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CONDOMINIUM DECLARATION

FOR

***THE OFFICES AT DESERT FAIRWAYS,
A CONDOMINIUM***

**CONDOMINIUM DECLARATION
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**CONDOMINIUM DECLARATION
FOR
THE OFFICES AT DESERT FAIRWAYS
a condominium**

This Condominium Declaration for The Offices at Desert Fairways, a condominium is made this ____ day of May, 2002, by Real Alliance II, L.L.C., an Arizona limited liability company.

ARTICLE I

DEFINITIONS

1.1 General Definitions. Capitalized terms not otherwise defined in this Declaration shall have the meanings specified for such terms in the Arizona Condominium Act, A.R.S. §33-1201, et seq., as amended from time to time.

1.2 Defined Terms. The following capitalized terms shall have the general meanings described in the Condominium Act and for purposes of this Declaration shall have the specific meanings set forth below:

1.2.1 "Articles" means the Articles of Incorporation of the Association, as amended from time to time.

1.2.2 "Assessments" means the Common Expense Assessments, Special Assessments and Enforcement Assessments levied pursuant to Article 7.

1.2.3 "Assessment Lien" means the lien granted to the Association by the Condominium Act to secure the payment of Assessments, monetary penalties and other charges owed to the Association.

1.2.4 "Association" means The Offices at Desert Fairways Owners Association, an Arizona nonprofit corporation, its successors and assigns.

1.2.5 "Board of Directors" means the Board of Directors of the Association.

1.2.6 "Building" means each of the buildings shown on the Plat. The buildings are designated on the Plat Buildings A, B, C, and D.

1.2.7 "Bylaws" means the Bylaws of the Association, as amended from time to time.

1.2.8 "Collection Costs" means all costs, fees, charges and expenditures (including, without limitation, attorneys' fees, court costs, filing fees and recording fees) incurred by the Association in collecting and/or enforcing payment of Assessments, monetary penalties, late fees, interest or other amounts payable to the Association pursuant to this Declaration.

1.2.9 "Common Elements" means all portions of the Condominium other than the Units.

1.2.10 "Common Expenses" means the actual or estimated costs or expenses incurred or to be incurred by the Association or financial liabilities of the Association including, without limitation, the following:

(a) the cost of maintenance, management, operation, repair and replacement of the Common Elements and all other areas within the Condominium which are maintained by the Association;

(b) the cost of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys, architects and employees;

(c) the cost of any utilities, trash pickup and disposal, elevator, landscaping, and other services benefiting the Unit Owners and their Units to the extent such services are paid for by the Association;

(d) the cost of fire, casualty, liability, worker's compensation and other insurance maintained by the Association as provided in this Declaration;

(e) reasonable reserves as deemed appropriate by the Board or otherwise required pursuant to the Condominium Documents;

(f) the cost of bonding of the directors, officers and employees of the Association, any professional managing agent or any other person handling the funds of the Association;

(g) taxes paid by the Association;

(h) amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Elements or portions thereof;

(i) the cost of any other item or items designated by, or in accordance with other expenses incurred by the Association for any reason whatsoever in furtherance of the purposes or the discharge of the obligations imposed on the Association by the Condominium Documents.

1.2.11 "Common Expense Assessment" means the assessment levied against the Units pursuant to Section 7.2.

1.2.12 "Common Expense Liability" means the liability for common expenses allocated to each Unit by Section 2.6.

1.2.13 "Condominium" means the Parcel, together with the Building and all other Improvements located thereon.

1.2.14 "Condominium Act" means the Arizona Condominium Act, A.R.S. §33-1201, et seq., as amended from time to time.

1.2.15 "Condominium Documents" means this Declaration and the Articles, Bylaws, and Rules.

1.2.16 "Declarant" means Real Alliance II, L.L.C., an Arizona limited liability company, and its successors and any Person to whom it may transfer any Special Declarant Right by a Recorded instrument.

1.2.17 "Declaration" means this Condominium Declaration for The Desert Fairways, a condominium, as amended from time to time.

1.2.18 "Development Rights" means any right or combination of rights to do any of the following:

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- (a) Add real estate to the Condominium;
- (b) Create easements, Units, Common Elements or Limited Common Elements within the Condominium;
- (c) Subdivide Units, convert Units into Common Elements or convert Common Elements into Units;
- (d) Withdraw real estate from the Condominium;
- (e) Make the Condominium part of a larger condominium or planned community;

(f) Amend the Declaration during the Period of Declarant Control to comply with the Condominium Act or any other applicable law or to correct any error or inconsistency in the Declaration if the amendment does not adversely affect the rights of any Unit Owner;

(g) Amend the Declaration during the Period of Declarant Control to comply with the rules or guidelines, in effect from time to time, of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments.

1.2.19 "Enforcement Assessment" means an assessment levied pursuant to Section 7.5.

1.2.20 "First Mortgage" means any mortgage or deed of trust on a Unit with first priority over any other mortgage or deed of trust on the same Unit.

1.2.21 "First Mortgagee" means the holder of any First Mortgage.

1.2.22 "Improvement" means any physical structure, fixture or facility existing or constructed, placed, erected or installed on the land included in the Condominium, including, but not limited to, buildings, private drives, paving, fences, walls, sculptures, signs, hedges, plants, trees and shrubs of every type and kind.

1.2.23 "Invitee" means any person whose presence within the Condominium is approved by or is at the request of a particular Unit Owner, Lessee or Occupant, including, without limitation, family members, guests, employees and contractors.

1.2.24 "Lessee" means any Person who is the tenant or lessee under a written lease of a Unit.

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1.2.25 "Limited Common Elements" means a portion of the Common Elements specifically designated in this Declaration as a Limited Common Element and allocated by this Declaration or by operation of the Condominium Act for the exclusive use of one or more but fewer than all of the Units.

1.2.27 "Member" means any Person who is or becomes a member of the Association.

1.2.28 "Occupant" means a person, other than a Unit Owner, in possession of a Unit at the request of or with the consent of the Unit Owner.

1.2.29 "Parcel" means the land described on Exhibit A attached hereto, together with all Improvements situated thereon and all easements and rights appurtenant thereto.

1.2.30 "Parking Space" means a portion of the Parcel intended for the parking of a single motor vehicle and identified on the Plat as a parking space.

1.2.31 "Perimeter Building Walls" means the perimeter walls of the Buildings, except for any fixtures, lines, pipes, wires, ducts or conduits within the wall which serve only one Unit and except for any paint, wallpaper or paneling on the interior surface of the walls.

1.2.32 "Period of Declarant Control" means the time period commencing on the date this Declaration is Recorded and ending on the earlier of: (a) ninety (90) days after the conveyance of seventy-five percent (75%) of the Units which may be created to Unit Owners other than the Declarant; or (b) four (4) years after all Declarants have ceased to offer Units for sale in the ordinary course of business.

1.2.33 "Person" means a natural person, corporation, limited liability company, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

1.2.34 "Plat" means the condominium plat for The Offices at Desert Fairways, a condominium, recorded in Book 593, page 45, in the official records of the County Recorder of Maricopa County, Arizona, and any amendments, supplements or corrections thereto.

1.2.35 "Purchaser" means any Person, other than the Declarant, who by means of a voluntary transfer becomes a Unit Owner, except for a Person who purchases a Unit and then leases it to the Declarant for use in connection with the sale of other Units, or a Person who, in addition to purchasing a Unit, is assigned any Special Declarant Right.

1.2.36 "Recording" means ^{placing}~~placing~~ an instrument of public record in the office of the County Recorder of Maricopa County, Arizona and **"Recorded"** means having been so placed of public record.

1.2.37 "Rules" means the rules and regulations adopted by the Board of Directors, as amended from time to time.

1.2.38 "Special Declarant Rights" means any right or combination of rights to do any of the following:

(a) Construct Improvements provided for in this Declaration or shown on the Plat;

(b) Exercise any Development Right;

(c) Maintain sales offices, management offices, models, and signs advertising the Condominium;

(d) Use easements through the Common Elements for the purpose of making Improvements within the Condominium;

(e) Appoint or remove any officer of the Association or any member of the Board of Directors during the Period of Declarant Control.

1.2.39 "Unit" means a portion of a Building designated for separate ownership or occupancy, the boundaries of which are described in Section 2.5 and shown on the Plat.

1.2.40 "Unit Owner" or "Owner" means the record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Unit. Unit Owner shall not include Persons having an interest in a Unit merely as security for the performance of an obligation, or a lessee or tenant of a Unit. Unit Owner shall include a purchaser under a contract for the conveyance of real property, a contract for deed, a contract to convey, an agreement for sale or any similar contract subject to A.R.S. § 33-741, et seq. Unit Owner shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to executory contracts pending the closing of a sale or purchase transaction. In the case of Units the fee simple title to which is vested in a trustee pursuant to A.R.S. § 33-801, et seq., the Trustor shall be deemed to be the Unit Owner. In the case of Units the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the Unit shall be deemed to be the Unit Owner.

1.2.41 "Utility Room" means a portion of the Common Elements designated on the Plat as a Utility Room.

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ARTICLE 2

SUBMISSION OF PROPERTY; UNIT BOUNDARIES; ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND COMMON EXPENSE LIABILITIES

2.1 Submission of Property. The Declarant is the owner of fee title to the Parcel. Declarant hereby submits the Parcel to the provisions of the Condominium Act for the purpose of creating a condominium in accordance with the provisions of the Condominium Act and