

When recorded return to:

Stardust Development, Inc.
6730 North Scottsdale Road
Suite 230
Scottsdale, Arizona 85253
Attention: Chris B. Heeter

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20040595371 05/18/2004 14:49
475-24-1-1-
ELECTRONIC RECORDING

1/1

First American Title

**NEIGHBORHOOD DECLARATION
FOR
CORTESSA PARCELS 16, 17, AND 18**

This Neighborhood Declaration for Cortessa Parcels 16, 17 & 18 (as amended from time to time, the "Neighborhood Declaration") is entered into as of the 17th day of June, 2004 by Stardust Development, Inc., an Arizona corporation ("Declarant") with the consent of the party identified below.

RECITALS

A. Declarant and the party whose consent is to be attached at the end of this Neighborhood Declaration (the "Consenting Party") executed and caused to be Recorded in the official records of Maricopa County, Arizona, as Instrument No ~~2004-0694932~~ that certain Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for Cortessa (as amended from time to time, the "Master Declaration"). Declarant is named as the "Declarant" in the Master Declaration.

B. Declarant and the Consenting Party own that certain real property more fully described on Exhibit "A" attached hereto (the "Neighborhood Property"), which is subject to the Master Declaration.

C. Section 16 of the Master Declaration provides for the Recordation of a "Neighborhood Declaration" to set forth additional covenants, conditions, restrictions, and easements applicable to property in any "Neighborhood" within Cortessa. This instrument constitutes a "Neighborhood Declaration" as provided for under Section 16 of the Master Declaration, and the Neighborhood Property constitutes a "Neighborhood" as provided for under Section 16 of the Master Declaration. It is anticipated that the Neighborhood Property will include certain areas and improvements that are predominantly or exclusively for the benefit of Owners, Residents and Occupants of the Neighborhood Property, and those areas will constitute "Neighborhood Common Areas" as contemplated by the Master Declaration.

D. Declarant and the Consenting Party desire to subject the Neighborhood Property to all of the provisions of this Neighborhood Declaration.

E. Defined terms used herein shall have the first letter of each word in the term capitalized. If not otherwise expressly provided herein, defined terms shall have the meanings given to them in the Master Declaration.

DECLARATIONS

NOW, THEREFORE, Declarant (with the consent and approval of the Consenting Party) hereby declares as follows:

SECTION 1

NEIGHBORHOOD DECLARATION

1.1 Declarant hereby declares that the Neighborhood Property 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 Neighborhood Declaration; provided, however, that any property owned by or dedicated to a governmental agency or the public shall not be subject to this Neighborhood Declaration while owned by any such governmental entity or the public, except that any restrictions imposed in this Neighborhood Declaration upon the Owners and Residents concerning the use and maintenance of such property shall be applicable at all times. This Neighborhood Declaration shall run with the Neighborhood Property for all purposes and shall be binding upon and inure to the benefit of Declarant, the Association and all Owners and Residents of the Neighborhood Property and their successors in interest.

1.2 This Neighborhood Declaration and all of its provisions (including, but not limited to, the Assessment provisions set forth in Section 5 below) are in addition to the Master Declaration and shall be subordinate to the Master Declaration; provided, however, in accordance with Section 16.4 of the Master Declaration, to the extent this Neighborhood Declaration includes any maintenance and similar standards that are more stringent, or otherwise higher than similar standards set forth in the Master Declaration, the higher standards shall control.

1.3 Declarant and one of the Designated Builders (such Designated Builder referred to herein as the "Designated Builder") are undertaking the work of construction of residential Lots and incidental improvements upon the Neighborhood Property. The completion of that work and the sale, rental and other disposal of Dwelling Units is essential to the establishment and welfare of the Neighborhood Property as a residential community. In order that this work may be completed and Dwelling Units constructed on the Lots within the Neighborhood Property and the Neighborhood Property established as a fully occupied residential community as rapidly as possible, nothing in this Neighborhood Declaration shall be understood or construed to:

1.3.1 Prevent Declarant, the Designated Builder and their contractors or subcontractors from doing whatever is necessary or advisable in connection with the completion of work on the Neighborhood Property; or

1.3.2 Prevent Declarant and the Designated Builder, or their respective representatives, from erecting, constructing and maintaining, on any part of the Neighborhood Property, such structures as may be reasonable or necessary for the conduct of the business of completing work thereon and establishing the Neighborhood Property as a residential community and disposing of the same by sale, lease, or otherwise; or

1.3.3 Prevent Declarant or the Designated Builder from maintaining such sign or signs on any of the Neighborhood Property as may be reasonable or necessary for the sale, lease, or disposition thereof, including, but not limited to, such sign or signs as may be required or requested by the institution(s) providing financing to Declarant or the Designated Builder, subject to any limitations on signage in the Design Guidelines or reasonably agreed to by the Designated Builder and Declarant.

SECTION 2

NO NEIGHBORHOOD ASSOCIATION

There shall be no Neighborhood Association for the Neighborhood Property. In addition to all of the rights, privileges and obligations that the Association has pursuant to the Master Declaration with respect to the Property (including the Neighborhood Property), the Association shall have all management, maintenance, administration and other rights, privileges and obligations with respect to the Neighborhood Property that are set forth in this Neighborhood Declaration. Notwithstanding the foregoing, however, if, pursuant to the amendment procedure set forth in Section 9.2, an amendment to this Neighborhood Declaration is Recorded creating a Neighborhood Association, all Members within the Neighborhood Property will become Members of the Neighborhood Association and will be deemed to have consented to becoming such.

SECTION 3

NEIGHBORHOOD COMMON AREAS

3.1 Those portions of the Neighborhood Property that are identified as tracts on the Plat, including the improvements or amenities located thereon (including, but not limited to, the roads, the entrance gates and related features, landscaped areas and walls) shall be "Neighborhood Common Areas."

3.2 The Neighborhood Common Areas are intended predominantly or exclusively for the general benefit of the Owners, Residents and Occupants of the Neighborhood Property and are not intended for the general benefit of all Owners, Residents and Occupants of the Property.

3.3 The Association and the Declarant shall have all rights, privileges and obligations under the Master Declaration with respect to the Neighborhood Common Areas, as the Association and the Declarant have under the Master Declaration with respect to the Common Areas, including, but not limited to, the maintenance, management and other obligations set forth in Section 10 of the Master Declaration. All provisions of the Master Declaration that are applicable to the Common Areas shall also be applicable to the Neighborhood Common Areas, except the Neighborhood Common Areas shall be predominantly or exclusively for the general benefit of the Owners, Occupants and Residents of the Neighborhood Property; thus, the easement rights and related provisions set forth in Section 1.1 of the Master Declaration shall not apply to the Neighborhood Common Areas.

3.4 Without limiting the generality of the statements set forth in this Section 3, the Neighborhood Common Areas shall constitute "Exempt Property" pursuant to the Master Declaration for so long as such areas are owned by the Association.

SECTION 4

EASEMENTS OF ENJOYMENT IN THE NEIGHBORHOOD COMMON AREAS

4.1 Declarant and every Owner, Occupant and Resident of the Neighborhood Property shall have a right and easement of enjoyment in and to all of the Neighborhood Common Areas, which easement shall be appurtenant to, and shall pass with, the title to every Lot in the Neighborhood Property subject to the following provisions:

4.1.1 The right of the Association to suspend the voting rights and right of any Owner, Occupant, Resident or any other Person to use the Neighborhood Common Areas, or any designated portion thereof, for any period during which any Assessment (including, but not limited to, the Neighborhood Assessments described in Section 5) against such Owner's Lot remains delinquent and remains unpaid, and for any period during which the Owner, Occupant, Resident or other Person is otherwise in default under this Neighborhood Declaration, after written notice of such failure to make payment or cure such default is given by the Board to the defaulting Person. Notwithstanding the foregoing, the Association shall not have the right to suspend any Owner's, Occupant's or Resident's right to use any portion of the Neighborhood Common Area necessary for such Person to gain access to their Lot or Parcel.

4.1.2 The right of the Association to regulate the use of the Neighborhood Common Areas through the Association Rules and to prohibit or limit access to those Neighborhood Common Areas, and other specified landscaped areas, not intended for use by the Members. The Association Rules shall be intended, in the absolute discretion of the Board to enhance the preservation of the Common Areas and the Neighborhood Common Areas for the safety and convenience of the users thereof, and otherwise shall serve to promote the best interests of Declarant, Owners, Occupants and Residents of the Property.

4.1.3 The right of the Association to dedicate or transfer all or any part of the Neighborhood Common Areas to any public or quasi-public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association. Unless otherwise required by zoning stipulations or other agreements with applicable governing municipalities or quasi-governmental agencies, entities or districts effective prior to the date hereof or specified on the Plat, no such dedication or transfer shall be effective unless an instrument signed by the Owners of two-thirds (2/3) of the Memberships in each class of Members within the Neighborhood Property and, so long as it owns any portion of the Neighborhood Property, Declarant, agreeing to such dedication or transfer has been Recorded, except that the Board shall have authority to transfer to such public agencies, authorities or utilities easements and rights-of-way that are intended to benefit the Property and that do not have any substantial adverse effect on the enjoyment of the Neighborhood Common Areas by the Members who own Lots within the Neighborhood Property. If ingress or egress to any Lot is through the Neighborhood Common Areas, or any portion thereof, any conveyance of such Neighborhood Common Area is subject to that Lot Owner's easement.

4.1.4 The right of the Association to change the use of the Neighborhood Common Areas in accordance with the procedures described in the Master Declaration.

4.1.5 The right of the Association to change the size, shape or location of the Neighborhood Common Areas, to exchange the Neighborhood Common Areas for other lands or interests therein that become Neighborhood Common Areas and to abandon or otherwise transfer Neighborhood Common Areas so long as, in each case, (i) the Board determines that the Members who own Lots within the Neighborhood Property are not materially or adversely affected, (ii) two-thirds (2/3) of each class of Members within the Neighborhood Property who are voting in person or by proxy at a meeting duly called for such purpose have consented to such change in size, shape or location, exchange, abandonment or transfer, and (iii) so long as they own any portion of the Neighborhood Property, Declarant and the Designated Builder have executed an instrument agreeing to such change in size, shape or location, exchange, abandonment or transfer, but the consent of the Designated Builder shall not be required in the event that such Designated Builder is then in default under its option agreement to acquire any portion of the Neighborhood Property.

SECTION 5

NEIGHBORHOOD ASSESSMENTS

5.1 Assessment Lien. Pursuant to Section 6.1 of the Master Declaration, the Neighborhood Assessments set forth in this Section 5 shall be secured by the Assessment Lien more particularly described in the Master Declaration and shall be the personal obligation of the Person who was the Owner of the Lot at the time the Neighborhood Assessment was due.

5.2 Neighborhood Assessments.

5.2.1 To provide for the "Neighborhood Expenses" (as defined in Section 7.1), the Board shall assess a Neighborhood Assessment against each Membership in the Neighborhood Property. The amount of the Neighborhood Assessment shall be determined with the objective of providing for the Neighborhood Expenses. The Board may, during an Assessment period, revise the amount of the Neighborhood Assessment in order to meet Neighborhood Expenses that exceed the amounts anticipated by the Association and collect such increased Neighborhood Assessments in accordance with the procedures in this Section 5. The Neighborhood Assessment shall be assessed against each Member in the Neighborhood Property commencing with the year the first Lot in the Neighborhood Property is conveyed by the Declarant; provided, however, that in the event fulfillment of the purposes of the Association with respect to the Neighborhood Property does not require the imposition of a Neighborhood Assessment at that time, the Board may delay the initial imposition of the Neighborhood Assessment against each Member in the Neighborhood Property until such time as the fulfillment of the purposes of the Association with respect to the Neighborhood Property require such imposition.

5.2.2 Neighborhood Assessments shall be collected with the Regular Assessments that are collected pursuant to the Master Declaration.

5.2.3 With regard to all Members in the Neighborhood Property other than Declarant and the Designated Builder, the Neighborhood Assessment must be fixed at a uniform rate for each Lot within the Neighborhood Property. With regard to each of Declarant and the Designated Builder, in lieu of Neighborhood Assessments the Declarant and the Designated Builder shall have the obligations set forth in Section 5.5.

5.2.4 The Board shall adopt a budget for the Neighborhood Expenses of the Neighborhood Property for each fiscal year of the Association, which budget shall serve as the basis for determining the Neighborhood Assessments for the applicable fiscal year. Within a reasonable period following the meeting of the Board at which it adopts the budget for the year in question, the Board shall make available to each Owner in the Neighborhood Property, upon request, a copy of the budget and a statement of the amount of Neighborhood Assessments to be levied against such Owner's Lot for that year. In the event the Board fails to adopt a budget for any fiscal year prior to commencement of such fiscal year, then until and unless such budget is adopted, the budget (and the amount of the Neighborhood Assessments provided for therein) for the year immediately preceding shall remain in effect. Neither the budget nor any Neighborhood Assessment levied pursuant thereto shall be required to be approved by the Owners in the Neighborhood Property.

5.3 Special Neighborhood Assessments for Capital Improvements and Extraordinary Expenses.

5.3.1 In addition to the Neighborhood Assessments authorized above, the Association may levy, in any Assessment period, a "Special Neighborhood Assessment" applicable to that Assessment period only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Neighborhood Common Area, including fixtures and personal property related thereto, or for the purpose of defraying other extraordinary expenses which, in the judgment of the Board, should be borne by the Owners in the Neighborhood Property rather than all Owners in the Property; provided that any such Special Neighborhood Assessment must have the prior written consent of Declarant, if it still holds a Class B Membership, by seventy-five percent (75%) of the votes of each class of Members within the Neighborhood Property who are voting in person or by proxy at a meeting duly called for such purpose, and, if it still holds a Class B Membership, by the Designated Builder if it still owns Lots within the affected portion of the Neighborhood Property, but the consent of the Designated Builder shall not be required in the event that such Designated Builder is then in default under its option agreement to acquire any portion of the Neighborhood Property. The provisions of this Section 5.3.1 shall not preclude or limit the assessment, collection or use of Neighborhood Assessments for the aforesaid purposes.

5.3.2 Special Neighborhood Assessments may be collected as specified by the Board unless otherwise determined by the resolution of the Members in the Neighborhood Property approving the Special Neighborhood Assessment.

5.3.3 All Special Neighborhood Assessments shall be on a uniform basis per Lot in the Neighborhood Property.

5.3.4 Special Neighborhood Assessments may not be assessed until the completion, and conveyance to and acceptance by the Association, of all Neighborhood Common Area improvements and landscaping.

5.4 Neighborhood Capital Reserve Fund. In addition to the Neighborhood Assessments and the Special Neighborhood Assessments authorized in this Neighborhood Declaration, a "Neighborhood Capital Reserve Assessment" shall be levied against a new Member at the time of a transfer of a Lot in the Neighborhood Property from the Designated Builder to a Retail Purchaser. Such Neighborhood Capital Reserve Assessment shall equal one-sixth (i.e., two months' value) of the then annual total Neighborhood Assessments per Lot in effect at the time of the sale or transfer of the Membership and is separate and in addition to any other Assessment. The Board may also charge a transfer fee to be reasonably set by the Board upon any subsequent sale of a Lot. Notwithstanding Section 7.1 hereof, the Neighborhood Capital Reserve Assessments shall be kept in a separate capital reserve fund and shall only be used for the reconstruction, replacement, or non-routine maintenance and repair of Neighborhood Common Area improvements (including, but not limited to, landscaping, equipment and other amenities).

5.5 Deficits. In the event that the Neighborhood Assessments set forth in this Section 5 are insufficient to meet the Neighborhood Expenses, Declarant and the Designated Builder shall subsidize the difference, the subsidy being allocated between Declarant and the Designated Builder as follows: beginning on the date that the completed Neighborhood Common Areas are conveyed to and accepted by the Association and continuing for ninety (90) days thereafter, and for each successive ninety (90) day period, Declarant and the Designated Builder shall allocate the percentage amount of any deficit for such ninety (90) day period (with expenses to be allocated to ninety (90) day periods on an accrual basis) that each shall contribute based on the number of Lots in the Neighborhood Property that each respectively owns on the first day of each such ninety (90) day period divided by the total number of Lots in the Neighborhood Property owned by Declarant and the Designated Builder on that same day. Notwithstanding any other provision of this Section 5, in no event shall the sum of the Neighborhood Assessment and subsidy paid by each of Declarant or the Designated Builder per year exceed the total amount that each respectively would have paid had they been required to pay the full Neighborhood Assessment rate per Lot in the Neighborhood Property.

5.6 Notice and Quorum for Any Action Authorized Under Section 5.3.1. Written notice of any meeting called for the purpose of taking any action authorized under Section 5.3.1 of this Neighborhood Declaration shall be sent to all Members in the Neighborhood Property subject to such Assessment no less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Members in the Neighborhood Property or of proxies of Members in the Neighborhood Property entitled to cast fifty percent (50%) of all the votes (exclusive of suspended voting rights) of each class of Membership in the Neighborhood Property 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 ($\frac{1}{2}$) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Any Member in the Neighborhood Property can waive notice to a meeting and right to

vote may be exercised by proxy pursuant to such rules as the Board may from time to time promulgate.

5.7 Property Exempted from Neighborhood Assessments, Special Neighborhood Assessments and Neighborhood Capital Reserve Assessments. Exempt Property shall be exempted from the Neighborhood Assessments, Special Neighborhood Assessments and Neighborhood Capital Reserve Assessments; provided, however, that if any change of ownership of Exempt Property results in all or any part thereof becoming Assessable Property in any year, the same thereupon shall, to the extent applicable, be subject to the Neighborhood Assessments, Special Neighborhood Assessments and Neighborhood Capital Reserve Assessments.

SECTION 6

ENFORCEMENT

6.1 The Declarant, for so long as it holds a Class B Membership, and the Association, as the agent and representative of the Members owning Lots within the Neighborhood Property, and each of the Members who own a Lot within the Neighborhood Property shall have the exclusive right to enforce the provisions of this Neighborhood Declaration.

6.2 Any amounts owing the Declarant or Association hereunder as a result of a default by any Owner within the Neighborhood Property and that are not paid within thirty (30) days after such amounts are due shall be immediately subject to a late payment penalty as may be set by the Board from time to time (not to exceed the greater of ten percent (10%) of the amount owed or \$15.00), plus default interest on the amount of such late payment and such late payment fee, at a per annum rate equal to eighteen percent (18%).

6.3 In the event of a default of any provisions hereof, the Association or Declarant shall be entitled to obtain, in addition to any other rights or remedies at law or in equity, immediate injunctive relief. Each Owner agrees that damages are an inadequate remedy for any violation of any term or provision of this Neighborhood Declaration.

SECTION 7

PURPOSES FOR WHICH NEIGHBORHOOD ASSESSMENTS MAY BE USED

7.1 The Association shall apply all funds collected and received by it pursuant to this Neighborhood Declaration for the common good and benefit of the Neighborhood Property and the Members and Residents of the Neighborhood Property for costs associated with matters, which, in the judgment of the Board, should be borne by the Owners in the Neighborhood rather than all Owners in the Property, including, but not limited to, costs associated with: maintenance, repair, replacement, operation and administration of the Neighborhood Common Areas; replacement and maintenance reserves for the Neighborhood Common Areas; obtaining liability insurance for the Neighborhood Property; and supplying of utilities and other public services to the Neighborhood Property (collectively, the "Neighborhood Expenses").

7.2 The Association shall not be obligated to spend in any year all the sums received by it in such year pursuant to this Neighborhood Declaration, and may carry forward as surplus

any balances remaining. The Association shall not be obligated to reduce the amount of the Neighborhood Assessment in the succeeding year if a surplus exists from a prior year and the Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association with respect to the Neighborhood Property and the accomplishment of its purposes pursuant to this Neighborhood Declaration.

SECTION 8

ACCESS CONTROL

8.1 The Association, or its duly delegated representative, may operate an access control system for the Neighborhood Property or any portion of the Neighborhood Property.

8.2 Any access control (or similar) system may (but is not required to) include all or any of the following: guard gates, entrance gates, key gates and other access control points, both manned and unmanned, at entries to various portions of the Neighborhood Property; computer and/or other monitoring equipment; and such other devices as may be deemed appropriate by the Board. The cost of any services described in this Section 8 shall be part of the Neighborhood Expenses and shall be collected through the Neighborhood Assessments described in Section 5.

8.3 Neither the Association, nor Declarant, nor the Designated Builder, nor any of their respective related parties, is or should be considered a guarantor or insurer of security in the Neighborhood Property or individual Lots. Each Owner, Occupant and Resident, for themselves and on behalf of their families, guests and invitees, acknowledges and assumes the risks that the access control system will not keep out unauthorized pedestrians and other persons and that gated entries and other features of the access control system may restrict or delay entry into the Neighborhood Property by the police, fire department, ambulances and other emergency vehicles or personnel. Neither the Association, nor Declarant, nor the Designated Builder, nor any of their respective related parties (nor any principal, committee, officer, director, agent or employee of any of them) shall be liable to any Owner, Occupant, Resident or other Person for any claims or damages resulting, directly or indirectly, from the construction, existence, operation, failure of operation or maintenance of any gates or access control system, or for delays caused by reason of restricted access to the Neighborhood Property, or for the unauthorized entry of pedestrians and other persons into the Neighborhood Property.

8.4 Each Owner, Occupant and Resident hereby releases and agrees to indemnify, defend and hold harmless the Association, Declarant, the Designated Builder and their respective related parties (and each of their respective principals, committees, officers, directors, agents and employees) from any and all claims, actions, suits, demands, causes of action, losses, damages or liabilities related to, or arising in connection with, any nuisance, inconvenience, disturbance, injury or damage resulting, directly or indirectly, from the construction, existence, operation, failure of operation or maintenance of any gates or access control system, or for delays caused by reason of restricted access to the Neighborhood Property, or for the unauthorized entry of pedestrians and other persons into the Neighborhood Property.

SECTION 9

TERM; AMENDMENTS; TERMINATION

9.1 Term; Method of Termination. This Neighborhood Declaration shall be effective upon the date of its Recordation and, as amended from time to time, shall continue in full force and effect for a term of twenty (20) years from the date the Master Declaration was Recorded. From and after said date, this Neighborhood Declaration shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Neighborhood Declaration by the then Members within the Neighborhood Property casting ninety percent (90%) of the total votes cast at a meeting held for such purpose within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension. This Neighborhood Declaration may be terminated at any time if ninety percent (90%) of the votes cast by each class of Members within the Neighborhood Property shall be cast in favor of termination at a meeting held for such purpose. Notwithstanding anything to the contrary in this Neighborhood Declaration, no vote to terminate this Neighborhood Declaration shall be effective unless and until (i) the Association has approved an alternative method for funding the Neighborhood Expenses; (ii) written consent of the Declarant has been obtained (so long as Declarant owns any property within the Neighborhood Property); and (iii) written consent to such termination has been obtained, within a period from six (6) months prior to such vote to six (6) months after such vote, from the holders of Recorded first mortgages or deeds of trust to which the Assessment Lien is subordinate pursuant to Section 7.3 of the Master Declaration, on seventy-five percent (75%) of the Lots within the Neighborhood Property upon which there are such Recorded first mortgages and deeds of trust. If the necessary votes and consents are obtained, the Board shall cause to be Recorded with the County Recorder of Maricopa County, Arizona, a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. Thereupon this Neighborhood Declaration shall have no further force and effect. Notwithstanding anything to the contrary herein, upon termination of the Master Declaration in accordance with its terms for any reason, this Neighborhood Declaration shall be deemed to terminate automatically.

9.2 Amendments. Except as otherwise set forth in this Neighborhood Declaration, this Neighborhood Declaration may be amended only with: (a) the affirmative vote (in person or proxy) or written consent of the Members within the Neighborhood Property holding not less than 75% of the votes then entitled to be cast and (b) the consent of the Declarant, so long as the Class B Membership is in existence. The amendment shall be evidenced by Recording with the County Recorder of Maricopa County, Arizona, a duly signed and acknowledged instrument setting forth the amendment.

9.3 Right of Amendment if Requested by Governmental Agency or Lending Institutions. Notwithstanding anything contained herein to the contrary, Declarant reserves the right to amend all or any part of this Neighborhood Declaration to such an extent and with such language as may be requested by the FHA, the VA, the FNMA or the FHLMC and to further amend to the extent requested by any other federal, state or local governmental agency that requests such an amendment as a condition precedent to such agency's approval of this Neighborhood Declaration, or by any federally or state chartered lending institution as a

condition precedent to lending funds upon the security of any Lot(s) within the Neighborhood Property or any portions thereof. Any such amendment shall be effected by the Recording, by Declarant, of a Certificate of Amendment duly signed and acknowledged on behalf of Declarant specifying the federal, state or local governmental agency or the federally or state chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. The Recording of such a Certificate shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Certificate, when Recorded, shall be binding upon all of the Neighborhood Property and all persons having an interest therein. It is the desire of Declarant to retain control of the Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions of this Section 9 deletes, diminishes or alters such control, Declarant shall have the right to prepare, provide for and adopt, as an amendment hereto, other and different control provisions. Except as provided in this Section 9.3 and Section 9.4, Declarant shall not have any right to amend this Neighborhood Declaration otherwise than in accordance with and pursuant to the provisions of Section 9.2 above.

9.4 Declarant's Rights of Amendment. Notwithstanding anything in this Section 9 to the contrary, Declarant shall, for so long as it possesses a Class B Membership, be entitled to unilaterally amend this Neighborhood Declaration to correct minor errors and omissions.

SECTION 10

MISCELLANEOUS PROVISIONS

10.1 Interpretation of the Covenants. Except for judicial construction, the Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Neighborhood Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by the provisions hereof.

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

10.3 Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by this Neighborhood Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, 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 hereof.

10.4 References to Neighborhood Declaration in Deeds. Deeds to, and instruments affecting, any Lot or any part of the Neighborhood Property may reference this Neighborhood Declaration; but regardless of whether any such reference is made in any Deed or instrument, each and all of the provisions of this Neighborhood Declaration shall be binding upon the grantee/Owner or other person claiming through any instrument and his heirs, executors, administrators, successors and assigns.

10.5 Successors and Assigns of Declarant. Any reference in this Neighborhood Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder, provided that Declarant's rights and powers may only be assigned by a written, Recorded instrument expressly assigning such rights and powers.

10.6 Gender and Number. Wherever the context of this Neighborhood 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.

10.7 Captions and Titles. All captions, titles or headings in this Neighborhood 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.

10.8 Declarant Rights. Notwithstanding anything contained in this Neighborhood Declaration to the contrary, restrictions contained in this Neighborhood Declaration shall not be construed or deemed to limit or prohibit any act of Declarant or the Designated Builder, or their employees, agents and subcontractors or parties designated by them in connection with the construction or completion of improvements upon or sale or leasing of the Lots or any other properties in the Neighborhood Property.

10.9 Counterparts. This Neighborhood Declaration may be executed by the signing in counterparts of this instrument. The execution by the parties hereto by each signing an original counterpart of this instrument shall constitute a valid execution, and this instrument and all of its counterparts so executed shall be deemed for all purposes to be a single agreement.

10.10 Provisions of the Master Declaration. As more particularly described in Section 1.1 of this Neighborhood Declaration, this Neighborhood Declaration is subordinate to the Master Declaration and shall be subject to all of the terms of the Master Declaration, including Section 16 thereof. In the course of addressing the operation, maintenance and administration of the Neighborhood Property and the Neighborhood Common Areas, certain provisions have been included in this Neighborhood Declaration that are similar or identical to provisions that are included in the Master Declaration. The inclusion of certain provisions that are similar or identical to provisions in the Master Declaration and the exclusion of other provisions from the Master Declaration shall not be construed, in any way, to impact the applicability of the Master Declaration to the Neighborhood Property, nor shall the inclusion or exclusion of provisions from the Master Declaration have any bearing upon the interpretation of this Neighborhood Declaration.

IN WITNESS WHEREOF, the Declarant has caused its name to be signed by the signature of its duly authorized representative as of the date and year first above written.

Stardust Development, Inc., an Arizona corporation

By: *C. B. Heeter*
Name: Chris B. Heeter
Title: President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 17th day of June, 2004, by Chris B. Heeter, the President of Stardust Development, Inc., an Arizona corporation, on behalf thereof.

K. L. Harman
Notary Public

My Seal and Commission Expiration Date:



CONSENT

The undersigned hereby consents to, approves of, and joins in the foregoing Neighborhood Declaration for Cortessa Parcels 16, 17 and 18.

Cortessa L.L.C., an Arizona limited liability company

By: *C. B. Heeter*

Name: Chris B. Heeter

Title: Manager

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 17th day of June, 2004, by Chris B. Heeter, the Manager of Cortessa L.L.C., an Arizona limited liability company, on behalf thereof.

Kristopher L. Harman
Notary Public

My Seal and Commission Expiration Date:



EXHIBIT "A"

Legal Description of the Neighborhood Property

**CORTESSA
PRELIMINARY PLAT
PARCEL 16**

A portion of Section 27, Township 3 North, Range 2 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at a ½ “ rebar found at the northeast corner of said Section 27, from which a 1” pipe found at the east quarter corner bears South 00°01’17” West, a distance of 2637.36 feet; thence South 00°01’17” West, along the east line of the northeast quarter of said Section 27, a distance of 1700.01 feet;

Thence South 89°52’56” West, a distance of 1146.40 feet;

Thence North 70°19’53” West, a distance of 104.94 feet;

Thence North 50°32’43” West, a distance of 353.11 feet;

Thence North 54°05’13” West, a distance of 40.00 feet to a point on a non-tangent curve, concave westerly, whose radius is 1230.00 feet, and whose center bears North 54°05’13” West;

Thence northerly, along said curve to the left, through a central angle of 36°01’51”, an arc distance of 773.49 feet;

Thence North 00°07’04” West, a distance of 629.49 feet to the north line of the northeast quarter of said Section 27;

Thence North 89°52’56” East, along said north line, a distance of 1318.50 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM:

COMMENCING at a a ½ “ rebar found at the northeast corner of said Section 27, from which a 1” pipe found at the east quarter corner bears South 00°01’17” West, a distance of 2637.36 feet; thence South 00°01’17” West, along the east line of the northeast quarter of said Section 27, a distance of 93.08 feet; thence North 89°58’43” West, a distance of 33.00 feet; to the TRUE POINT OF BEGINNING feet;

Thence North 89°52’56” East, a distance of 75.00 feet;

Thence North 00°01'17" East, a distance of 60.00 feet to a line parallel with and 33.00 feet south of the north line of the northeast quarter of said Section 27;

Thence North 89°52'56" east, along said parallel line, a distance of 75.00 feet to a line parallel with and 33.00 feet west of the east line of the northeast quarter of said Section 27;

Thence South 00°01'17" west, along last said parallel line, a distance of 60.00 feet to the TRUE POINT OF BEGINNING.

Said parcel containing 52.888 acres, more or less.





0 75 150 300
SCALE: 1"=300'

P.O.B. N.E. COR.
SEC. 27 T.3N, R.2W,
FD. 1/2" REBAR WITH
BRASS TAG LS.13554
DOWN 0.10'

N. 1/4 COR. SEC. 27
T.3N, R.2W,
FD. 3/4" PIPE

N89°52'56"E

2641.51'

1323.01'

1318.50'

L7

93.08'

L6

L8

L5

L4

EXCEPTION
PARCEL

PARCEL 16
AREA = 52.888 AC. +/-

R=1230.00' L=773.49'
Δ=36°01'51"

937.36'

1700.01'

S00°01'17"W

S89°52'56"W

1146.40'

E. 1/4 COR. SEC. 27
T.3N, R.2W,
FD. 1" O.D. PIPE WITH
MUSHROOM TAG
DOWN 0.40'

937.36'

LINE TABLE		
LINE	BEARING	LENGTH
L1	N70°19'53"W	104.94'
L2	N50°32'43"W	353.11'
L3	N54°05'13"W	40.00'
L4	N89°58'43"W	33.00'
L5	S89°52'56"W	75.00'
L6	N00°01'17"E	60.00'
L7	N89°52'56"E	75.00'
L8	S00°01'17"W	60.00'

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SCALE:
1"=300'
SHEET
1 OF 1
JOB NO.:
STAR000-0114

**EXHIBIT FOR
CORTESSA
PARCEL 16**

**DAVID EVANS
AND ASSOCIATES INC.**
2141 East Highland Avenue, Suite 200
Phoenix, Arizona 85016
Phone: 602.978.9101

DRAWN BY: MABA
CHECKED BY:
DATE: 06/04

**CORTESSA
PRELIMINARY PLAT
PARCEL 17**

A portion of Section 27, Township 3 North, Range 2 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

COMMENCING at a ½ “ rebar found at the northeast corner of said Section 27, from which a ¾ ” pipe found at the north quarter corner bears South 89°52'56” West, a distance of 2641.51 feet; thence South 89°52'56” West, along the north line of the northeast quarter of said Section 27, a distance of 1318.50 feet to the TRUE POINT OF BEGINNING;

Thence South 00°07'04” East, a distance of 692.49 feet to the beginning of a tangent curve, concave westerly, whose radius is 1230.00 feet;

Thence southerly, along said curve to the right, through a central angle of 12°26'36”, an arc distance of 267.13 feet:

Thence North 77°40'28” West, a distance of 40.00 feet;

Thence South 89°52'56” West, a distance of 234.74 feet;

Thence North 13°25'23” West, a distance of 133.83 feet to a point on a non-tangent curve, concave easterly, whose radius is 50.00 feet, and whose center bears North 13°25'23” West;

Thence northerly, along said curve to the right, through a central angle of 152°45'49”, an arc distance of 133.31 feet to the beginning of a reverse curve, concave northwesterly, whose radius is 50.00 feet;

Thence northerly, along said curve to the left, through a central angle of 05°02'31”, an arc distance of 4.40 feet;

Thence South 89°52'56” West, a distance of 425.71 feet;

Thence North 82°04'29” West, a distance of 115.36 feet;

Thence North 89°59'59” West, a distance of 72.17 feet;

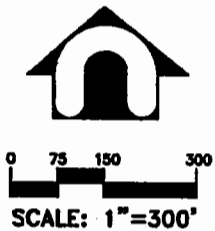
Thence North 38°08'15” West, a distance of 32.39 feet;

Thence North 00°00'01" East, a distance of 687.20 feet to the north line of the northeast quarter of said Section 27;

Thence North 89°52'56" East, along said north line, a distance of 1004.93 feet to the TRUE POINT OF BEGINNING.

Said parcel containing 18.468 acres, more or less.



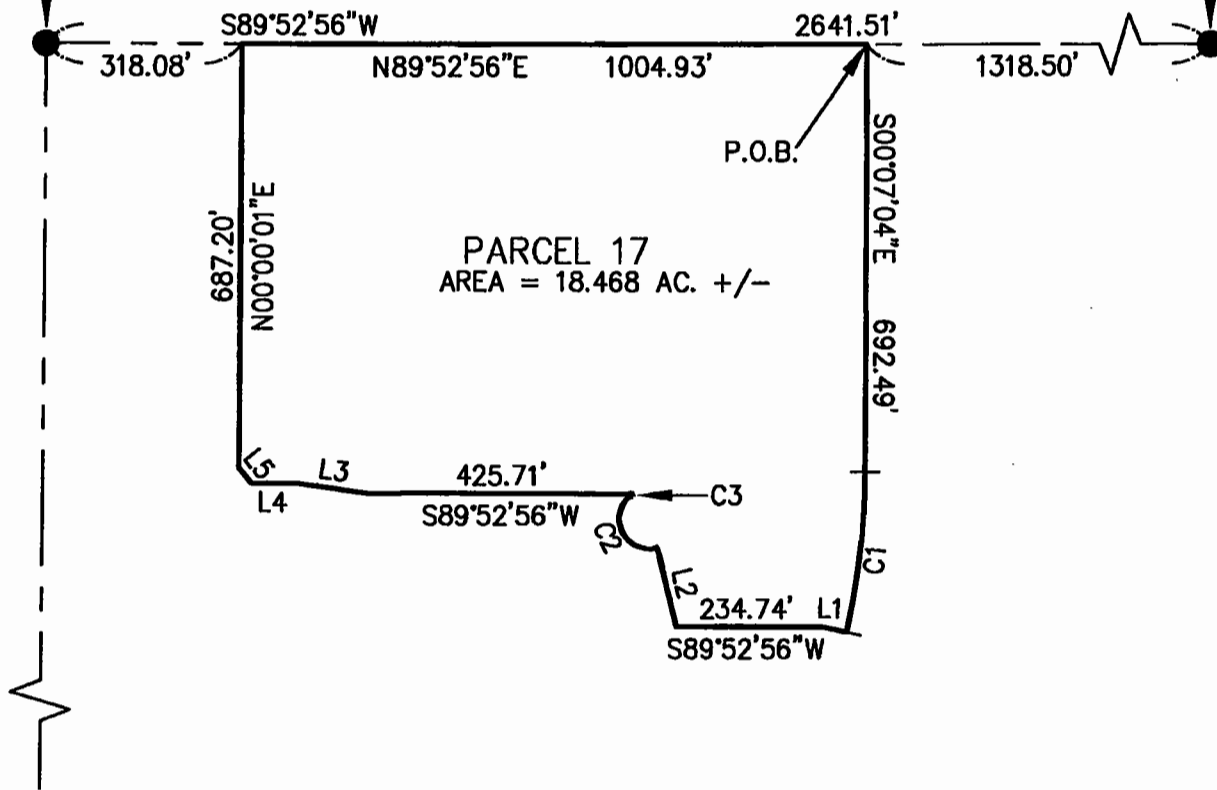


LINE TABLE		
LINE	BEARING	LENGTH
L1	N77°40'28"W	40.00'
L2	N13°25'23"W	133.83'
L3	N82°04'29"W	115.36'
L4	N89°59'59"W	72.17'
L5	N38°08'15"W	32.39'

CURVE TABLE			
CURVE	RADIUS	LENGTH	DELTA
C1	1230.00'	267.13'	12°26'36"
C2	50.00'	133.31'	152°45'49"
C3	50.00'	4.40'	5°02'31"

N. 1/4 COR. SEC. 27
T.3N, R.2W,
FD. 3/4"
PIPE DOWN 0.50'

P.O.C.
N.E. COR. SEC. 27
T.3N, R.2W,
FD. 1/2" REBAR WITH
BRASS TAG
LS.13554 DOWN 0.10'



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SCALE: 1"=300'
SHEET 1 OF 1
JOB NO.: STAR0000-0114

**EXHIBIT FOR
CORTESSA
PARCEL 17**

**DAVID EVANS
AND ASSOCIATES INC.**
2141 East Highland Avenue, Suite 200
Phoenix, Arizona 85016
Phone: 602.678.8161

DRAWN BY: MABA
CHECKED BY:
DATE: 06/04

**CORTESSA
PRELIMINARY PLAT
PARCEL 18**

A portion of Section 27, Township 3 North, Range 2 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

COMMENCING at a $\frac{3}{4}$ " pipe found at the northwest corner of said Section 27, from which a $\frac{3}{4}$ " pipe found at the north quarter corner bears North $89^{\circ}53'02''$ East, a distance of 2641.32 feet; thence North $89^{\circ}53'02''$ East, along the north line of the northwest quarter of said Section 27, a distance of 781.00 feet to the TRUE POINT OF BEGINNING;

Thence North $89^{\circ}53'02''$ East, continuing along said north line, a distance of 560.60 feet;

Thence South $00^{\circ}00'01''$ West, a distance of 683.80 feet;

Thence South $89^{\circ}59'59''$ East, a distance of 1637.80 feet;

Thence South $70^{\circ}33'34''$ East, a distance of 76.53 feet;

Thence South $00^{\circ}00'01''$ West, a distance of 254.53 feet;

Thence South $79^{\circ}11'13''$ West, a distance of 28.15 feet;

Thence South $00^{\circ}00'01''$ West, a distance of 445.40 feet;

Thence South $39^{\circ}27'17''$ West, a distance of 30.00 feet;

Thence North $50^{\circ}32'43''$ West, a distance of 21.89 feet to the beginning of a tangent curve, concave southwesterly, whose radius is 500.00 feet;

Thence westerly, along said curve to the left, through a central angle of $39^{\circ}27'16''$, an arc distance of 344.30 feet;

Thence North $89^{\circ}59'59''$ West, a distance of 1237.89 feet to the beginning of a tangent curve, concave northeasterly, whose radius is 650.00 feet;

Thence northerly, along said curve to the right, through a central angle of $89^{\circ}53'01''$, an arc distance of 1019.70 feet;

Thence North 00°06'58" West, a distance of 660.08 feet to the TRUE POINT OF BEGINNING.

Said parcel containing 39.434 acres, more or less.





0 100 200 400
SCALE: 1"=400

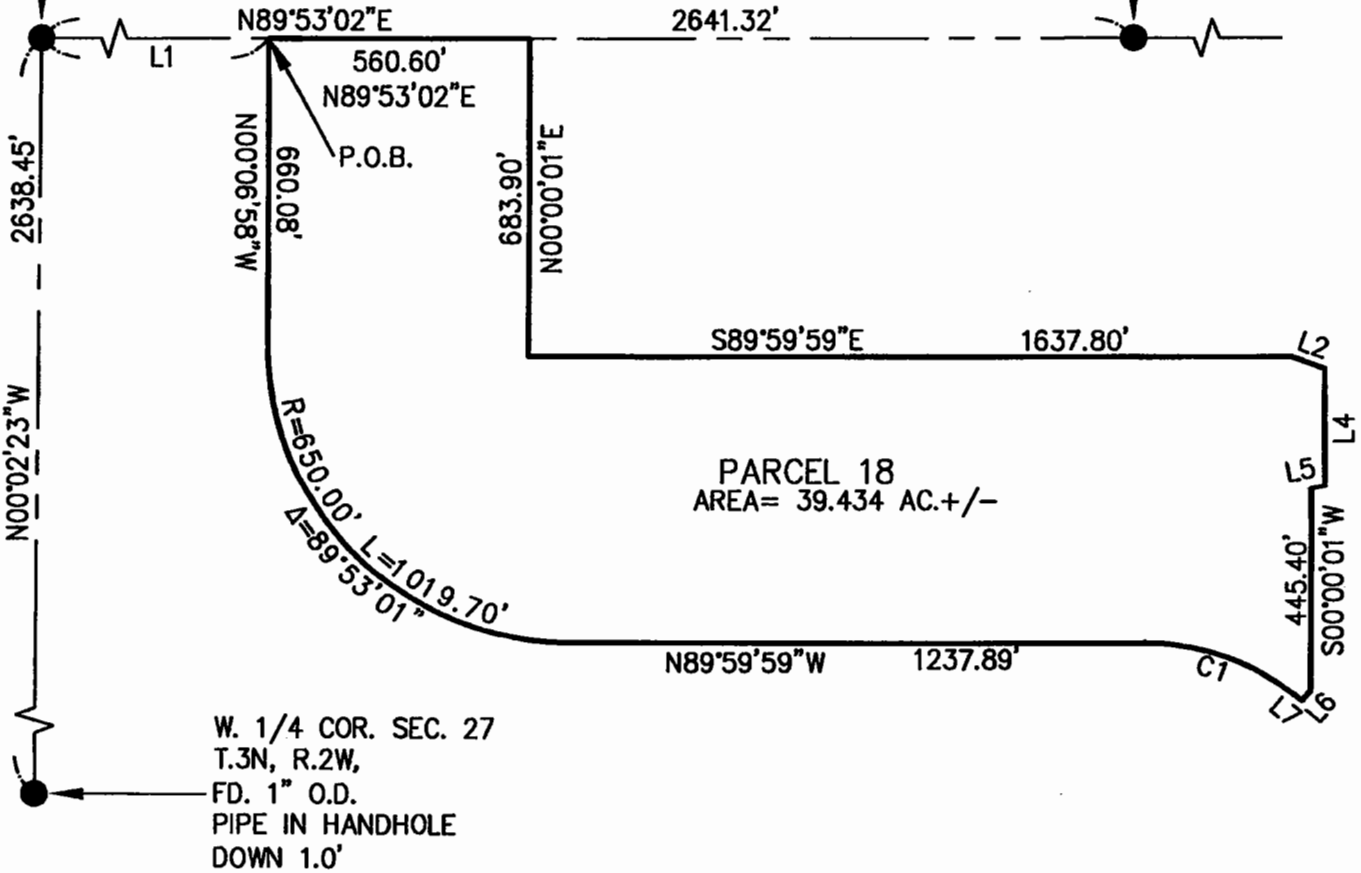
LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°53'02"E	781.00'
L2	S70°33'34"E	76.53'
L4	S00°00'01"W	254.53'
L5	S79°11'13"W	28.15'
L6	S39°27'17"W	30.00'
L7	N50°32'43"W	21.89'

CURVE TABLE			
CURVE	RADIUS	LENGTH	DELTA
C1	500.00'	344.30'	39°27'16"

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P.O.C. N.W. COR.
SEC. 27 T.3N, R.2W,
FD. 3/4" O.D.
PIPE IN POTHOLE
DOWN 0.50'

N 1/4 SEC. 27,
T. 3N., R. 2W.,
FD. 3/4" PIPE DOWN 0.50'



SCALE:
1"=400'
SHEET
1 OF 1
JOB NO.:
STAR0000-0114

**EXHIBIT FOR
CORTESSA
PARCEL 18**

**DAVID EVANS
AND ASSOCIATES INC.**
2141 East Highland Avenue, Suite 200
Phoenix Arizona 85016
Phone: 602.878.9161

DRAWN BY: MAB
CHECKED BY:
DATE: 06/04