural Review Committee, shall be permitted.

(b) Maintenance of Landscaping and Parking Areas. Unless otherwise provided in a Recorded instrument, each Owner shall be responsible for the proper maintenance of all landscaping in the following locations: (i) his Parcel (including set back areas and Common Areas located thereon) and (ii) planted public rights-of-way areas between sidewalks (or bike paths) and the street curb on his Parcel; except that if the maintenance of the above areas is the responsibility of the Association, a utility, a governmental or similar authority, then only in the event such entity fails to properly maintain said areas shall the Owner be responsible for maintaining said areas. As used herein, maintenance shall include, but not be limited to, keeping the areas neatly trimmed, cultivated and free of trash, weeds and unsightly material. Landscaping may be required to be placed on a Parcel within certain time frames established by the Architectural Review Committee. Each Owner shall maintain in good condition and repair all paved and concrete areas, including driveways, roadways, alleyways and parking areas located on his Parcel.

(c) Construction Activities. No rubbish or debris of any kind shall be permitted to accumulate upon or adjacent to any Parcel, and especially in the immediate vicinity of the Lake, so as to create a nuisance or render any such property or activity thereon unsanitary, unsightly or offensive. Although normal construction activities shall not be considered a nuisance or otherwise prohibited, Parcels must be kept in a neat and tidy condition during construction period. The Architectural Review Committee is authorized to designate the areas and manner in which supplies of building materials and construction equipment shall be stored and the routes construction vehicles may use. All such designation shall be reasonable and non-discriminatory.

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

(e) Repair of Building. No building or improvement shall be permitted to fall into disrepair and each such building and improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any building or improvement is damaged or destroyed, then, subject to the approvals required by subsection (a) above, such building or improvement shall be immediately repaired, rebuilt, or demolished.

(f) Antennas. Unless governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, no antenna or other device for the transmission or reception of television, internet or radio signals or any other form of electromagnetic radiation or any associated equipment shall be erected, used or maintained outdoors on any Parcel or Common Area, whether attached to a building or structure or

otherwise, so as to be Visible From Neighboring Property or the street, unless approved in writing by the Architectural Review Committee. Any device governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, shall comply with the applicable antenna installation rules of the Association and shall be mounted, to the extent reasonably possible, so as to not be Visible From Neighboring Property or the street.

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

(h) Garbage. No garbage or trash shall be placed on a Parcel except in sanitary, covered containers or dumpsters located within enclosed areas approved by the Architectural Review Committee. All trash and garbage shall be regularly removed from each Parcel and shall not be allowed to accumulate thereon. Such removal shall occur at a minimum of once per week or more frequently to eliminate accumulation of debris if required. In no event shall garbage, blight, or debris be allowed to accumulate on any Parcel that creates a health or safety hazard.

(i) Blight, debris and frequency of pick-up. No blight or debris shall be placed on a Parcel. Blight shall mean: unsightly conditions including accumulation of debris, fences characterized by holes, breaks, rot, crumbling, cracking, peeling or rusting, landscaping that is dead or characterized by uncontrolled growth or lack of maintenance, or is damaged, and other similar conditions of disrepair and deterioration. Debris shall mean: substance of little or no apparent economic value, which may be present in accumulations in excess of six inches in height and ten inches in diameter, including but not limited to deteriorated lumber, old newspapers, furniture parts, stoves, sinks, tubs, cabinets, toilets, household fixtures, refrigerators, car parts, abandoned vehicles, abandoned, broken or neglected equipment, or the scattered remains of items.

(i) Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon any Parcel except (i) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures or improvements thereon, or (ii) that which the Association may require for the operation and maintenance of The Islands, or (iii) that which is commercially necessary for the business located on the Parcel.

(j) Signs. No signs of whatever nature, Visible From Neighboring Property, shall be placed on any Parcel except: (i) signs required by legal proceedings; (ii) signs, including identification signs for businesses operating on Parcels, "for sale" and "for lease" signs, builder

signs, lender signs, the nature, number and location, content and design of which shall be approved in advance and in writing by the Architectural Review Committee; or (iii) signs required to be allowed by law.

(k) Utility Service. All lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be contained in conduits or cable installed and maintained underground or concealed, in, under, or on structures approved by the Architectural Review Committee. Temporary power or telephone structures incident to construction activities, with the prior approval of the Architectural Review Committee, are permitted.

(l) Prohibited Uses. All uses that the Town of Gilbert, Arizona Land Development Code ("Gilbert Code") does not classify as "permitted uses" under its Land Use Regulations for Commercial Districts are prohibited on any Parcel and any individual unit within that Parcel. Such prohibited uses include all uses classified in the Gilbert Code as other than "permitted uses," and any uses not listed in the Gilbert Code. Furthermore, such prohibited uses include, but are not limited to, strip clubs and/or adult-oriented clubs, congregate living facilities, heliport/helipad, pawn shops, sexually oriented businesses, shelter care facilities, swap meets, auctions, commercial vehicle/equipment sales and rental, motor vehicle sales and leasing, heavy vehicle services, tent sales, waste management and/or recycling facilities and wireless communication facilities. In addition, the Board of Directors is authorized to adopt rules that enumerate other specific prohibited uses that can be reasonably derived from the Town of Gilbert Land Development Code, or which the Town of Gilbert may add from time to time. This restriction shall not apply to any Parcel Owner's current use of the Parcel as of the recorded date of this amendment. The record Parcel Owner as of the recorded date of this amendment may continue to use the Parcel for present or existing Prohibited Uses until such time as the Owner sells and/or conveys title to the Parcel or changes the use of the Parcel.

(i) Use Variances. The Board of Directors may, in its discretion and in extenuating circumstances, consider proposed variances from the prohibited or unlisted uses described herein. Such proposals shall first require the review and recommendation of the Architectural Review Committee. The proposal shall then be submitted to the Board of Directors for final approval or denial. The Board of Directors may, in its discretion, disapprove any uses if the Committee finds the proposal to be in violation of any other portion of the governing documents of the Association. In no event may any variance be granted that would create a substantial adverse impact on any other Owners, lessees, or Residents of The Islands.

(m) Leases. If any Parcel is leased to a tenant, the Owner shall provide a summary of the lease to the Board of Directors and the summary must include the following: (i)

the name of the business tenant; (ii) the type of business and target audience; (iii) an acknowledgment signed by the prospective tenant that the tenant has read the governing documents of the Association and agrees to comply with them; and (iv) a provision in the lease that provides for eviction of the tenant if the tenant violates the governing documents of the Association.

(n) Enforcement; Fines. The Board of Directors is authorized to enforce all of Section 4.5 in the same manner provided for elsewhere in the Declaration. The Board may adopt a fine schedule for the commercial parcels that contains more substantial fines and fine policies due to the commercial nature of the Parcels.

(o) Compactors. Trash compactors and similar machinery may be operated only between the hours of 9:00 a.m. to 4:00 p.m. Monday through Friday and 9:00 a.m. to 1:00 p.m. on Saturday. Noise emanating from compactors or similar machinery shall not exceed 55dB(A)s outside of a 10-foot radius of the compactor or machine. A block wall with a locked gate must conceal such compactors or machines.

(p) Deliveries and Pickups. All deliveries and pickups of a commercial nature for non food-related businesses on any Parcel shall be restricted to the hours of 7:00 a.m. to 6:00 p.m. Deliveries or pickups of perishable goods or food-related goods for food-related businesses are permitted during the hours of 4:30 a.m. to 6:00 p.m. For those Parcels adjacent to or bordering residential Lots, no deliveries or pickups of any kind may take place in the rear of the business between the hours of 10:00 p.m. to 6:00 a.m.

(q) Drive-throughs. No drive-throughs shall be erected or maintained on a Parcel unless included in the original master site plan.

(r) Depositing of Trash and Donations. No Parcel may allow the accumulation of garbage, trash, debris or donations of items on the Parcel. All garbage and debris shall be regularly removed from each Parcel and shall not be allowed to accumulate thereon. Such removal shall occur at a minimum of once per week or more frequently to eliminate accumulation of debris if required. In no event shall accumulation be allowed that creates a health or safety hazard.

(s) Noise. Any use of equipment by a commercial Owner or tenant shall not exceed the sound levels for commercial property as defined by the Town of Gilbert Code, nor violate this Declaration. Any use that emits a noxious noise, sound, or vibration that can be heard or felt outside of the closed building is prohibited. Noise restrictions and parameters shall be defined by the Town of Gilbert code.

(t) Health, Safety and Welfare; Nuisance. In the event uses, activities, or facilities are deemed by the Board of Directors to be a nuisance or adversely affect the health, safety or welfare of Owners or Residents, the Board of Directors may promulgate rules, upon the

recommendation of the Architectural Review Committee, prohibiting, restricting or regulating such uses, activities or facilities. All Parcels shall be kept in a neat and tidy order so as not to create a nuisance or to otherwise negatively impact other Owners or Residents. Any use that emits a noxious odor or any other activity that may constitute a nuisance is prohibited.

(u) Lighting. No outside lighting shall be placed, allowed, or maintained on any Parcel or unit within that Parcel in a manner constituting a nuisance or unreasonable annoyance to Owners or tenants of any other Parcels or Lots within the Islands. The terms “nuisance” and “unreasonable annoyance” shall be determined at the discretion of the Architectural Review Committee. Floodlights and other high-intensity lights are specifically prohibited. All other outside lighting shall be limited to that reasonably necessary for safety and security and must receive approval of the Architectural Review Committee prior to installation.

(v) Outdoor Collection and Drop-off Boxes. The use of outdoor collection devices and drop-off boxes is prohibited to the extent such devices are not commercially necessary to the business operating in the Parcel or unit. If collection devices are commercially necessary, such devices should be placed on the interior of the Parcel or unit with only a door or lid visible from the outside of the Parcel or unit, to the extent possible.

(w) Loitering. No loitering of any kind shall be permitted at any time on any Parcel.

(x) Mobile Containers and Similar External Storage Facilities. Mobile containers and similar external storage facilities may not be placed on any Parcel so as to be Visible From Neighboring Property, except for seasonal, limited use with the prior written approval of the Architectural Review Committee.

(y) Signage. The naming of commercial plazas or shopping centers located on any Parcel must first be approved in writing by the Architectural Review Committee. The use of the term “The Islands” on any sign on any Parcel is prohibited, unless approved in writing by the Architectural Review Committee.

(z) Traffic. Speed limits on all Parcels are restricted to a maximum of 15 miles per hour. Each Parcel Owner shall take reasonable measures to ensure that its patrons and others using the Parcel parking lots, driveways, roads, alleyways, and areas behind the buildings comply with the speed limit. Such measures may include, but are not limited to, erecting speed bumps, speed calming devices and other such speed regulators as approved by the Town of Gilbert.

Section 4.6. Variances. The Board may, at its sole discretion and in extenuating circumstances, grant variances from the restrictions set forth in Article IV hereof or in any Tract Declaration if the Board determines that (a) either (i) a restriction would create a substantial hardship or burden on an Owner or Resident or (ii) a change of circumstances has rendered a

restriction obsolete and (b) the activity permitted under the variance will not have a substantially adverse affect on other Owners and Residents and is consistent with the high quality of life intended for The Islands.

Section 4.7. Method of Changing Land Use Classification. Notwithstanding the provisions of this Declaration, including, but not limited to, Section 13.2 hereof, the Land Use Classifications established by a Tract Declaration may be changed by obtaining the approval of sixty-six (66%) of the Members (or their absentee ballots) who have cast their votes at an election duly called for such purpose.

ARTICLE V

ORGANIZATION OF ASSOCIATION

Section 5.1. Formation of Association. The Association shall be a nonprofit Arizona corporation charged with the duties and vested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall be amended or interpreted so as to be inconsistent with this Declaration.

Section 5.2. Board of Directors and Officers. The affairs of the Association shall be conducted by the Board, elected by the Members, and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws, and as the same may be amended from time to time. The Board shall consist of, and the voting Members shall elect, seven (7) Directors. The term shall be two (2) directors for a one-year term, two (2) directors for a two-year term and three (3) directors for a three-year term. In succeeding years, all directors shall be elected for a three-year term. The Board may appoint various committees at its discretion. The Board may also appoint a manager to be responsible for the day-to-day operation of the Association and the Common Areas. The Board shall determine the compensation to be paid to the manager.

Section 5.3. Association Rules. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations to be known as the Association Rules. The Association Rules may restrict and govern the use of the Common Area; provided, however that the Association Rules shall not discriminate among members, Residents and Designees and shall not be inconsistent with this Declaration, the Articles, or Bylaws. Upon adoption, the Association Rules shall have the same force and effect as if they were set forth herein.

Section 5.4. Personal Liability. No Board member, officer, committee member, employee or representative of the Association or the Association shall be personally liable to any Member, or to any other person or entity, including the Association, for any damage, loss, costs, fees, including reasonable attorney's fees, or prejudice suffered or claimed on account of any of their acts, omissions, errors or negligence; provided, however, the limitations set forth in this

Section 5.4 shall not apply to any person or entity that has failed to act in good faith or has engaged in willful or intentional misconduct.

Section 5.5. Ancillary Associations. In the event any homeowners' or similar association is formed by a developer of a Parcel within The Islands, its governing documents (including any declaration of covenants, conditions and restrictions or other Recorded restrictions) shall not be effective unless they have been approved by the Board and specify that such Parcel, association and its members are subject and subordinate to this Declaration, and the Association's Articles, Bylaws, and Rules. In this regard, the approval of the Board shall be forthcoming unless the governing documents are inconsistent with this Declaration and the Association's Articles, Bylaws and Rules. The Association shall have no right to be a member of or to have any voting rights in an ancillary association unless the governing documents thereof otherwise so provide.

Section 5.6. Members or Consolidations. Upon a merger or consolidation of the Association with another association, which merger or consolidation must be approved by two-thirds (2/3) of the Members of the Association whether in person or by absentee ballot at a meeting duly called for such purpose, the Association's properties, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidating association shall have the same administrative responsibilities and enforcement rights established by this Declaration.

ARTICLE VI

MEMBERSHIPS AND VOTING

Section 6.1. Owners of Lots and Parcels. Every Owner of a Lot or Parcel which is subject to assessment shall be a Member of the Association. Each such Owner shall have the following number of Memberships:

(a) One (1) Membership for each Lot owned, except that this subsection (a) shall not apply to Lots in a Commercial Condominium Development.

(b) Six (6) Memberships for each net acre (or fraction thereof) in each Parcel owned, except any Parcels to which subsections (c), (d) and (e) below apply; provided, however, if any Commercial Condominium Developments are established, the Board may allocate Membership in a manner deemed appropriate by the Board so that Memberships do not exceed six (6) per net acre. For purposes of this Declaration, the term "net" acre shall mean gross acres less any acreage dedicated or to be dedicated as public right-of-way.

(c) One (1) Membership for each completed Rental Apartment.

(d) In the case of (i) the Owner of a Residential Apartment Development Parcel upon which construction has not been completed, or (ii) the Owner of a Residential Condominium Development Parcel upon which a horizontal property regime has not been Recorded, one (1) Membership for each Dwelling Unit permitted upon the Parcel under the applicable Tract Declaration , or if none has been recorded under the then current Master Development Plan. The number of such Dwelling Units shall be determined based on the assumption that the number of Dwelling Units will be spread evenly over the Parcel. If a site plan for the Parcel is thereafter approved for a different number of Dwelling Units, the number of Memberships shall be adjusted to reflect the actual number of Dwelling Units authorized by the site plan.

(e) In the case of the Owner of a Single Family Residential Parcel or Cluster Residential Parcel, one (1) Membership for each Dwelling Unit permitted upon the Parcel or the applicable Tract Declaration, or if none has been Recorded, under the then current Master Development Plan. If a subdivision plat or other instrument creating Lots is Recorded covering all or part of the Parcel, then the Memberships attributable to the Lots shall be determined by subsection (a) above, and the number of Memberships held by the Owner, as Owner of the remainder of the unplatted portion of the Parcel, shall be equal to the number of Dwelling Units permitted minus the number of Recorded Lots. If a site plan for the Parcel is thereafter approved for a different number of Dwelling Units, the number of Memberships shall be adjusted to reflect the actual number of Dwelling Units authorized by the site plan. All Memberships attributable to the Parcel shall cease when the property ceases to be a Parcel because all of the area therein is platted or dedicated to the public.

Each such membership shall be appurtenant to and may not be separated from ownership of the Lot or Parcel to which the Membership is attributable. There shall be only the Membership for each Lot and Parcel, as such are described above, and joint ownership or ownership of undivided interests in any property which established a membership shall not cause there to be more Memberships than the number established by assuming Declarant owned all of the property to which Memberships are attributable. Memberships shall be shared by any joint owners of, or owners of undivided interests in, the property interests to which such Memberships are attributable. (i.e., Memberships attributable to a Lot or Parcel shall not be increased because of multi-ownership thereof).

Section 6.2. Voting. An Owner shall be entitled to one (1) vote for each Membership held by the Owner, subject to the authority of the Board to suspend the Owner's voting rights in accordance with the provisions hereof.

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Section 6.3. Right to Vote. No change in the ownership of a Membership shall be effective for voting purposes until the Board is given written notice of such change together with satisfactory proof thereof. The votes for 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 as to how their 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 at the time the vote is cast. In the event more than one (1) vote is cast for a particular Membership, all such votes shall be deemed void.

Section 6.4. Membership Rights. Each Member shall have the rights, duties and obligations set forth in this Declaration, the Association Articles, Bylaws, and Rules, and Architectural Review Committee Guidelines, as the same may be amended from time to time.

Section 6.5. Transfer of Membership. Except as provided in Section 6.6, the rights, duties and obligations of the owner of a Membership shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of an Owner's Lot or Parcel, and then only to the transferee thereof. Such transfer may be effected by deed, intestate succession, testamentary disposition, foreclosure, or other legal process authorized under Arizona law. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership in a Lot or Parcel shall operate to transfer the Membership(s) appurtenant thereto to the new Owner.

Section 6.6. Use of Membership; Designee. Subject to the Association Rules, the owner of a Membership may designate one or more non-members ("Designee") to exercise such Member's rights hereunder except for his voting rights. Such designation shall not relieve the Member of any liabilities or obligations as an Owner with respect to such Membership. So long as such designation is in effect, the Member may exercise only his voting rights.

ARTICLE VII

ASSESSMENTS AND CREATION OF LIEN

Section 7.1. Creation of Lien: Personal Obligation of Lot or Parcel Owner. Each Owner by acceptance of a deed therefor is deemed to covenant and agree to pay to the Association the following: (1) Annual Assessments; (2) Special Assessments; (3) Maintenance Charges; and Community Enhancement Assessments. The Annual Assessments, Special Assessments, Maintenance Charges and Community Enhancement Assessments, together with interest thereon, costs, collection costs and the reasonable attorneys' fees of the Association incurred in connection with the enforcement and collection therefor or in otherwise enforcing this Declaration, shall automatically be a charge and continuing servitude and lien upon the Lot or Parcel against which each such Annual or Special Assessment Maintenance Charge or Community Enhancement Assessment is made and, in addition, shall be the personal obligation

of the person responsible for the payment of such Assessment and not his successors in title. The Annual and Special Assessments, Maintenance Charges, and Community Enhancement Assessments shall be based on the number of Memberships appurtenant to the Lot or Parcel.

Section 7.2. Annual Assessments. The Assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the Members, Owners, and Residents, to enhance the quality of life within The Islands, to preserve the value of The Islands, to pay the costs of administration of the Association and maintenance of the Common Areas, and to otherwise further the interests of the Association as the Board deems appropriate. Subject to Section 7.3 hereof, the amount of the Annual Assessment shall be in the sole discretion of the Board. The Board may, during the Assessment period, revise the amount of the Annual Assessment in order to meet expenses which exceed the amounts anticipated by the Association and collect such increased assessment in accordance with Section 7.7 below.

In addition to the Annual Assessments, Special Assessments, and Maintenance Charges, all Owners of Lots and Parcels shall pay a Community Enhancement Assessment to the Association at the time of purchasing the Lot or Parcel. The Community Enhancement Assessment shall be collectible in the same manner, and subject to the same lien rights, as the Annual Assessments. The Community Enhancement Assessment shall be used to contribute to enhance the Common Areas of the Association, whether through the construction of new amenities, (including, but not limited to, landscaping, structures, and all other types of improvements to the Common Areas) and repair or replacement of existing Common Areas.

The Community Enhancement Assessment provided for herein shall not commence until the Amendment is recorded, and, for the fiscal year then beginning, shall not exceed a total of Two Hundred Fifty Dollars (\$250.00) per Membership. Thereafter, the Community Enhancement Assessment shall not be increased by more than the percentage increase of the Annual Assessment as set forth in Section 7.3, below, without the approval of at least fifty-one percent (51%) of the Members present in person or by absentee ballot at a meeting of Members duly called for that purpose at which a quorum is present.

Section 7.3. Maximum Annual Assessment. The Annual Assessment to be established by the Board may not exceed a certain amount (the "Maximum Annual Assessment"), which Maximum Annual Assessment shall be determined as follows:

(a) The Maximum Annual Assessment for each year may be increased, effective January 1 of each year, without a vote of the Membership, by the greater of (i) five percent (5%) of the Maximum Annual Assessment in effect during the prior year or (ii) an amount proportional to the amount of increase during the prior fiscal year in the U.S. Department of Labor's Consumer Price Index – All Urban Consumers 1984 Equals 100, All Items ("CPI"). If the CPI is eliminated or its method of determination is changed, the formula shall be altered, if possible, so as to continue the base period and figure. If this is not possible, a new formula shall be adopted by the Board, in accordance with Arizona law.

(b) From and after January 1, 1985, the Maximum Annual Assessment may be increased above the Maximum Annual Assessment otherwise determined under subsection (b) above by a vote of two-thirds (2/3) of Members voting in person or by absentee ballot at a meeting duly called for such purpose, except that in the event the water sources currently available for supplying the water for the Lakes are no longer able to supply water of adequate quality and in an amount necessary to keep the Lakes adequately filled and operational and it becomes necessary to purchase additional water, the Board may increase the Maximum Annual Assessment so as to provide for the additional water costs without the Membership vote otherwise required under this subsection (b).

Section 7.4. Special Assessments. 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 improvement of the Association or defraying other extraordinary expenses determined by the Board; provided, however, that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members voting in person or by absentee ballot at a meeting duly called for such purpose. Special Assessments shall be uniform among the Members. Notwithstanding the foregoing, in the event of damage or destruction of the Lakes, the Board shall be authorized to levy a Special Assessment without a vote of the Members if after providing written notice to the Members of the proposed levy and of their right to object thereto, no more than seventy-five percent (75%) of the Members eligible to vote object in writing within fifteen (15) days after receipt of such notice.

Section 7.5. Notice and Quorum for Any Action Authorized Under Sections 7.3 and 7.4. Written notice of any meeting called for the purpose of taking action authorized under Sections 7.3 or 7.4 shall be sent to all Members no less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At such meeting, the presence of Members or of absentee ballots representing sixty (60%) of all the votes (exclusive of suspended voting rights) of the Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the quorum required at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7.6. Annual Assessment Period. The period for which the Annual Assessment is to be levied (the "Assessment Period") shall be the calendar year. The Board may, in its sole discretion, from time to time, change the Assessment Period.

Section 7.7. Billing and Collection Procedures. The Board shall have the right to adopt procedures for the purpose of making, billing and collecting the Assessments and Maintenance Charges. The failure of the Association to send a bill to a Member shall not relieve such Member of his liability theretofore. No Assessment Lien shall be foreclosed or otherwise enforced until the Member has been given not less than thirty (30) days' written notice thereof prior to such foreclosure or enforcement at the address of the Member on the records of the

Association. It shall be the responsibility of the Member to inform the Association in writing of a change of address. The Association shall be under no duty to refund any payments received by it even though ownership of a Membership changes during an Assessment Period. Any successor Owner shall be given credit for prepayments, on a prorated basis, made by a prior Owner. In case the owner of a Membership having a reduced assessment fails to notify the Board at such time as the assessment should be increased, such Owner shall nonetheless be liable for the increased sum and his failure to notify the Board shall not relieve him of the liability for such amounts.

Section 7.8. Collection Costs and Interest on Delinquent Assessments. Any Assessment or installment thereof not paid when due shall be deemed delinquent, shall have a one-time late charge of fifteen percent (15%) of the assessment if not paid on or before thirty (30) days after the due date, and shall then bear interest at a rate equal to the greater of (a) twelve percent (12%) per annum or (b) the then prevailing interest rate on loans insured by the FHA or VA, and the Member shall be liable for all costs, including attorneys' fees, which may be incurred by the Association in collecting the same. The Board may also record a Notice of Delinquent Assessment against any applicable Lot or Parcel and may establish a fixed fee to reimburse the Association for the Association's cost in Recording such Notice, processing the delinquency and Recording a notice of payment, which fixed fee shall be treated as a collection cost of the Association secured by the Assessment Lien.

Section 7.9. Certificate of Payment. Upon receipt of a written request, the Board, shall, within a reasonable period, issue to the requesting party a written certificate stating that as of that day (a) all Assessments, Maintenance Charges or Special Use Fees (including interest, costs and attorneys' fees, if any), have been paid with respect to the specified Lot or Parcel, or (b) if such have not been paid, the amount(s) due and payable. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate shall be conclusive and binding with respect to any matter therein.

Section 7.10. Exempt Property. Exempt Property shall be exempted from Annual and Special Assessments and, except as provided in Section 10.3, from Maintenance Charges and the Assessment Lien; provided, however, should the Exempt Property become Assessable Property, it shall be subject to such Assessment and Maintenance Charges (prorated as of the date it became Assessable Property) and the Assessment Lien.

ARTICLE VIII

ENFORCEMENT AND THE ASSESSMENT LIEN

Section 8.1. Association Remedies to Enforce Assessments. If any Member fails to pay Annual or Special Assessments, Community Enhancement Assessments or Special use Fees when due, the Association may enforce the payment thereof and/or the Assessment Lien by

taking either or both of the following actions, concurrently or separately (and, by exercising either remedy, the Association does not prejudice or waive its right to exercise the other remedy):

(a) Bring an action at law and recover judgment against the Member who is personally liable.

(b) Foreclose the Assessment Lien, against the appropriate Lot or Parcel in accordance with 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.

Section 8.2. Subordination of Assessment Lien. The Assessment Lien shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot or Parcel shall not affect the Assessment Lien; however, the sale or transfer of any Lot or Parcel pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or Parcel from liability from any Annual or Special Assessment, Maintenance Charge or Special Use Fee thereafter becoming due or from the lien thereof.

ARTICLE IX

USE OF ASSOCIATION FUNDS

Section 9.1. Use of Association Funds. The Association shall apply all funds and property collected and received by it from any source for the common good and benefit of the Islands, the Members and the Residents. Such Fund may be used, among other things, to insure, acquire, construct, alter, maintain, provide and operate, in any manner whatsoever, any and all land, properties, improvements, services, projects, programs, studies and systems, within or without The Islands, which may be necessary, desirable or beneficial to the general common interests of The Islands, the Members and the Residents.

Section 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.

Section 9.3. Association's Rights in Spending Funds From Year to Year. The Association shall not be obligated to spend in every year all the sums received by it in such year, and the Board may carry forward as surplus any balance remaining. The Association shall not be obligated to reduce the amount of the Annual Assessment in the succeeding year if a surplus exists from a prior year.

Section 9.4. Special Use Fees. The Association is authorized to bill, sue, collect, administer and disburse all special use fees and the payment thereof are secured by the Assessment Lien. Special Use Fees include, but are not limited to, clubhouse fees, fishing permits, boat permits, and any other fees and charges that the Board deems appropriate in its discretion.

ARTICLE X

MAINTENANCE

Section 10.1. Common Areas and Public Rights-of-Way. The Association, or its duly delegated representative, shall maintain and otherwise manage all Common Areas; provided however, the Association shall not be responsible for providing or maintaining the landscaping or structures on any Common Areas located on or within Lots or Parcels unless (i) such landscaping or structures are intended for the general benefit of The Islands' Owners and Residents, and (ii) the Association assumes in writing the responsibility for such maintenance or such responsibility is set forth in a Recorded instrument. The Association shall also maintain any landscaping and other improvements not located on Lots and Parcels but located within The Islands if such areas are intended for the general benefit of the Islands' Owners and Residents, unless such areas are maintained by a governmental entity or utility or are the responsibility of a Lot or Parcel Owner pursuant to Section 4.2(d) hereof. Common Areas to be maintained by the Association may be identified on maps of dedication and subdivision plats, in Tract Declarations, or in deeds from the Declarant, but the failure to so identify such areas shall not affect the Association's rights or responsibilities with respect thereto.

The Board shall use a reasonably high standard of care in providing for the repair, management and maintenance of the Common Area so that the development of The Islands will reflect a high pride of ownership. The Board shall be the sole judge as to the appropriate maintenance of all Common Area. The landscape plans and/or guidelines set forth in the Master Development Plan shall be adhered to by the Association and all sub-associations, unless a variance is granted by the Architectural Review Committee of The Islands.

In the event any map of dedication, subdivision plat, Tract Declaration, deed restriction or this Declaration permit the Board to determine whether Owners of certain Lots or Parcels will be responsible for maintenance of certain Common Areas or public rights-of-way, the Board shall have the sole discretion to determine whether the Association or an individual Owner should be responsible for such maintenance, considering cost, uniformity or appearance, location and other relevant factors. The Board may cause the Association to contract with others for the performance of the maintenance and other obligations of the Association 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 having such responsibilities in exchange for the payment of such fees as the Association and Owner may agree.

Section 10.2. Assessment of Certain Maintenance Costs. In the event that the need for maintenance or repair of areas maintained by the Association is caused through the willful or negligent act of any Owner or Resident, his family, guests, Designees, or agents, the cost of such maintenance or repair shall be added to and become a part of the assessment to which such Member and his Lot or Parcel is subject and shall be secured by the Assessment Lien. Any charges to be paid by an Owner in connection with a maintenance contract entered into by the Association pursuant to Section 10.1 shall also become a part of such assessment and be secured by the Assessment Lien.

Section 10.3. Improper Maintenance and Use of Lots and Parcels. In the event any portion of any Lot or Parcel is maintained so as to present a nuisance, or substantially detract from or affect the appearance or quality of any neighboring Lot, Parcel or other area, or is used in a manner which violates this Declaration or any applicable Tract Declaration, or in the event the Owner or Resident of any Lot or Parcel is failing to perform its obligation under this Declaration, any applicable Tract Declaration, Association Rule, or the Architectural Review Committee Rules, the Board may, by resolution, make a finding to such effect, specifying the particular condition(s) that exist, and thereafter give notice to the Owner of such Lot or Parcel that unless corrective action is taken within a specified time period the Board may take, at such Owner's cost, whatever action is appropriate to compel compliance including, without limitation, appropriate legal action. If at the expiration of the specified time period the requisite corrective action has not been taken, the Board shall be authorized and empowered, at its sole discretion, to cause corrective action to be taken or to commence appropriate legal action and the cost thereof, including court costs and attorneys' fees, 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. Any entrance onto a Lot or Parcel by the Board or its agents for the purpose of taking corrective action shall not be deemed a trespass or conversion.

ARTICLE XI

ARCHITECTURAL REVIEW COMMITTEE

Section 11.1. Organization. There shall be an Architectural Review Committee, organized as follows:

(a) Committee Composition. The Architectural Review Committee shall consist of five (5) regular members and two (2) alternate members. A member shall not be required to satisfy any particular qualifications for membership and may be a member of the Board or an officer of the Association.

(b) Alternate Members. In the event of the absence or disability of three (3) regular members of said Committee, the remaining regular members, even though less than a quorum, may designate any of the alternate members to act as substitutes for the absent or disabled regular members for the duration of such absence or disability.

(c) Terms of Office. Unless the members of the Architectural Review Committee have resigned or been removed, their terms of office shall be for a period of one (1) year, or until the appointment of their respective successors. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed.

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

(e) Resignations. Any regular or alternate member of the Architectural Review Committee may at any time resign from the Committee by giving written notice thereof to the Board.

(f) Vacancies. Vacancies on the Architectural Review Committee, however caused, shall be filled by the Board. A vacancy or vacancies on the Architectural Review Committee shall be deemed to exist in case of the death, resignation or removal of any regular or alternate member.

Section 11.2. Duties. It shall be the duty of the Architectural Review Committee to consider and act upon all proposals or plans submitted to it pursuant to the terms hereof, to adopt Architectural Review Committee Guidelines, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration.

Section 11.3. Meetings and Compensation. The Architectural Review Committee shall meet from time to time as necessary to perform its duties hereunder. Subject to Subsection 11.1(b), the vote or written consent of a majority of its regular members, at a meeting or otherwise, shall constitute the act of the Architectural Review Committee. The Committee shall keep and maintain a written record of all actions taken by it. Although members of the Architectural Review Committee shall not be entitled to compensation for their services; consultants hired by such Committee, if such are authorized by the Board, may be entitled to compensation, at the discretion of the Board.

Section 11.4. Architectural Review Committee Guidelines. Subject to the written approval of the contents thereof by the Board, the Architectural Review Committee may, from time to time, adopt, amend and repeal, by majority vote or unanimous written consent, rules and regulations to be known as the "Architectural Review Committee Guidelines." The Guidelines shall interpret and implement this Declaration by setting forth additional procedures for Architectural Review Committee review of, and the standards for, development within The Islands, including but not limited to, architectural design, placement of buildings, landscaping,

color schemes, exterior finishes and materials, signage, wall and dock design and similar matters and shall have the same force and effect as the Association Rules. The Guidelines may also include provisions requiring the establishment of landscaping on Lots and Parcels pursuant to specific timetables. The Architectural Review Committee Guidelines shall be combined with all other rules and regulations adopted by the Board of Directors in a single publication referred to as "The Islands Community Handbook."

Section 11.5. Waiver. The approval by the Architectural Review Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Review Committee shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing specification or matter subsequently submitted for approval.

Section 11.6. Liability. Neither the Architectural Review Committee or any member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development of any Lot or Parcel, or (d) the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the Architectural Review Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or of any Owner with respect to any plans, drawings, specifications, or any other proposal submitted for review.

Section 11.7. Appeal to the Board. Any Owner or Resident aggrieved by a decision of the Architectural Review Committee may appeal the decision to the Board in accordance with procedures to be established by the Board in the Architectural Review Committee Guidelines. In the event the decision of the Architectural Review Committee is overruled by the Board on any issue or question, the prior decision of the Architectural Review Committee shall be deemed modified to the extent specified by the Board.

Section 11.8. Fee. The Board may establish a reasonable processing fee to defer the costs of the Association in considering any requests for approvals submitted to the Committee or for appeals to the Board, which fee shall be paid at the time the request for approval or review is submitted.

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ARTICLE XII

RIGHTS AND POWERS OF ASSOCIATION

Section 12.1. Rights, Powers and Duties of the Association. 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, together with such rights and powers and duties as may be reasonably necessary in order to effect all the objectives and purposes of the Association as set forth herein. A copy of the Articles and Bylaws shall be available for inspection at the office of the Association during reasonable business hours.

Section 12.2. Rules and Regulations. In addition to the right to adopt, amend and repeal rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Association, acting through the Board, shall have the right to adopt, amend and repeal rules and regulations (the "Association Rules") with respect to all other aspects of the Association's rights, activities and duties and the use of areas in The Islands, provided such rules and regulations are not inconsistent with the provisions of this Declaration, the Articles and ByLaws. Upon adoption, the Association Rules shall be enforceable in the same manner as this Declaration and shall have the same force and effect as if they were set forth in, and were a part of, this Declaration. The Association Rules shall be combined with all other rules and regulations adopted by the Architectural Review Committee in a single publication referred to as "The Islands Community Handbook."

Section 12.3. Association's Rights of Enforcement. The Association, as the agent and representative of the Owners, shall have the right to enforce the provisions of this Declaration and/or 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, 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. However, if the Association shall fail or refuse to enforce the provisions of this Declaration after written request to do so, then any Member may enforce them on behalf of the Association by any appropriate action, whether in law or in equity. Any failure of the Association to enforce any provision of this Declaration shall not constitute a waiver of the same.

Section 12.4. Attorneys' Fees and Costs. In the event the Board employs an attorney or attorneys for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, Articles of Incorporation, Bylaws, or any Rules and Regulations of the Association, whether or not a lawsuit is filed, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred, and all other expenses incurred by the Association, in addition to any other amounts due from the Owner or any other relief or remedy obtained against said Owner. Said amounts shall be considered an assessment

against the Owner's Lot, subject to an assessment lien, and collectible in the same manner as assessments. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Board may enforce each such obligation in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures (and the exercise by the Association of one or more of the remedies set forth below shall not prevent the Association from exercising any other remedy available):

(a) The Board may bring a suit at law against each Owner to enforce each such assessment obligation. Each Owner agrees that any judgment rendered in any such action shall include all attorney's fees and costs incurred by the Association, as set forth above, plus all court costs and necessary expenses and accounting fees incurred by the Association, plus interest on the amount of said assessment at the maximum legal rate allowed by law from the date the assessment becomes delinquent until paid in full.

(b) The Board may foreclose the assessment lien against the Lot 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 may be redeemed after foreclosure sale as provided by law. Each Owner agrees that any judgment rendered in any such action shall include all attorneys' fees and costs incurred by the Association, as set forth above, plus all court costs, title search fees, interest, and all other costs and expenses to the extent permitted by law, and such costs and expenses shall be added to the lien.

Section 12.5. Contracts with Others. Subject to the restrictions and limitations contained herein and Arizona Law, the Association may enter into contracts with others. Notwithstanding the foregoing, any management contract entered into with the Association must be terminable without penalty by the Association for cause or upon reasonable notice.

Section 12.6. Procedure for Change of Use of Common Area. Upon (a) adoption of a resolution by the Board stating that the then current use of a specified part of the Common Area is no longer in the best interests of the Owners and Residents and (b) the approval of such resolution by a majority of the votes of the Members who are voting in person or by absentee ballot 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 to take whatever actions are required to accommodate the new use), provided such new use (i) shall be for the benefit of the Owners and Residents, and (ii) shall be consistent with any deed restrictions or zoning regulations. Alternatively, the Board upon satisfaction of subsection (a) above may, in lieu of calling a meeting, notify in writing all Owners of the proposed transaction and of their right to object thereto and, if the Owners of no more than ten percent (10%) of the Memberships eligible to vote object in writing within thirty (30) days after receipt of such notice, the transaction shall be deemed approved by the Members and a meeting of the Members shall not be necessary.

Section 12.7. Procedure for Transfers of Common Area. The Association shall have the right to dedicate or transfer all or any part of the Common Area to any public authority or utility (i) if a transfer or dedication does not have a substantial adverse affect on the enjoyment of the Common Areas by the Members or the Residents, and (ii) if required by a Recorded subdivision plat, a zoning stipulation or any agreement with the Town of Gilbert, effective prior to the date hereof. Except as authorized in (i) and (ii) above, no such dedication or transfer shall be effective without the approval of a majority of the votes of the Members, voting in person or by absentee ballot at a meeting called for such purpose. 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 (y) the adoption of a resolution by the Board stating that ownership and/or use of resolution by the Board stating that ownership and/or use of the relevant Common Area is no longer in the best interests of the Owners and Residents, and that the change desired shall be for their benefit and shall not substantially adversely affect them and (x) the approval of such resolution by a majority of the votes of the Members, voting in person or by absentee ballot, at a meeting called for such purpose. Alternatively, the Board upon satisfaction of subsection (y) above may, in lieu of calling a meeting pursuant to subsection (x) above, notify in writing all Owners of the proposed transaction and of their right to object thereto and, if the Owners of no more than ten percent (10%) of the Memberships eligible to vote object in writing within thirty (30) days after receipt of such notice, the transaction shall be deemed approved by the Members and a meeting of the Members shall not be necessary.

ARTICLE XIII

TERM; AMENDMENTS; TERMINATION

Section 13.1. Term; Method of Termination. This Declaration shall be effective upon its Recordation and, as amended from time to time, shall continue in full force and effect for a term of twenty (20) years. Thereafter, this Declaration shall be automatically extended for successive periods of ten (10) years, unless there is an affirmative vote to terminate this Declaration by the then Members or their absentee ballots casting ninety percent (90%) of the total votes cast at an election held for such purpose within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension. In addition, the Declaration may be terminated at any time if ninety percent (90%) of the votes cast by the Members shall be cast in favor of termination at an election held for such purpose. If the necessary votes and consents are obtained, the Board shall Record a Certificate of Termination, duly executed by the President or Vice President and attested by the Secretary of the Association. Thereupon this Declaration shall have no further force and effect and the Association shall be dissolved in accordance with the terms of its Articles.

Section 13.2. Amendments. This Declaration and any Tract Declaration may be amended by recording a Certificate of Amendment, duly executed by the President or Vice President of the Association. The Certificate of Amendment shall set forth in full the

amendment adopted, and shall certify that at a meeting duly called, the Members, in person or by absentee ballot, casting seventy-five percent (75%) of the votes cast voted affirmatively for the adoption of the amendments. In addition, the Board shall have the right to amend the Declaration, without the approval of the owners, solely for the purpose of complying with changes in the law.

ARTICLE XIV

EMINENT DOMAIN AND INSURANCE

Section 14.1. 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 Members 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 being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor 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 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 Members, (taking into account a reduction in the distribution to those Members paying reduced Assessments), and all holders of liens and encumbrances, as their interest may appear of record.

Section 14.2. Authority to purchase Insurance. The Association shall purchase and maintain such insurance upon the Common Areas as the Board, in its absolute discretion, may determine. The Association shall also cause the Owners of Private Waterfront Areas and Waterfront Facilities located on The Lakes to be named as additional insureds on liability policies covering the Private Waterfront Facilities located on The Lakes in amounts not less than \$1,000,000.00 for bodily injuries, death and property damage, insuring the Owners against liabilities to the public arising out of use of the Lakes.

Section 14.3. Individual Responsibility. It shall be the responsibility of each Member, Owner, Resident or other person to provide for himself insurance on his property interests within The Islands, if any, his additions and improvements thereof, furnishings and personal property therein, his personal liability to the extent not covered by the public liability insurance obtained by the Association and such other insurance which is not carried by the Association 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 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.

Section 14.4. Insurance Claims. The Association is hereby irrevocably appointed and authorized 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.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Interpretation of the Covenants. Except for judicial construction, and as hereinafter provided, the Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Declaration, including without limitation, the land use restrictions in Article IV hereof and in any Tract Declarations. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions thereof shall be final, conclusive and binding as to all persons and property benefitted or bound by this Declaration.

Section 15.2. 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.

Section 15.3. Rule Against Perpetuities. If any of the interests, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the Rule against Perpetuities or any related rule, then such provision shall continue until twenty-one (21) years after the death of the survivor of the now living descendants of the President of the United States on the date this Amended and Restated Declaration is Recorded.

Section 15.4. 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.

Section 15.5. Successors and Assigns. Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder. Any such assignment shall be evidenced by a Recorded instrument executed by Declarant and its successor or assignee.

Section 15.6. 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.

Section 15.7. Captions. All captions, titles or headings of the Articles and Sections 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.

Section 15.8. Notices. If notice of any action or proposed action by the Board or any committee or of a meeting is required by applicable law, this Declaration or resolution of the Board to be given to any Owner or Resident 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 the Town of Gilbert or The Islands. 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.

The President of the Association hereby certifies that the provisions contained within this Amended and Restated Declaration have been approved by the required percentage of the Owners.

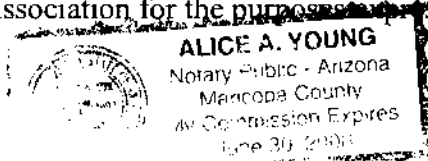
DATED this 14 day of June, 2006.

The Islands Community Association

By: A. H. Logan
Its: President

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 14 day of June, 2006, before me the undersigned Notary Public, personally appeared A. H. Logan, who acknowledged to me that s/he is the President of the Association and that s/he executed the foregoing agreement on behalf of the Association for the purposes expressed therein.



Alice A. Young
Notary Public

My Commission expires:
June 30, 2006

Exhibit "A"

Legal Description of the Islands

All property contained within THE ISLANDS MAP OF DEDICATION, recorded at Book 275 of Maps, Page 42, official records of Maricopa County, Arizona, and THE ISLANDS PHASE TWO MAP OF DEDICATION, recorded at Book 290 of Maps, Page 16, official records of Maricopa County, Arizona, more particularly described as follows:

Legal Description of Subdivided Property within the Islands Community

Lots 135 through 181, Tracts A through J, and any other property located within, MARTINQUE III AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 363 of Maps, Page 24.

Lots 64 through 75, Tracts A and B, and any other property located within, THE SHORES AT THE ISLANDS, UNIT 5, according to the Plat of record in the office of the Maricopa County Recorder in Book 291 of Maps, Page 48.

Lots 1 through 26, Parcels A and B, and any other property located within, TRES VISTAS AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 281 of Maps, Page 23.

Lots 1 through 94, 193 through 233, Tracts A, through C and F through H, and any other property located within, THE ISLANDS PATIO HOMES 'A' AMENDED, according to the Plat of record in the office of the Maricopa County Recorder in Book 292 of Maps, Page 05.

Lots 95 through 192, Tracts C through E, and any other property located within, THE ISLANDS PATIO HOMES 'B' AMENDED, according to the Plat of record in the office of the Maricopa County Recorder in Book 292 of Maps, Page 06.

Lots 1 through 9, and any other property located within, OASIS AT THE ISLANDS AMENDED, according to the Plat of record in the office of the Maricopa County Recorder in Book 643 of Maps, Page 33.

Lot A101, A201 through A207, B101 through B104, C101 through C104, D101 through D104, E101 through E104, F101 through F104, Tracts A through C, and any other property located within, A FINAL PLAT OF OASIS AT THE ISLANDS PROFESSIONAL PLAZA, AN OFFICE CONDOMINIUM, according to the Plat of record in the office of the Maricopa County Recorder in Book 646 of Maps, Page 05, as amended by A Final Plat of Oasis at the Islands Professional Plaza, an Office Condominium, Amended, according to the Plat of record in the office of the Maricopa County Recorder in Book 707 of Maps, Page 4, records of Maricopa County, Arizona.

Lots 2 and 3, and any other property located within, OASIS AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 582 of Maps, Page 21.

Lots 1 through 9 and lake easement area, and any other property located within, THE SHORES AT THE ISLANDS UNIT 1, according to the Plat of record in the office of the Maricopa County Recorder in Book 277 of Maps, Page 38.

Lots 1 through 53, Tracts A through G and lake easement area, and any other property located within, TOWNHOMES ON CORAL REEF, according to the Plat of record in the office of the Maricopa County Recorder in Book 283 of Maps, Page 48.

Lots 10 through 63 and lake easement area, and any other property located within, THE SHORES AT THE ISLANDS UNITS 2, 3 AND 4, according to the Plat of record in the office of the Maricopa County Recorder in Book 281 of Maps, Page 04.

Lots 1 through 31, Tracts A through D and lake easement area, and any other property located within, SANDCASTLE VILLAGE, according to the Plat of record in the office of the Maricopa County Recorder in Book 287 of Maps, Page 34.

Lots 1 through 38, Tracts A through I and lake easement area, and any other property located within, LAKE MIRAGE, according to the Plat of record in the office of the Maricopa County Recorder in Book 296 of Maps, Page 5.

Lots 1 through 134, and any other property located within, BAYVIEW, according to the Plat of record in the office of the Maricopa County Recorder in Book 282 of Maps, Page 15.

Lots 1 through 34, Tracts A through E, and any other property located within, DESERT SHORES AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 367 of Maps, Page 27.

Lots 3 through 6, 32 through 34, 38 through 42, 53 through 56, 60 through 67 and 70 through 75, Tracts A through K, and any other property located within, CORAL POINT, according to the Plat of record in the office of the Maricopa County Recorder in Book 284 of Maps, Page 38.

Lots 1, 2, 7 through 31, 35 through 37, 43 through 52, 57 through 59, 68, 69 and 76 through 101, and any other property located within, REPLAT OF LOTS 1, 2, 7-31, 35-37, 43-52, 57-59, 68, 69, 76-101 OF CORAL POINTE, according to the Plat of record in the office of the Maricopa County Recorder in Book 318 of Maps, Page 01.

Lots 163 through 204, Tracts A through F, and any other property located within, CATALINA BAY AT THE ISLANDS UNIT IV according to the Plat of record in the office of the Maricopa County Recorder in Book 363 of Maps, Page 23.

Lots 1 through 173, Tracts A through Z, AA through DD, and any other property located within, THE COVE AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 302 of Maps, Page 03.

Lots 1 through 104, Tracts A through E, and any other property located within, A REPLAT OF COSTAIN AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 291 of Maps, Page 40.

Lots 1 through 5, and any other property located within, BAYSHORE PLAZA, according to the Plat of record in the office of the Maricopa County Recorder in Book 461 of Maps, Page 44.

Lot 1, and any other property located within, SECOND T & K REAL ESTATE, LLC – APPLEBEE'S STORE NO. 519, according to the Plat of record in the office of the Maricopa County Recorder in Book 637 of Maps, Page 21.

Lot 1 through 14, Tract A, and any other property located within, ISLANDS PARCEL 30B, according to the Plat of record in the office of the Maricopa County Recorder in Book 315 of Maps, Page 24.

Lots 1 through 54, Tract A, and any other property located within, CHARTER POINT AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 302 of Maps, Page 49.

Lots 1 through 101, and any other property located within, NEWPORT, according to the Plat of record in the office of the Maricopa County Recorder in Book 287 of Maps, Page 50.

Lots 1 through 65, Tracts A through C, and any other property located within, WINDHAVEN, according to the Plat of record in the office of the Maricopa County Recorder in Book 288 of Maps, Page 01.

Lots 1 through 25, and any other property located within, SEAPORT VILLAGE, according to the Plat of record in the office of the Maricopa County Recorder in Book 310 of Maps, Page 14.

Lots 1 through 13, Tracts A through C, and any other property located within, BELLA LAGO, according to the Plat of record in the office of the Maricopa County Recorder in Book 734 of Maps, Page 20.

Lots 1 through 152, Tracts A, C, D, E1 through E11, F1 and F2, and any other property located within, SEAWYNDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 286 of Maps, Page 28.

Lot 47, Tracts C and E10, and any other property located within, SEAWYNDS LOT 47, according to the Plat of record in the office of the Maricopa County Recorder in Book 342 of Maps, Page 32.

Lots 1 through 78, and any other property located within, HARBOR POINT, according to the Plat of record in the office of the Maricopa County Recorder in Book 283 of Maps, Page 15.

Lots 9 and 10, and any other property located within, HARBOR POINT AMENDED, according to the Plat of record in the office of the Maricopa County Recorder in Book 472 of Maps, Page 27.

Lots 109 through 162, Tracts A through G, and any other property located within, CATALINA BAY AT THE ISLANDS UNIT III, according to the Plat of record in the office of the Maricopa County Recorder in Book 357 of Maps, Page 41.

Lots 1 through 58, 62, 63, 69 through 82, 89 through 92 and 95 through 99, and any other property located within, REPLAT OF A PORTION OF PARCEL 31 AT THE ISLANDS AMENDED, according to the Plat of record in the office of the Maricopa County Recorder in Book 339 of Maps, Page 06.

Lots 59 through 61, 64 through 68, 83 through 88, 93 and 94, Tracts A through D, and any other property located within, PARCEL 31 AT THE ISLANDS AMENDED, according to the Plat of record in the office of the Maricopa County Recorder in Book 321 of Maps, Page 08.

Lots 1 through 67, Tracts A through I, K through P, and any other property located within, CATALINA BAY AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 344 of Maps, Page 01.

Lots 1 through 121, Tracts A and B, and any other property located within, BAYVIEW UNIT II, according to the Plat of record in the office of the Maricopa County Recorder in Book 312 of Maps, Page 27.

Lots 1 through 71, Tracts A through C, and any other property located within, KEY HARBOR, according to the Plat of record in the office of the Maricopa County Recorder in Book 313 of Maps, Page 15.

Lots 1 through 162, Tracts A, B, E through H, and any other property located within, WINDHAVEN UNIT III, according to the Plat of record in the office of the Maricopa County Recorder in Book 319 of Maps, Page 34.

Lots 121, 122 and 123, Tract I, and any other property located within, A RE-SUBDIVISION OF LOTS 121, 122 & 123, OF WINDHAVEN UNIT III, according to the Plat of record in the office of the Maricopa County Recorder in Book 337 of Maps, Page 18.

Lots 1 through 71, and any other property located within, WINDHAVEN UNIT II, according to the Plat of record in the office of the Maricopa County Recorder in Book 308 of Maps, Page 16.

Lots 1 through 115, and any other property located within, TRADEWINDS AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 315 of Maps, Page 23.

Lots 1 through 4, 12, 14 through 18, 20, 21, 30, 34 through 43, 45, 47, 65, 66, 68, 69, 81 through 84, 86, 87, 89, 91, 92, 109 and 111 through 115, and any other property located within, TRADEWINDS AT THE ISLANDS AMENDED, according to the Plat of record in the office of the Maricopa County Recorder in Book 343 of Maps, Page 24.

Lots 1 through 109, Tracts A through F, and any other property located within, MERIT HOMES AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 296 of Maps, Page 03.

Lots 88 through 134, Tracts A through F, and any other property located within, MARTINQUE 2 AT THE ISLANDS, according to the Plat of record in the office of the Maricopa County Recorder in Book 358 of Maps, Page 01.

Lots 1 & 2, and any other property located within, SUNRISE PRESCHOOL, according to the Plat of record in the office of the Maricopa County Recorder in Book 428 of Maps, Page 49.

Parcels 1 through 4, and any other property located within, FRY'S CENTER, according to the Plat of record in the office of the Maricopa County Recorder in Book 396 of Maps, Page 38.

The property legally described on the deed recorded at recording # 90-383256, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

THE ISLANDS
PARCEL 7 "A"

90-383256

That part of the Northwest quarter of Section 14, Township 1 South, Range 5 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Northwest corner of said Section 14;

Thence North 89°56'41" East, along the North line of said Section 14, a distance of 1304.82 feet;

Thence, South 00°03'19" East, a distance of 565.00 feet, to the beginning of a 824.58 foot radius non-tangent curve whose center bears South 00°03'19" East, said point being the True Point of Beginning.

Thence, Southeasterly, along said curve, through a central angle of 10°43'48", a distance of 154.42 feet;

Thence, South 10°40'29" West, a distance of 63.82 feet to the beginning of a 59.89 foot radius non-tangent curve whose center bears South 10°34'25" West;

Thence, Southwesterly, along said curve, through a central angle of 63°01'51", a distance of 65.88 feet;

Thence, South 37°32'33" West, a distance of 45.12 feet to the beginning of a tangent curve of 65.00 foot radius concave northwesterly;

Thence, Southwesterly, along said curve, through a central angle of 98°22'06", a distance of 111.60 feet;

Thence, North 44°05'20" West, a distance of 54.90 feet to the beginning of a tangent curve of 70.00 foot radius concave southwesterly;

Thence, northwesterly, along said curve, through a central angle of 60°00'07", a distance of 73.31 feet;

Thence, North 13°16'32" West, a distance of 64.83 feet, to a point on a 712.36 foot radius non-tangent curve whose center bears South 13°16'32" East;

Thence, Northeasterly, along said curve, through a central angle of 13°13'12", a distance of 164.35 feet to the True Point of Beginning.

The property legally described on the deed recorded at recording # 90-356103, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

**LAKE AREA
THE SHORES AT THE ISLANDS UNIT 1
(Parcel 8)**

90-356103

That part of "THE SHORES AT THE ISLANDS UNIT 1", a subdivision, as recorded in Book 277 of Maps, Page 38, Maricopa County Records, located in the Northwest quarter of Section 14, Township 1 South, Range 5 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the intersection of "WEST PALO VERDE DRIVE" and "South Islands Drive West" as shown on "THE ISLANDS" Map of Dedication as recorded in Book 275 of Maps, Page 42, Maricopa County Records;

Thence, North 04°44'55" East, along the centerline of said "South Islands Drive West", a distance of 81.14 feet, to the southwest corner of said "THE SHORES AT THE ISLANDS UNIT 1";

Thence, South 81°39'11" East, along the southerly boundary of said subdivision, 33.07 feet, to a point on the easterly right-of-way of said "South Islands Drive West", said point also being the "TRUE POINT OF BEGINNING";

Thence, continuing South 81°39'11" East, along said right-of-way, 314.04 feet;

Thence, North 52°30'44" East, 251.61 feet;

Thence, North 44°04'56" West, 566.19 feet to a point on a 679.36 foot radius non-tangent curve whose center bears South 58°21'13" East, said point being on the Easterly right-of-way of said "South Islands Drive West";

Thence, Southwesterly, along said curve, through a central angle of 11°53'06", a distance of 140.92 feet;

Thence, South 70°14'19" East, 30.00 feet, to the beginning of a 40.00 foot radius non-tangent curve, whose center bears South 70°14'19" East;

Thence, Southeasterly, along said curve, through a central angle of 90°35'00", a distance of 63.24 feet;

Thence South 70°49'18" East, 151.15 feet to the beginning of a tangent curve of 175.00 foot radius concave to the South;

Thence, Southeasterly, along said curve, through a central angle of $22^{\circ}37'21''$ a distance of 69.10 feet;

Thence, South $48^{\circ}11'57''$ East, a distance of 95.49 feet to the beginning of a tangent curve concave southwesterly and having a radius of 15.00 feet;

Thence, Southeasterly, along said curve, through a central angle of $65^{\circ}14'23''$, an arc distance of 17.08 feet;

Thence South $17^{\circ}02'26''$ West, a distance of 49.01 feet to the beginning of a tangent curve concave westerly and having a radius of 564.28 feet;

Thence, Southerly, along said curve, through a central angle of $07^{\circ}44'32''$, an arc distance of 76.25 feet to a point of compound curve concave northwesterly and having a radius of 70.00 feet;

Thence, Southwesterly, along said curve, through a central angle of $67^{\circ}48'22''$, an arc distance of 82.85 feet;

Thence, North $87^{\circ}24'40''$ West, a distance of 37.98 feet to the beginning of a tangent curve concave northerly and having a radius of 375.00 feet;

Thence, Westerly, along said curve, through a central angle of $14^{\circ}01'51''$, an arc distance of 91.84 feet;

Thence, North $73^{\circ}22'49''$ West, a distance of 92.32 feet to the beginning of a tangent curve concave southeasterly and having a radius of 22.00 feet;

Thence, Southwesterly, along said curve, through a central angle of $101^{\circ}52'16''$, an arc distance of 39.12 feet to a point on the easterly line of a designated 30.00 foot easement as shown on the plat of "THE SHORES AT THE ISLANDS UNIT I";

Thence, South $04^{\circ}44'55''$ West, along said easterly easement line, a distance of 32.35 feet, to the TRUE POINT OF BEGINNING.

Said parcel contains 1.48172 Acres.

The property legally described on the deed recorded at recording # 86-030413, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

PARCEL 9

86-030413

That part of the Northwest quarter of Section 14, Township 1 South, Range 5 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the West quarter corner of said Section 14; thence, North 00°00'08" West, along the West line of the Northwest quarter, 88.29 feet;

Thence, North 89°51'57" East, along a line parallel to and 88.29 feet Northerly, as measured at right angles, from the East-West mid-section line of said Section 14, 65.00 feet, to the True Point of Beginning.

Thence, North 00°00'08" West, along a line parallel to and 65.00 feet Easterly, as measured at right angles, from the West line of said Section 14, 1004.12 feet, to the beginning of a tangent curve of 12.00 foot radius concave Easterly;

Thence, Northeasterly, along said curve, through a central angle of 90°00'00", a distance of 18.85 feet;

Thence, North 89°59'52" East, 446.11 feet, to the beginning of a tangent curve of 12.00 foot radius concave Southerly;

Thence, Southeasterly, along said curve, through a central angle of 94°45'03", a distance of 19.84 feet;

Thence, South 04°44'55" West, 987.28 feet, to the beginning of a tangent curve of 833.00 foot radius concave Easterly;

Thence, Southeasterly, along said curve, through a central angle of 01°15'55", a distance of 18.40 feet;

Thence, South 89°51'57" West, along a line parallel to and 88.29 feet Northerly, as measured at right angles, from the East-West mid-section line of said Section 14, 386.98 feet, to the True Point of Beginning.

Containing 10.000 Acres (net), more or less.

The property legally described on the deed recorded at recording # 90-356103, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

LAKE AREA
THE SHORES AT THE ISLANDS UNITS 2, 3 AND 4
(Parcels 10, 12 and 14)

90-356103

That part of "THE SHORES AT THE ISLANDS UNITS 2, 3 AND 4", a subdivision as recorded in Book 281 of Maps, Page 4, Maricopa County Records, located in the Northwest quarter of Section 14, Township 1 South, Range 5 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the intersection of "West Palo Verde Drive" and "South Islands Drive West", as shown on "THE ISLANDS" Map of Dedication as recorded in Book 275 of Maps, Page 42, Maricopa County Records;

Thence, North 04°44'55" East, along the centerline of said "South Islands Drive West", a distance of 81.14 feet, to the Northwest corner of said "THE SHORES AT THE ISLANDS UNITS 2, 3 AND 4";

Thence, South 81°39'11" East, along the North line of said subdivision, 33.07 feet to a point on the easterly right-of-way of said "South Islands Drive West", said point being the TRUE POINT OF BEGINNING;

Thence, continuing South 81°39'11" East, along said line, 314.04 feet;

Thence, North 52°30'44" East, 251.61 feet;

Thence, North 89°26'35" East, 129.30 feet;

Thence, South 19°04'58" East, 163.31 feet;

Thence, South 09°51'14" East, 145.78 feet;

Thence, South 06°36'06" West, 519.70 feet;

Thence, South 06°30'66" East, 350.17 feet;

Thence, South 20°14'16" East, 146.83 feet;

Thence, South 64°33'16" West, 405.85 feet;

Thence, North 41°38'51" West, 91.07 feet;

Thence, North 75°24'10" West, 130.52 feet;

Thence, South 77°25'51" West, 281.32 feet to a point on a 767.00 foot radius non-tangent curve whose center bears North 78°25'44" East, said point being on the easterly right-of-way line of said "South Islands Drive West";

Thence, Northerly, along said curve through a central angle of $05^{\circ}19'59''$, a distance of 71.40 feet;

Thence, North $83^{\circ}45'43''$ East, 34.03 feet, to a point on a 35.00 foot radius non-tangent curve whose center bears South $82^{\circ}36'52''$ East;

Thence, Northeasterly, along said curve, through a central angle of $80^{\circ}49'15''$, a distance of 49.38 feet;

Thence, North $88^{\circ}12'23''$ East, 77.47 feet to the beginning of a tangent curve of 1200.00 foot radius concave southerly;

Thence, Easterly, along said curve, through a central angle of $04^{\circ}10'17''$, a distance of 87.37 feet;

Thence, South $87^{\circ}37'20''$ East, 62.92 feet to the beginning of a tangent curve of 200.00 foot radius concave southerly;

Thence, Easterly, along said curve, through a central angle of $25^{\circ}56'20''$, a distance of 90.55 feet to the beginning of a tangent reverse curve of 160.00 foot radius concave northerly;

Thence, Easterly, along said curve, through a central angle of $26^{\circ}03'09''$, a distance of 72.76 feet;

Thence, South $87^{\circ}44'09''$ East, 76.76 feet to the beginning of a tangent curve of 140.00 foot radius concave northwesterly;

Thence, Northeasterly, along said curve, through a central angle of $57^{\circ}30'56''$, a distance of 140.54 feet to the beginning of a tangent compound curve of 240.00 foot radius concave westerly;

Thence, Northerly, along said curve, through a central angle of $40^{\circ}01'21''$, a distance of 167.65 feet;

Thence, North $05^{\circ}16'26''$ West, 56.55 feet to the beginning of a tangent curve of 120.00 foot radius concave southwesterly;

Thence, Northwesterly, along said curve, through a central angle of $82^{\circ}15'35''$, a distance of 172.29 feet;

Thence, North $87^{\circ}12'01''$ West, 122.17 feet to the beginning of a tangent curve of 66.44 foot radius concave southerly;

Thence, Westerly, along said curve, through a central angle of $30^{\circ}21'40''$, a distance of 35.21 feet, to the beginning of a tangent reverse curve of 320.00 foot radius concave northerly;

Thence, Westerly, along said curve, through a central angle of $30^{\circ}13'28''$, a distance of 168.81 feet;

Thence, North $87^{\circ}40'13''$ West, 169.34 feet to the beginning of a tangent curve of 36.00 foot radius concave northeasterly;

Thence, Northwesterly, along said curve, through a central angle of $77^{\circ}59'41''$, a distance of 49.01 feet;

Thence, North $85^{\circ}15'05''$ West, 32.14 feet to a point on the Easterly right-of-way of said "South Islands Drive West";

Thence, North $04^{\circ}44'55''$ East, along said right-of-way, 96.17 feet;

Thence, South $85^{\circ}15'05''$ East, 32.38 feet to a point on a 30.00 foot radius non-tangent curve whose center bears South $67^{\circ}49'39''$ East;

Thence, Northeasterly, along said curve, through a central angle of $71^{\circ}12'25''$, a distance of 37.29 feet;

Thence, South $86^{\circ}37'14''$ East, 351.40 feet to the beginning of a tangent curve of 400.00 foot radius concave northerly;

Thence, Easterly, along said curve, through a central angle of $16^{\circ}00'47''$, a distance of 111.80 feet to the beginning of a tangent compound curve of 55.00 foot radius concave northwesterly;

Thence, Northeasterly, along said curve, through a central angle of $74^{\circ}16'08''$, a distance of 71.30 feet;

Thence, North $03^{\circ}05'51''$ East, 141.95 feet to the beginning of a tangent curve of 40.00 foot radius concave southwesterly;

Thence, Northwesterly, along said curve, through a central angle of $61^{\circ}35'12''$, a distance of 43.00 feet;

Thence, North $58^{\circ}29'21''$ West, a distance of 61.47 feet to the beginning of a tangent curve of 200.00 foot radius concave southerly;

Thence, Westerly, along said curve, through a central angle of $28^{\circ}05'30''$, a distance of 98.06 feet;

Thence, North $86^{\circ}34'51''$ West, 311.71 feet to the beginning of a tangent curve of 44.00 foot radius concave northeasterly;

Thence, Northwesterly, along said curve, through a central angle of $65^{\circ}24'22''$, a distance of 30.23 feet;

Thence, North $85^{\circ}15'05''$ West, 32.20 feet to a point on the easterly right-of-way of said "South Islands Drive West";

Thence, North $04^{\circ}44'55''$ East, along said right-of-way, 62.31 feet;

Thence, South $85^{\circ}15'05''$ East, 31.82 feet, to a point on a 40.00 foot radius non-tangent curve, whose center bears South $59^{\circ}14'43''$ East;

Thence, Northeasterly, along said curve, through a central angle of $62^{\circ}07'32''$, a distance of 43.38 feet;

Thence, South $87^{\circ}07'11''$ East, 171.29 feet to the beginning of a tangent curve of 600.00 foot radius concave southerly;

Thence, Easterly, along said curve, through a central angle of $16^{\circ}27'23''$, a distance of 172.34 feet to the beginning of a tangent reverse curve of 320.00 foot radius concave northerly;

Thence, Easterly, along said curve, through a central angle of $11^{\circ}47'56''$, a distance of 65.90 feet;

Thence, South $82^{\circ}27'44''$ East, 106.40 feet to the beginning of a tangent curve of 70.00 foot radius concave northwesterly;

Thence, Northeasterly, along said curve, through a central angle of $79^{\circ}02'31''$, a distance of 96.57 feet;

Thence, North $18^{\circ}29'45''$ East, 37.06 feet to the beginning of a tangent curve of 400.00 foot radius concave westerly;

Thence, Northerly, along said curve, through a central angle of $10^{\circ}44'54''$, a distance of 75.04 feet;

Thence, North 07°44'51" East, 40.32 feet to the beginning of a tangent curve of 270.34 foot radius concave westerly;

Thence, Northerly, along said curve, through a central angle of 24°53'29", a distance of 117.45 feet;

Thence, North 17°08'38" West, a distance of 42.59 feet to the beginning of a tangent curve of 90.00 foot radius concave southwesterly;

Thence, Northwesterly, along said curve, through a central angle of 70°56'59", a distance of 111.45 feet;

Thence, North 88°05'37" West, 83.00 feet to the beginning of a tangent curve of 100.00 foot radius concave southeasterly;

Thence, Southwesterly, along said curve, through a central angle of 54°15'24", a distance of 94.70 feet to the beginning of a tangent reverse curve of 90.00 foot radius concave northwesterly;

Thence, Southwesterly, along said curve, through a central angle of 57°47'19", a distance of 90.78 feet;

Thence, North 84°33'42" West, 221.08 feet, to the beginning of a tangent curve of 61.02 foot radius concave northeasterly;

Thence, Northwesterly, along said curve, through a central angle of 63°37'47", a distance of 67.77 feet;

Thence, North 85°15'05" West, 32.35 feet, to a point on the easterly right-of-way of said South Islands Drive West";

Thence, North 04°44'55" East, along said right-of-way, 18.67 feet to the TRUE POINT OF BEGINNING.

Said tract contains 8.380 acres, more or less.

The property legally described on the deed recorded at recording # 90-356103, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

**LAKE AREA
TOWNHOMES ON CORAL REEF
(REVISED)**

90 356103

(Parcel 11)

A portion of "TOWNHOMES ON CORAL REEF", a subdivision, as recorded in Book 283 of Maps, page 48, Maricopa County Records, located in the Northwest quarter of Section 14, Township 1 South, Range 5 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at Point "B" of said "TOWNHOMES ON CORAL REEF" subdivision on the centerline of South Islands Drive East as shown on "THE ISLANDS" Map of Dedication recorded in Book 275 of Maps, Page 42, Maricopa County Records;

Thence, North 80°46'53" West, along the southerly boundary of said subdivision, a distance of 63.00 feet, to a point on the designated "Lake Easement Line", as shown on the recorded plat of said subdivision, the TRUE POINT OF BEGINNING;

Thence, along said "Lake Easement Line" the following courses; Continuing North 80°46'53" West, a distance of 88.92 feet;

Thence, South 80°24'41" West, a distance of 321.60 feet;

Thence, South 86°22'56" West, a distance of 160.34 feet;

Thence, North 83°26'53" West, a distance of 137.25 feet;

Thence, North 06°36'06" East, a distance of 299.53 feet;

Thence, North 09°51'14" West, a distance of 145.78 feet;

Thence, North 83°39'14" East, a distance of 546.82 feet;

Thence, North 73°54'15" East, a distance of 190.39 feet;

Thence, North 82°36'16" East, a distance of 36.88 feet to a point on a 761.58 foot radius, non-tangent curve, the radius of which bears South 87°58'48" West, said point also being on the lakeside boundary of the 10 foot private water front easement as shown on said "TOWNHOMES AT CORAL REEF" plat;

Thence, Southerly, along said curve and 10 foot private water front easement, through a central angle of $06^{\circ}33'33''$, a distance of 87.18 feet to the beginning of a tangent compound curve of 37.00 foot radius, concave to the Northwest;

Thence, Southerly, along said curve, through a central angle of $82^{\circ}23'14''$, a distance of 53.20 feet;

Thence, South $86^{\circ}55'36''$ West, 553.85 feet, to the beginning of a tangent curve of 95.00 foot radius, concave to the Southeast;

Thence, Westerly, along said curve, through a central angle of $89^{\circ}39'23''$, a distance of 148.66 feet;

Thence, South $02^{\circ}43'47''$ East, 205.18 feet, to the beginning of a tangent curve of 70.00 foot radius, concave to the Northeast;

Thence, Southerly, along said curve, through a central angle of $88^{\circ}46'27''$, a distance of 108.46 feet;

Thence, North $88^{\circ}29'46''$ East 97.21 feet, to the beginning of a tangent curve of 221.87 foot radius, concave to the North;

Thence, Easterly, along said curve, through a central angle of $35^{\circ}43'21''$, a distance of 138.33 feet to the beginning of a tangent reverse curve of 200.00 foot radius, concave to the South;

Thence, Northeasterly, along said curve, through a central angle of $41^{\circ}44'00''$, a distance of 145.68 feet;

Thence, South $85^{\circ}29'35''$ East, 145.28 feet, to the beginning of a tangent curve of 30.00 foot radius, concave to the Southwest;

Thence, Easterly, along said curve, through a central angle of $94^{\circ}49'11''$, a distance of 49.65 feet;

Thence, South $09^{\circ}19'36''$ West, 45.79 feet, to the TRUE POINT OF BEGINNING.

Said parcel contains 2.942 Acres, more or less.

The property legally described on the deed recorded at recording # 90-356103, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

**LAKE AREA
THE ISLANDS**

90 356103

(Parcel 15)

That part of the West half of Section 14, Township 1 South, Range 5 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the intersection of West Mesquite Drive and South Islands Drive East as shown on "THE ISLANDS" Map of Dedication as recorded in Book 275 of Maps, Page 42, Maricopa County Records;

Thence, South $64^{\circ}25'11''$ West, 33.00 feet, to the beginning of a tangent curve of 939.44 foot radius concave Northwesterly;

Thence, Westerly, along said curve, through a central angle of $11^{\circ}00'32''$ a distance of 180.51 feet;

Thence, South $75^{\circ}25'43''$ West, 119.09 feet, to the beginning of a tangent curve of 1607.26 foot radius concave Southeasterly;

Thence, Southwesterly, along said curve, through a central angle of $10^{\circ}39'49''$, a distance of 299.13 feet;

Thence, South $64^{\circ}45'54''$ West, 28.82 feet;

Thence, North $24^{\circ}58'59''$ West, 65.47 feet, to designated Point "A", a point on the "Mean Lake Wall Line" as determined by an "As-built" field survey, and the POINT OF BEGINNING;

Thence, North $24^{\circ}58'59''$ West, 183.08 feet;

Thence, North $20^{\circ}14'16''$ West, 291.92 feet;

Thence, North $06^{\circ}30'56''$ West, 100.52 feet;

Thence, North $83^{\circ}29'23''$ East, 579.11 feet;

Thence, North $81^{\circ}07'30''$ East, 91.66 feet, to a point on the "Mean Lake Wall Line" as determined by an "As-built" field survey;

Thence, along said "Mean Lake Wall Line" as surveyed the following courses;

South $00^{\circ}14'10''$ East, 15.99 feet; South $07^{\circ}45'34''$ West, 14.21 feet;

South $36^{\circ}20'38''$ West, 14.61 feet; South $62^{\circ}12'10''$ West, 17.29 feet;

South $74^{\circ}30'19''$ West, 28.72 feet; South $79^{\circ}35'02''$ West, 33.37 feet;

South $75^{\circ}48'17''$ West, 37.09 feet; South $81^{\circ}33'16''$ West, 35.19 feet;

South 78°58'49" West, 25.81 feet; South 84°09'19" West, 33.59 feet;
South 88°02'01" West, 30.17 feet; South 87°00'20" West, 25.62 feet;
North 88°24'44" West, 24.49 feet; South 89°50'50" West, 39.75 feet;
South 84°33'21" West, 23.41 feet; South 75°55'01" West, 26.45 feet;
South 68°02'01" West, 28.92 feet; South 70°27'28" West, 33.99 feet;
South 65°07'59" West, 27.57 feet; South 69°46'56" West, 41.25 feet;
South 66°52'19" West, 21.42 feet; South 51°51'04" West, 18.65 feet;
South 30°22'11" West, 21.54 feet; South 09°07'58" West, 21.29 feet;
South 10°38'18" East, 12.25 feet; South 26°46'41" East, 30.57 feet;
South 23°05'56" East, 27.67 feet; South 14°28'12" East, 32.05 feet;
South 13°05'40" East, 39.26 feet; South 11°42'08" East, 31.59 feet;
South 10°23'42" East, 20.18 feet; South 18°28'32" East, 39.09 feet;
South 16°52'33" East, 44.53 feet; South 20°25'40" East, 43.61 feet;
South 15°05'47" East, 25.57 feet; South 17°47'40" East, 31.08 feet;
South 00°16'22" East, 21.91 feet; South 31°08'32" West, 23.27 feet;
South 53°53'01" West, 18.02 feet;

Thence, leaving said "Mean Lake Wall Line", South 25°14'06" East, 33.47 feet;

Thence, South 64°45'54" West, 5.40 feet;

Thence North 24°58'59" West, 32.47 feet, to said Point "A" and the TRUE POINT OF BEGINNING.

Said tract of land contains 1.7458 Acres, more or less.

The property legally described on the deed recorded at recording # 90-356103, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

**LAKE AREA
HARBOR POINT**

90 356103

(Parcel 19)

That part of "HARBOR POINT", a subdivision, as recorded in Book 283 of Maps, page 15, Maricopa County Records, located in the South half of Section 14, Township 1 South, Range 5 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the northwest corner of said "HARBOR POINT", said corner being on the centerline of "West Mesquite Drive" as shown on "THE ISLANDS" Map of Dedication as recorded in Book 275 of Maps, Page 42, Maricopa County Records;

Thence, South $24^{\circ}58'59''$ East, 33.00 feet to a point on the Southerly right-of-way of "West Mesquite Drive", said point being the TRUE POINT OF BEGINNING;

Thence, North $64^{\circ}45'54''$ East, along said right-of-way, 1.50 feet;

Thence, South $25^{\circ}14'06''$ East, 29.05 feet to a point on a non-tangent curve of 52.50 foot radius, whose center bears South $19^{\circ}43'37''$ East;

Thence, Southeasterly, along said curve, through a central angle of $73^{\circ}43'00''$, a distance of 67.55 feet, to the beginning of a tangent compound curve of 600.00 foot radius concave westerly;

Thence, Southerly, along said curve, through a central angle of $23^{\circ}55'34''$, a distance of 250.56 feet;

Thence, South, $12^{\circ}05'03''$ East, 62.72 feet to the beginning of a tangent curve of 1200.00 foot radius concave easterly;

Thence, Southerly, along said curve, through a central angle of $09^{\circ}09'09''$, a distance of 191.69 feet;

Thence, South $21^{\circ}14'12''$ East, 107.17 feet to the beginning of a tangent curve of 360.00 foot radius concave northeasterly;

Thence, Southeasterly, along said curve, through a central angle of $76^{\circ}59'14''$, a distance of 483.73 feet;

Thence, North $81^{\circ}46'34''$ East, 92.39 feet to the beginning of a tangent curve of 540.00 foot radius concave northerly;

Thence, Northeasterly, along said curve, through a central angle of $17^{\circ}00'52''$, a distance of 160.36 feet;

Thence, North $54^{\circ}45'42''$ East, 272.13 feet to the beginning of a tangent curve of 270.00 foot radius concave northwesterly;

Thence, Northeasterly, along said curve, through a central angle of $40^{\circ}21'17''$, a distance of 190.17 feet;

Thence, North $24^{\circ}24'25''$ East, 35.61 feet to the beginning of a tangent curve of 240.00 foot radius concave westerly;

Thence, Northerly, along said curve, through a central angle of $39^{\circ}23'12''$, a distance of 164.99 feet to the beginning of a tangent compound curve of 120.00 foot radius concave southwesterly;

Thence, Northwesterly, along said curve, through a central angle of $23^{\circ}29'14''$, a distance of 49.20 feet to the beginning of a tangent reverse curve of 15.00 foot radius concave southeasterly;

Thence, Northeasterly, along said curve, through a central angle of $97^{\circ}41'27''$, a distance of 25.58 feet;

Thence, North $01^{\circ}51'35''$ East, 37.37 feet, to a point on the southerly right-of-way of "South Islands Drive East", as shown on said "THE ISLANDS" Map of Dedication;

Thence, South $88^{\circ}08'25''$ East, along said right-of-way, a distance of 99.66 feet;

Thence South $09^{\circ}38'26''$ West, 204.98 feet;

Thence, South $20^{\circ}26'58''$ West, 436.90 feet;

Thence, North $75^{\circ}33'12''$ West, 107.55 feet;

Thence, South $67^{\circ}03'54''$ West, 360.61 feet;

Thence, South $78^{\circ}16'56''$ West, 187.56 feet;

Thence, North $69^{\circ}38'46''$ West, 294.74 feet;

Thence, North $27^{\circ}34'47''$ West, 387.11 feet;

Thence, North $09^{\circ}34'04''$ West, 282.34 feet;

Thence North $18^{\circ}13'48''$ West, 294.37 feet to the TRUE POINT OF BEGINNING.

Said tract contains 5.482 acres, more or less.

The property legally described on the deed recorded at recording # 2004-0911251, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

PARCEL 21

2004-0911251

PARCEL NO. 1

That part of the Southwest quarter of Section 14, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the Southwest corner of said Section 14;

Thence due North, along the West line of said Section 14, a distance of 600.00 feet to the Southwest corner of Bayview, a subdivision recorded in Book 282 of Maps, page 15, records of Maricopa County, Arizona;

Thence due East along the South line of said subdivision 979.57 feet to a point on a 596.05 radius non-tangent curve whose center bears South 82°52'12" East said point also being the Southeast corner of said subdivision;

Thence Southeasterly, along said curve, through a central angle of 37°55'11", a distance of 394.48 feet;

Thence South 30° 47'23" East, 65.00 feet;

Thence South 59°12'37" West, 83.00 feet to the beginning of a tangent curve of 855.33 feet radius, concave Northwesterly;

Thence Southwesterly along said curve, through a central angle of 30°35'29", a distance of 456.68 feet to a point on a South line of said Section 14;

Thence South 89°48'06" West, along said South line, 586.08 feet, to the Point of Beginning;

Except therefrom a portion of the Southwest quarter of Section 14, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Southwest corner of said Section 14;

Thence North (an assumed bearing) along the West line of the Southwest quarter of said Section 14 for a distance of 67.27 feet;

Thence East for a distance of 65.00 feet to the Point of Beginning;
 Thence North along a line 65 feet East of and parallel with the West line of the Southwest quarter of said Section 14 for a distance of 267.73 feet;
 Thence East for a distance of 15.49 feet;
 Thence South 79°20' 29" East for a distance of 38.81 feet;
 Thence South 78°22' 51" East, a distance of 55.27 feet to a point on a non-tangent curve concave to the Northeast, the center of which bears North 13°29'24" East for a distance of 300.00 feet;
 Thence Southeasterly along the arc of said curve through a central angle of 12°21'18" for a distance of 64.69 feet to the beginning of a curve concave to the Southwest, the center of which bears South 01°18'05" West for a distance of 45.00 feet;
 Thence Southeasterly along the arc of said curve through a central angle of 88°41' 55" for a distance of 69.66 feet to a point of tangency;
 Thence South for a distance of 123.31 feet;
 Thence South 00°53'19" West for a distance of 49.01 feet;
 Thence South for a distance of 35.02 feet to a point on a line 55 feet North of and parallel with the South line of the Southwest quarter of said Section 14;
 Thence South 89°18'06" West along said parallel line for a distance of 202.96 feet to the beginning of a curve concave to the Northeast, the center of which bears North 00°11'54" West for a distance of 12.00 feet;
 Thence Northwesterly along the arc of said curve through a central angle of 90°11'54" for a distance of 18.89 feet to a point of tangency, said point being the Point of Beginning;

Except any portion of McQueen Road, Warner Road and South Island Drive as dedicated In The Islands Map of Dedication, recorded in Book 275 of Maps, page 42.

PARCEL NO.2

A portion of the Southwest quarter of Section 14, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Southwest corner of said Section 14;

Thence North (an assumed bearing) along the West line of the Southwest quarter of said Section 14 for a distance of 67.27 feet;
 Thence East for a distance of 65.00 feet to the Point of Beginning;
 Thence North along a line 65 feet East of and parallel with the West line of the Southwest quarter of said Section 14 for a distance of 267.73 feet;
 Thence East for a distance of 15.49 feet;
 Thence South 79°20'29" East for a distance of 38.81 feet;

Thence South $78^{\circ}22'51''$ East for a distance of 55.27 feet to a point on a non-tangent curve concave to the Northeast, the center of which bears North $13^{\circ}39'24''$ East for a distance of 300.00 feet;

Thence Southeasterly along the arc of said curve through a central angle of $12^{\circ}21'18''$ for a distance of 64.69 feet to the beginning of a curve concave to the Southwest, the center of which bears South $01^{\circ}18'05''$ West for a distance of 45.00 feet;

Thence Southeasterly along the arc of said curve through a central angle of $88^{\circ}41'55''$ for a distance of 69.66 feet to a point of tangency;

Thence South for a distance of 123.31 feet;

Thence South $00^{\circ}53'19''$ West for a distance of 49.01 feet;

Thence South for a distance of 35.02 feet to a point on a line 55 feet North of and parallel with the South line of the Southwest quarter of said Section 14;

Thence South $89^{\circ}48'06''$ West along said parallel line for a distance of 202.96 feet to the beginning of a curve concave to the Northeast, the center of which bears North $00^{\circ}11'54''$ West for a distance of 12.00 feet;

Thence Northwesterly along the arc of said curve through a central angle of $90^{\circ}11'54''$ for a distance of 18.89 feet to a point of tangency, said point being the Point of Beginning.

The property legally described on the deed recorded at recording # 88-400621, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

The Islands
Parcel 22

88-400621

That part of the Southwest quarter of Section 14, Township 1 South, Range 5 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Southwest corner of said Section 14;

Thence North 89°48'06" East, along the South line of said Section 14, a distance of 586.08 feet, to the beginning of a tangent curve of 855.33 foot radius concave Northwesterly;

Thence, Easterly, along said curve through a central angle of 30°35'29", a distance of 455.68 feet;

Thence North 59°12'37" East, 83.00 feet to the True Point of Beginning;

Thence North 30°47'23" West, 65.00 feet, to the beginning of a tangent curve of 596.05 foot radius concave Easterly;

Thence Northerly, along said curve, through a central angle of 38°13'02", a distance of 397.58 feet;

Thence North 07°25'39" East, 287.15 feet;

Thence, South 89°27'40" East, 63.46 feet, to designated Point "A", a point on the "Mean Lake Wall Line" as determined by the Map of Dedication of "The Islands", as recorded in Book 275 of Maps, Page 42, Maricopa County Records.

Thence, continuing South 89°27'40" East, 217.36 feet;

Thence, North 66°58'39" East, 190.00 feet;

Thence, North 42°23'23" East, 137.51 feet;

Thence, North 30°47'45" East, 289.29 feet;

Thence, North 61°54'15" East, 101.26 feet;

Thence, South 69°38'46" East, 294.74 feet;

Thence, South 02°03'06" East, 91.19 feet;
Thence, South 12°58'21" East, 197.93 feet;

Thence, South 03°35'57" East, 339.16 feet, to a point on a 1350.00 foot radius non-tangent curve whose center bears South 03°33'10" East;

Thence, Southwesterly, along said curve, through a central angle of 27°14'13", a distance of 641.75 feet;

Thence, South 59°12'37" West, 573.83 feet, to the True Point of Beginning;

Thence, South 67°14'05" West, 71.51 feet, to the beginning of a tangent curve of 500.00 foot radius, concave to the North;

Thence, Southwesterly, along said curve, through a central angle of 29°15'38", a distance of 255.35 feet, to the beginning of a 366.59 foot radius tangent reverse curve, concave to the South;

Thence, Westerly, along said curve, through a central angle of 18°32'16", a distance of 118.51 feet, to the beginning of a 17.01 foot radius tangent reverse curve, concave to the Northeast;

Thence Westerly, along said curve, through a central angle of 109°28'12", a distance of 32.49 feet;

Thence, North 07°25'39" East, 31.36 feet, to designated Point "A", the POINT OF BEGINNING.

EXCLUDING roadway rights-of-way as shown on said Map of Dedication of "The Islands," recorded in Book 275 of Maps, Page 42, Maricopa County Records.

The property legally described on the deed recorded at recording # 92-520887, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

Parcel 26

92-520887

That part of the Southwest quarter of Section 14, and the Northwest quarter of Section 23, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Northwest corner of Section 23;

Thence North 89°48'06" East, along the North line of the Northwest quarter of said Section 23, a distance of 373.00 feet;

Thence South 00°08'02" East, 55.00 feet to the TRUE POINT OF BEGINNING;

Thence North 89°48'06" East, 213.14 feet to the beginning of a tangent curve of 910.33 foot radius concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of 30°35'29", a distance of 486.04 feet;

Thence North 59°12'37" East, 38.00 feet to the beginning of a tangent curve of 12.00 foot radius concave Southerly;

Thence Easterly, along said curve, through a central angle of 90°00'00", a distance of 18.85 feet;

Thence South 30°47'23" East, 45.51 feet to the beginning of a tangent curve of 492.00 foot radius concave Westerly;

Thence Southerly along said curve, through a central angle of 48°40'49", a distance of 418.02 feet;

Thence South 17°53'26" West, 199.90 feet;

Thence South 89°48'06" West, 1039.37 feet to a point on a line which is parallel to and 65.00 feet Easterly, as measured at right angles, from the West line of said Section 23;

Thence North 00°08'02" West, along said parallel line, 250.53 feet;

Thence North 89°48'06" East, 308.00 feet;

Thence North 00°08'02" West, 240.00 feet to the TRUE POINT OF BEGINNING;

Excluding roadway rights-of-way as shown on the "ISLANDS" Map of Dedication as recorded in Book 275 of Maps, Page 42, Maricopa County Records and in Book 290 of Maps, Page 16.

The property legally described on the deed recorded at recording # 92-410322, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

Parcel 27

92-410322

That part of the Southwest quarter of Section 14, and the Northwest quarter of Section 23, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 23;

Thence South 00°08'02" East along the West line of Section 23, a distance of 545.53 feet;

Thence North 89°48'06" East, 1139.09 feet;

Thence, North 17°53'26" East, 189.12 feet to the beginning of a tangent curve of 525.00 foot radius concave to the West;

Thence, Northerly along said curve through a central angle of 08°31'18", a distance of 78.08 feet to a point on curve, said point being the TRUE POINT OF BEGINNING;

Thence, continuing Northerly along said tangent curve of 525.00 foot radius concave to the West, through a central angle of 40°09'30", a distance of 367.97 feet;

Thence North 30°47'23" West, 112.51 feet to the intersection of Warner Road and South Island Drive West as shown on "The Islands" Map of Dedication as Recorded in Book 275 of Maps, page 42, records of Maricopa County, Arizona;

Thence North 59°12'37" East along said centerline, 573.83 feet to the beginning of a 1350.00 foot radius tangent curve, concave to the Southeast;

Thence Northeasterly along said curve, through a central angle of 29°16'38", a distance of 689.83 feet;

Thence South 02°06'33" West, 55.12 feet to designated POINT "A", on the South right-of-way of said Warner Road;

Thence continuing South 02°06'33" West, 30.07 feet to the beginning of a non-tangent curve of 100.00 foot radius, whose center bears South 01°45'22" East;

Thence Southwesterly along said curve through a central angle of 53°41'23", an arc distance of 93.71 feet;

Thence South 34°33'15" West, 66.26 feet to the beginning of a tangent curve of 200.00 foot radius, concave to the East;

Thence Southerly along said curve through a central angle of 66°04'35", an arc distance of 230.65 feet;

Thence South $31^{\circ}31'19''$ East, 45.75 feet to the beginning of a tangent curve of 196.13 foot radius, concave to the West;

Thence Southerly along said curve through a central angle of $35^{\circ}15'15''$, an arc distance of 120.68 feet to the beginning of a tangent compound curve of 120.00 foot radius, concave to the Northwest;

Thence Southwesterly along said curve through a central angle of $77^{\circ}46'13''$, an arc distance of 162.88 feet;

Thence South $81^{\circ}30'09''$ West, 84.81 feet to the beginning of a tangent curve of 90.00 foot radius, concave to the East;

Thence Southerly along said curve, through a central angle of $130^{\circ}19'54''$, an arc distance of 204.72 feet to the beginning of a tangent compound curve of 369.11 foot radius, concave to the Northeast;

Thence Southeasterly along said curve through a central angle of $11^{\circ}34'32''$, an arc distance of 74.57 feet;

Thence South $62^{\circ}30'26''$ West, 116.00 feet;

Thence South $89^{\circ}48'06''$ West, 642.95 feet to designated POINT "B" thence continuing South $89^{\circ}48'06''$ West, 33.44 feet to the TRUE POINT OF BEGINNING;

EXCEPTING THEREFROM:

BEGINNING at the above designated Point "A";

Thence South $02^{\circ}06'33''$ West, 30.07 feet to the beginning of a non-tangent curve of 100.00 foot radius, whose center bears South $01^{\circ}45'22''$ East;

Thence Southwesterly along said curve through a central angle of $45^{\circ}05'43''$, an arc distance of 78.71 feet;

Thence North $51^{\circ}55'03''$ West, 81.92 feet to a point on a non-tangent curve of 1295.00 foot radius, whose center bears South $07^{\circ}41'01''$ East;

Thence Easterly along said curve through a central angle of $06^{\circ}01'02''$, an arc distance of 136.00 feet to designated Point "A", the POINT OF BEGINNING; and

EXCLUDING a 15 foot wide landscaped tract described as follows:

BEGINNING at designated point "B";

Thence Northerly along a 558.00 foot radius curve, the center of which bears North $81^{\circ}12'07''$ West, through a central angle of $39^{\circ}35'16''$, a distance of 385.54 feet;

Thence North $30^{\circ}47'23''$ West, a distance of 45.51 feet to the beginning of a tangent curve of 12.00 foot radius, concave to the East;

Thence Northeasterly along said curve through a central angle of $90^{\circ}00'00''$, a distance of 18.85 feet;

Thence North $59^{\circ}12'37''$ East, 528.83 feet to the beginning of a tangent curve of 1295.00 foot radius, concave to the Southeast;

Thence Northeasterly along said curve, through a central angle of $23^{\circ}06'22''$, a distance of 522.25 feet;

Thence South $51^{\circ}55'03''$ East, 21.05 feet to the beginning of a 1280.00 foot radius, non-tangent curve, the center of which bears South $07^{\circ}01'34''$ East;

Thence Southwesterly along said curve through a central angle of $23^{\circ}45'49''$, a distance of 530.88 feet;

Thence South $59^{\circ}12'37''$ West, 525.83 feet;

Thence South $30^{\circ}47'23''$ East, 42.51 feet to the beginning of a tangent curve of 573.00 foot radius, concave to the West;

Thence Southeasterly along said curve, through a central angle of $39^{\circ}21'02''$, a distance of 393.53 feet;

Thence South $89^{\circ}48'06''$ West, 15.18 feet to designated Point "B", THE TRUE POINT OF BEGINNING;

Excluding roadway rights-of-way as shown on the "ISLANDS-PHASE-TWO" Map of Dedication as recorded in Book 290 of Maps, page 16, and as shown on "THE ISLANDS" Map of Dedication as recorded in book 275 of Maps, page 42, records of Maricopa County, Arizona.

The property legally described on the deed recorded at recording # 86-443545, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

THE ISLANDS PHASE TWO

86-443545

PARCEL 40

That part of the Northeast quarter of Section 23, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at the Northeast corner of said Section 23;

Thence, South 00°17'08" West, along the East line of said Section 23, a distance of 1349.91 feet;

Thence, South 89°45'01" West, 962.42 feet, to a point on a 600.51 foot radius non-tangent curve, whose center bears North 84°51'42" West;

Thence, Northerly, along said curve, through a central angle of 33°08'37", a distance of 347.38 feet, to a tangent point on a curve, said point being the TRUE POINT OF BEGINNING.

Thence, continuing Northwesterly, along said 600.51 foot radius curve, through a central angle of 20°12'37", a distance of 211.82 feet;

Thence, North 41°47'04" East, 33.00 feet, to designated Point "A";

Thence, continuing North 41°47'04" East, 253.34 feet;

Thence, South 69°00'38" East, 91.09 feet;

Thence, North 89°45'41" East, 119.50 feet;

Thence, South 00°14'19" East, 132.00 feet, to the beginning of a tangent curve of 122.00 foot radius, concave to the Northwest;

Thence, Southwesterly, along said curve, through a central angle of 62°14'00", a distance of 132.51 feet;

Thence, South 61°59'41" West, 227.80 feet, to the TRUE POINT OF BEGINNING.

The property legally described on the deed recorded at recording # 87-553349, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

**THE ISLANDS PHASE TWO
LANDS TO BE DEEDED TO THE U.S.A. BY AMCOR
(REVISED)**

87-553349

That part of the North half of Section 23, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at the Northwest corner of said Section 23;

Thence, South 00°08'02" East, 1313.81 feet, to the POINT OF BEGINNING;

Thence, North 89°46'14" East, 33.00 feet;

Thence, South 67°50'30" East, 72.41 feet;

Thence, North 89°46'14" East, 912.93 feet to the beginning of a 762.00 foot radius non-tangent curve, the center of which bears North 80°03'22" East;

Thence, Southerly, along said curve, through a central angle of 26°52'12", a distance of 357.35 feet, to the beginning of a tangent compound curve of 598.41 foot radius, concave to the North;

Thence, Southeasterly, along said curve, through a central angle of 79°55'25", a distance of 834.74 feet;

Thence, North 63°15'44" East, 206.84 feet, to the beginning of a tangent curve of 1138.00 foot radius, concave to the South;

Thence, Northeasterly, along said curve, through a central angle of 23°22'02", a distance of 464.12 feet, to a point on said curve, designated point "A",

Thence, continuing Easterly, along said curve, through a central angle of 25°54'40", a distance of 514.64 feet;

Thence, South 67°27'33" East, 373.42 feet, to the beginning of a tangent curve of 662.00 foot radius, concave to the Northwest;

Thence, Easterly, along said curve, through a central angle of 90°04'55", a distance of 1040.82 feet, to the beginning of a tangent compound curve of 562.51 foot radius, concave to the West;

Thence, Northerly, along said curve, through a central angle of $15^{\circ}31'12''$, a distance of 152.37 feet;

Thence, North $89^{\circ}45'01''$ East, 1002.05 feet;

Thence, South $00^{\circ}17'08''$ West, 16.00 feet;

Thence, South $89^{\circ}45'01''$ West, 989.97 feet, to the beginning of a 578.51 foot radius non-tangent curve, the center of which bears North $81^{\circ}39'42''$ West;

Thence, Southerly, along said curve, through a central angle of $14^{\circ}07'13''$, a distance of 142.57 feet, to the beginning of a tangent compound curve of 678.00 foot radius, concave to the Northwest;

Thence, Southwesterly, along said curve, through a central angle of $90^{\circ}04'55''$, a distance of 1065.97 feet;

Thence, North $67^{\circ}27'33''$ West, 373.42 feet, to the beginning of a tangent curve of 1122.00 foot radius, concave to the South;

Thence, Northwesterly, along said curve, through a central angle of $49^{\circ}16'42''$, a distance of 965.00 feet;

Thence, South $63^{\circ}15'44''$ West, 205.84 feet, to the beginning of a tangent curve of 614.41 foot radius, concave to the North;

Thence, Southwesterly, along said curve, through a central angle of $79^{\circ}55'25''$, a distance of 857.06 feet, to the beginning of a tangent compound curve of 778.00 foot radius, concave to the East;

Thence, Northwesterly, along said curve, through a central angle of $25^{\circ}52'29''$, a distance of 351.34 feet;

Thence, South $89^{\circ}46'14''$ West, 899.58 feet;

Thence, North $67^{\circ}50'30''$ West, 72.41 feet;

Thence, South $89^{\circ}46'14''$ West, 33.00 feet;

Thence, North $00^{\circ}08'02''$ West, 16.00 feet, to the POINT OF BEGINNING.

TOGETHER WITH a 16.00 foot wide area lying 8.00 feet on each side of the following described centerline:

BEGINNING at the above designated Point "A";

Thence, North $00^{\circ}05'06''$ East, 8.57 feet, to the beginning of a tangent curve of 572.33 foot radius, concave to the East;

Thence, Northerly, along said curve, through a central angle of $01^{\circ}42'56''$, a distance of 17.14 feet, to designated Point "C";

Thence, continuing Northerly, along said curve, through a central angle of $09^{\circ}03'23''$, a distance of 90.46 feet, to the beginning of a tangent reverse curve of 562.66 foot radius, concave to the West;

Thence, Northerly, along said curve, through a central angle of $10^{\circ}46'19''$, a distance of 105.78 feet;

Thence, North $00^{\circ}05'06''$ East, 22.65 feet, to designated Point "B", the Northerly terminus of this easement and description.

TOGETHER WITH an area described as follows:

BEGINNING at the above described Point "B";

Thence, North 89°46'14" East, 45.00 feet;
Thence, South 00°05'06" West, 11.50 feet;
Thence, South 89°46'14" West, 53.00 feet;
Thence, North 00°05'06" East, 11.50 feet;

Thence, North 89°46'14" East, 8.00 feet, to designated Point "B", the POINT OF BEGINNING.

TOGETHER WITH an area described as follows:

Commencing at the above designated Point "C";

Thence, South 88°11'58" East, 8.00 feet, to the POINT OF BEGINNING;
Thence, South 45°49'27" East, 34.42 feet, to a point on a 1138.00 foot radius, non-tangent curve, the center of which bears South 01°41'02" East;
Thence, Westerly, along said curve, through a central angle of 01°15'31", a distance of 25.00 feet;
Thence, North 00°05'06" East, 8.10 feet to the beginning of a tangent curve of 564.33 foot radius, concave to the East;
Thence, Northerly, along said curve, through a central angle of 01°42'56", a distance of 16.90 feet, to the POINT OF BEGINNING.

SUBJECT to easements as shown on "THE ISLANDS - PHASE TWO" Map of Dedication as recorded in Book 290 of Maps, Page 16, Maricopa County Records.

Said area contains 2.293 Acres, more or less.

The property legally described on the deed recorded at recording # 87-701410, records of Maricopa County, Arizona.

The legal description is retyped herein due to the difficulty of reading the original legal description. However, to the extent that the legal description is included herein and there are any discrepancies between the original legal description and the legal description below, the original legal description shall control.

Islands Additional Legal Description

87-701410

PARCEL 4: (Portion lying in well site in Tract F)

That part of the North half of Section 23, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Northwest corner of said Section 23;

Thence South 00°08'02" East, 1313.81 feet;

Thence North 89°46'14" East, 33.00 feet;

Thence, South 67°50'30" East, 72.41 feet;

Thence, North 89°46'14" East, 912.93 feet to the beginning of a 762.00 foot radius non-tangent curve, the center of which bears North 80°03'22" East;

Thence, Southerly, along said curve, through a central angle of 26°52'12", a distance of 357.35 feet, to the beginning of a tangent compound curve of 598.41 foot radius, concave to the North;

Thence, Southeasterly, along said curve, through a central angle of 79°55'25", a distance of 834.74 feet;

Thence, North 63°15'44" East, 206.84 feet, to the beginning of a tangent curve of 1138.00 foot radius, concave to the South;

Thence, Northeasterly, along said curve, through a central angle of 23°22'02", a distance of 464.12 feet;

Thence, North 00°05'06" East, 18.57 feet, to the beginning of a tangent curve of 572.33 foot radius, concave to the East;

Thence, Northerly, along said curve, through a central angle of 10°46'19", a distance of 107.60 feet, to the beginning of a tangent reverse curve of 562.66 foot radius, concave to the West;

Thence, Northerly, along said curve, through a central angle of 10°46'19", a distance of 105.78 feet;

Thence, North 00°05'06" East, 22.65 feet;

Thence, North 89°46'14" East, 45.00 feet; to the POINT OF BEGINNING;

Thence, continuing North 89°46'14" East, 7.00 feet;

Thence, North 00°05'06" East, 60.00 feet;

Thence, South 89°46'14" West, 60.00 feet;
Thence South 00°05'06" West, 18.50 feet;
Thence, North 89°46'14" East, 53.00 feet;
Thence, South 00°05'06" West, 41.50 feet, to the POINT OF BEGINNING, as conveyed
to AMCOR in Quit Claim Deed from the U.S.A., recorded September 2, 1987 in 87-553348,
Official Records.

N:\HOA\Islands Community - 1511\General Counsel\Amended and Restated CC&Rs\Documents\CC&Rs, mod AL 2-13-06 with legal.wpd