

WHEN RECORDED RETURN TO:

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**AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND EASEMENTS FOR  
VENTURE OUT AT MESA, INC., A CONDOMINIUM**

**NOTICE:** This instrument amends, restates, and totally replaces the Declaration of Condominium and Land Use Restrictions (which amended and restated the prior recorded declaration) dated as of February 18, 1998, and recorded March 10, 1998, in Instrument No. 980184154, records of Maricopa County, Arizona, as amended by a document recorded April 27, 2000, in Instrument No. 00-315820, records of Maricopa County, Arizona, a document recorded May 1, 2001, in Instrument No. 2001-0362149, records of Maricopa County, Arizona, a document recorded April 22, 2002, in Instrument No. 2002-0406148, records of Maricopa County, Arizona, a Fourth Amendment to Amended and Restated Declaration of Condominium and Land Use Restrictions (Venture Out at Mesa Condominium) recorded March 25, 2004, in Instrument No. 2004-0307470, a Fifth Amendment to Amended and Restated Declaration of Condominium and Land Use Restrictions (Venture Out at Mesa Condominium), recorded June 21, 2004, in Instrument No. 2004-0705020, a Sixth Amendment to Amended and Restated Declaration of Condominium and Land Use Restrictions and Amendment to Bylaws (Venture Out at Mesa Condominium), recorded March 12, 2007, in Instrument No. 2007-0291466, a Seventh Amendment to Amended and Restated Declaration of Condominium and Land Use Restrictions and Amendment to Bylaws (Venture Out at Mesa Condominium), recorded March 25, 2008, in Instrument No. 2008-0261940, records of Maricopa County, Arizona, and an Eighth Amendment to Amended and Restated Declaration of Condominium and Land Use Restrictions (Venture Out at Mesa Condominium), recorded March 2, 2009, in Instrument No. 2009-0180052, records of Maricopa County, Arizona, and any and all other deeds of annexation, amendments, modifications, or other instruments amending or modifying said declaration that were recorded prior to the recordation of this amended and restated declaration. No reference need be made to the prior recorded documents when referring to this condominium or declaration or the easements and covenants applicable to the condominium.

**DISCLOSURE:** THIS DECLARATION CONTAINS ALTERNATIVE DISPUTE RESOLUTION PROCEDURES THAT ARE APPLICABLE TO CLAIMS AND DISPUTES ARISING OUT OF OR UNDER THIS DECLARATION, AND THE OTHER CONDOMINIUM DOCUMENTS. THESE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES ARE CONTAINED IN SECTION 9 OF THIS DECLARATION.

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**AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND EASEMENTS FOR  
VENTURE OUT AT MESA, INC., A CONDOMINIUM**

This Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements For Venture Out At Mesa, Inc., A Condominium (“Declaration”) is made as of February 16, 2011, by Venture Out At Mesa, Inc., an Arizona nonprofit corporation (the “Association”).

**R E C I T A L S**

A. The undersigned, being the Association for the Property described on **Exhibit A** attached hereto, declares that said Property together with the improvements thereon are subject to the following Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements For Venture Out At Mesa, Inc., A Condominium.

B. A Declaration of Condominium and Land Use Restrictions was recorded in Docket 7952, pages 899 through 942, records of Maricopa County, Arizona, submitting the real property described therein to a horizontal property regime pursuant to the then applicable Arizona Revised Statutes, §33-551, et seq., and imposing certain covenants, conditions and restrictions upon the real property submitted to the horizontal property regime. The Declaration of Condominium and Land Use Restrictions was restated as Instrument No. 87-558885, records of Maricopa County, Arizona, to incorporate all amendments previously made to the Declaration of Condominium and Land Use Restrictions. The Declaration of Condominium and Land Use Restrictions, as restated in 1987 was subsequently amended by the documents recorded as Instrument Nos. 88-413991 and 89-394936, records of Maricopa County, Arizona. The Declaration was amended and restated by a Declaration of Condominium and Land Use Restrictions, dated as of October 31, 1990, and recorded February 5, 1991, in Instrument No. 91048995, records of Maricopa County, Arizona.

C. That amended and restated Declaration was again amended and restated by a Declaration of Condominium and Land Use Restrictions, dated as of February 18, 1998, and recorded March 10, 1998, in Instrument No. 980184154, records of Maricopa County, Arizona, as amended by a document recorded April 27, 2000, in Instrument No. 00-315820, records of Maricopa County, Arizona, a document recorded May 1, 2001, in Instrument No. 2001-0362149, records of Maricopa County, Arizona, a document recorded April 22, 2002, in Instrument No. 2002-0406148, records of Maricopa County, Arizona, a Fourth Amendment to Amended and Restated Declaration of Condominium and Land Use Restrictions (Venture Out at Mesa Condominium) recorded March 25, 2004, in Instrument No. 2004-0307470, a Fifth Amendment to Amended and Restated Declaration of Condominium and Land Use Restrictions (Venture Out at Mesa Condominium), recorded June 21, 2004, in Instrument No. 2004-0705020, a Sixth Amendment to Amended and Restated Declaration of Condominium and Land Use Restrictions and Amendment to Bylaws (Venture Out at Mesa Condominium), recorded March 12, 2007, in Instrument No. 2007-0291466, and a Seventh Amendment to Amended and Restated Declaration of Condominium and Land Use Restrictions (Venture Out at Mesa Condominium), recorded March 25, 2008, in Instrument No. 2008-0261940, and an Eighth Amendment to Amended and Restated Declaration of Condominium and Land Use Restrictions (Venture Out At Mesa Condominium), recorded March 2, 2009, in Instrument No. 2009-0180052 Records of Maricopa County, Arizona (collectively, “Existing Declaration”).

D. This Declaration has been approved by an affirmative vote of the Lot Owners as required by the terms of the Existing Declaration.

NOW, THEREFORE, the Existing Declaration is amended and restated as follows and all prior Declarations and amendments are replaced with this Declaration:

1. DEFINITIONS. As used in this Declaration and the other Condominium Documents, the terms defined below shall be deemed to have the meanings specified whenever they appear unless the context otherwise requires:

1.1. "Absentee Ballot" means a ballot cast in advance of a meeting of Owners by delivery in the manner and within the time limits stipulated in the Bylaws.

1.2. "Accessory Structures" means any storage unit, patio cover or enclosure, awning, attachments to a Park Model or Recreational Vehicle, stub wall, or other improvements of Lots as specified in the Rules.

1.3. "Act" means the Arizona Condominium Act, A.R.S. § 33-1201, et seq., as it may be amended from time to time. The Condominium was originally formed under the Horizontal Property Regimes Act of the State of Arizona (A.R.S. § 33-551, et seq.).

1.4. "Architectural Inspector" means an employee of the Association or independent contractor selected, from time to time, by the Manager to act as the Architectural Inspector under the terms of the Condominium Documents.

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

1.6. "Assessment" means the share of the Common Expenses from time to time assessed against a Lot and its Owner by the Association in the manner herein provided.

1.7. "Association" means VENTURE OUT AT MESA, INC., an Arizona nonprofit corporation, and its successors and assigns.

1.8. "Board of Directors" or "Board" means the Board of Directors of the Association.

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

1.10. "Common Elements" means all portions of the Property shown on the Plats other than the Lots. The Common Elements shown on the Plats include the following: the water distribution system, the sewage collection system, the roads and pathways within the Property, bathhouses, recreational facilities in the recreation area, services facilities located in common use areas, parks, parking areas, drainage facilities, and any other areas which are for the common benefit and enjoyment of the Owners of the Lots included within the Property.

1.11. "Common Expenses" means all expenditures lawfully made or liabilities lawfully incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of the Act or the Condominium Documents.

1.12. "Common Surplus" means the excess of all receipts of the Association, including, but not limited to, Assessment, rent, profits and revenues on account of the Common Elements, over the amount of Common Expenses.

1.13. "Community Center" means the main recreational building centrally located on the Property.

1.14. "Condominium" means that form of ownership of the Property under which Lots are subject to ownership by different Owners, and there is appurtenant to each Lot, as part thereof, an undivided share in the Common Elements.

1.15. "Condominium Documents" means this Declaration and the Plats, the Bylaws, the Articles of Incorporation and the Rules, as the same from time to time may be amended.

1.16. "Condominium Parcel" means a Lot, together with the undivided share of the Common Elements of Venture Out at Mesa Condominium, such elements being appurtenant to the Lot.

1.17. "Director" means a member of the Board of Directors of the Association.

1.18. "Declaration" or "Declaration of Condominium" means this instrument, as it may from time to time be amended.

1.19. "Fair Housing Laws" means federal and state fair housing statutes and regulations governing housing for older persons, including, without limitation, the federal Fair Housing Act and the Housing for Older Persons Act of 1995, as amended, and their implementing regulations.

1.20. "Guest" means any person invited by an Owner or Renter to temporarily visit at the Owner or Renter's Lot during the day or overnight.

1.21. "Limited Common Elements" means and includes those Common Elements which are reserved for the use of certain Lots to the exclusion of all other Lots.

1.22. "Lot" means a Lot identified on any of the Plats, which are subject to ownership in fee, except for Lots 551, 1651 and 1699 which shall be part of the Common Elements. None of Lots 551, 1651 or 1699 shall be considered a "Lot" for purposes of this Declaration.

1.23. "Majority of Owners" means Owners representing more than fifty percent (50%) of the votes cast with respect to an issue at any regular or special meeting of the Lot Owners of the Association.

1.24. "Manager" means an employee of the Association selected, from time to time, by the Board of Directors to be the General Manager responsible for the day-to-day management of the Property.

1.25. "Member" means any person or entity, who is a Member of the Association.

1.26. "Occupant" means any person or persons, who resides on or is in possession of a Lot on a permanent or semi-permanent basis.

1.27. "Owner" or "Lot Owner" means the record owner, whether one or more persons or entities, 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 Lot. Lot Owner shall not include (i) persons or entities having an interest in a Lot merely as security for the performance of an obligation, or (ii) a lessee or tenant of a Lot. Lot Owner shall include a purchaser under a contract for a recorded agreement for sale or any similar contract subject to A.R.S. §33-741, et.seq. Lot 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 Lots the fee simple title to which is vested in a trustee pursuant to Arizona Revised Statutes, Sections 33-801, et seq., the Trustor shall be deemed to be the Lot Owner.

1.28. "Park Model" means a portable dwelling unit no greater than 400 square feet nor less than 320 square feet in total floor area with plumbing, heating or electrical systems that will not operate without being connected to outside utilities and intended to provide seasonal and/or recreational housing characterized by one or more extended periods of vacancy during a calendar year.

1.29. "Pets" means (i) a domesticated dog; (ii) a domesticated house cat; or (iii) an assistance animal to the extent mandated by applicable law.

1.30. "Plats" means the plats of VENTURE OUT AT MESA, UNIT ONE, UNIT TWO, UNIT THREE, or UNIT FOUR recorded at Page 21 of Book 127 of Maps, Page 49 of Book 186 of Maps, Page 35 of Book 192 of Maps and Page 41 of Book 204 of Maps, respectively, in the official records of Maricopa County, Arizona.

1.31. "Property" means the real property described on Exhibit A attached hereto and all improvements located thereon.

1.32. "Recreational Vehicle" means a vehicular or portable unit mounted on a chassis and wheels, no more than eight feet six inches (8'6") in width and forty feet (40') in length which is primarily designed to provide temporary living quarters for recreational, camping or travel use, and which either has its own motor power or is mounted on or drawn by another vehicle, such as: travel trailers, trucks, campers and motor homes. A vehicular or portable unit mounted on a chassis and wheels is not a Recreational Vehicle for purposes of this Declaration if the total width of the vehicle once sited for occupancy, including all tip-outs and/or slide-outs exceed fourteen feet (14'). For purposes of measuring length, the trailer hitch and/or trailer tongue shall be excluded.



1.33. "Renter" means any person renting or leasing a Condominium Parcel from an Owner.

1.34. "Rules" means the Rules and Regulations adopted pursuant to this Declaration governing the maintenance and use of the Lots and Common Elements, as they may from time to time be amended.

Unless the context otherwise requires, all other terms used in this Declaration shall be assumed to have the meaning attributed to said terms by the Act.

## 2. NAME & DESCRIPTION - IDENTIFICATION

2.1 Name and Location. The name of the Condominium is VENTURE OUT AT MESA, INC., a CONDOMINIUM. The Condominium is located in the City of Mesa, County of Maricopa, State of Arizona.

2.2 Identification of Tracts. The Property consists of the Lots identified on the Plats and the Common Elements. For the purpose of identification, portions of the Common Elements are given identifying "tract" designations and delineated as such on the Plats, which are made a part of this Declaration. The aforesaid identifying designation as to the tract is also the identifying designation as to its undivided relationship to the Lot ownership. The Plats, together with this Declaration, are in sufficient detail to identify the location, dimensions and size of the Common Elements and each tract and Lot as evidenced by the Certificate of the Registered Land Surveyor attached to the Plats. The legend and notes contained in the Plats are incorporated herein and made a part hereof by reference, and any restrictions set forth herein or in the Plats are hereby declared to be attached to and a part of the title and ownership of the Lots established by the Plats.

2.3 Ownership of Common Elements. Each Owner of a Lot in the Property shall own an undivided 1/1749th interest in the Common Elements. The fee title to each Lot shall include the undivided interest in the Common Elements to be deemed to be conveyed or encumbered with its respective Lot, even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Lot. Any attempt to separate the fee title to a Lot from the undivided interest in the Common Elements appurtenant to each Lot shall be null and void.

2.4 Preservation of Common Elements. The Association shall not sell, transfer or convey any portion of the Common Elements to any person or entity unless the conveyance is approved by eighty percent (80%) of Lot Owners.

2.5 Ownership of Utility Distribution Lines. The Owner of the respective Lot shall be deemed not to own pipes, wires, conduits, roads, sewage connections, etc., or other public utility lines running through the Lot which are utilized by or serve more than two Lots, which items are, by these presents, made a part of the Common Elements.

## 3. USE AND OCCUPANCY AND PROPERTY RIGHTS AND OBLIGATIONS

3.1 Restriction for Park Model or Recreational Vehicle. All Lots are restricted for the parking and use of Park Models or Recreational Vehicles. No more than one (1) Park Model or Recreational Vehicle may be parked or situated on any Lot.

3.2 Exterior Material. All Park Models or Recreational Vehicles, including extendable enclosures attached thereto, shall be of such exterior material and design as that customarily used by manufacturers of such vehicles.

3.3 Exterior Additions. Exterior additions or attachments to a Park Model or Recreational Vehicle other than expressly permitted in the Condominium Documents are prohibited.

3.4 Permits/Architectural Inspector. In addition to any permit or permits, which may be required by any governmental authority, it is mandatory that a Lot Owner obtain from the Architectural Inspector a permit authorizing the installation of a new Park Model or Recreational Vehicle, Accessory Structures, exterior alterations to an existing Park Model or Recreational Vehicle, or other Lot improvements. In consideration of the granting of such permit, the Lot Owner agrees that periodic inspections of the work may be made by the Architectural Inspector or his authorized representative, including a final inspection at the completion of the project and that such Architectural Inspector may have reasonable access to the work to carry out such inspections, including, without limitation, access to the interior of such Park Model or Recreational Vehicle.

3.5 Accessory Structures and Other Construction Requirements. In addition to the permit required under this Declaration, Construction of Accessory Structures, exterior alterations to an existing Park Model or Recreational Vehicle, and installation of a new Park Model or Recreational Vehicle shall be subject to detailed requirements as to allowance, size, placement, exterior finishes and/or materials, as set forth in the Rules. The following Accessory Structures are authorized subject to the permit requirements of this Declaration:

3.5.1 A patio enclosure may be constructed to enclose the patio adjoining a Park Model.

3.5.2 Skirting around the base of the Park Model is required.

3.5.3 Only one storage building may be installed on each Lot.

3.5.4 A patio awning may be constructed and attached to a Park Model. A Free Standing awning may be constructed over the patio of a Lot.

3.5.5 Stub walls may be constructed.

3.5.6 Louvers may be attached to the Park Model or patio enclosure.

3.5.7 Bathroom facilities are allowed in the patio enclosure or shed provided the drains from such facilities discharge into the Lot Owner's sewer.

3.5.8 Laundry facilities may be installed in storage buildings or patio enclosures.

3.5.9 Ramada roofs, cabanas, carports and fences are not permissible on any Lot.

3.5.10 A wall may be installed between a storage building and Park Model.

3.5.11 Radio or televisions antennas or a small satellite dish may be attached to the top or rear of a Park Model or Recreational Vehicle.

3.6 Age Restrictions. All Lots shall be reserved and restricted for occupancy by at least one person fifty-five (55) years of age or older and the minimum age for occupancy shall be eighteen (18) years of age. Notwithstanding the foregoing occupancy restriction, if an Occupant of a Lot who is fifty-five (55) years of age or older dies or terminates his or her occupancy as a result of illness, divorce or legal separation, any remaining Occupant of such Lot under fifty-five (55) years of age shall have the right to continue occupying the Lot except that such remaining Occupant, while under fifty-five (55) years of age, may not occupy a Lot with another person under fifty-five (55) years of age. This exception to the occupancy restriction is subject to regulation by the Association to ensure ongoing compliance of the Property with Fair Housing Laws. Notwithstanding the foregoing occupancy restriction, Owners of any Lot that are all under fifty-five (55) years of age shall collectively be allowed a maximum of twenty-eight (28) days occupancy per calendar year. Each such Lot is limited to twenty-eight (28) days per calendar year of occupancy by persons under age fifty-five (55). This exception to the occupancy restriction is subject to regulation by the Association to ensure ongoing compliance of the Property with Fair Housing Laws. Notwithstanding the foregoing occupancy restriction, Guests of an Owner or Renter may occupy a Lot other than that of their host even though no Guest is at least fifty-five (55) years of age. Each such Lot is limited to twenty-eight (28) days per calendar year of occupancy by persons under age fifty-five (55). This exception to the occupancy restriction is subject to regulation by the Association to ensure ongoing compliance of the Property with Fair Housing Laws.

3.7 Maximum Occupancy. Occupants of a Park Model or Recreational Vehicle on a permanent or semi-permanent basis shall be limited to not more than two (2) adults, except upon approval of the Board of Directors in special hardship cases.

3.8 Parking on Lots and Driveways. One (1) motor vehicle may be parked on each interior Lot. On corner lots, two (2) motor vehicles may be parked, one on either driveway, if constructed for that purpose. The motor vehicle may be the customary passenger car, van or pickup truck. A truck camper, motor home or other travel/camping unit may be parked if it is the only means of transportation. All parked vehicles must be parked at the front of the Lot and, so far as is physically possible, within the confines of the Lot lines. Bicycles, golf cars and motorcycles are not restricted by these Regulations except that they must be parked within the confines of the Lot lines. No parked vehicle shall be used for sleeping, eating or living quarters. All motor vehicles parked on the Property shall also be subject to the restrictions on parking set forth in the Rules.

3.9 Encroachments. The Owners of the respective Lots agree that if any Park Model or Recreational Vehicle originally placed upon a Lot encroaches upon another Lot or Common Element, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist.

3.10 Nuisances and Lot Maintenance. No nuisance shall be allowed upon the Condominium Parcel nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or

garbage shall be allowed to accumulate, or any fire hazard allowed to exist.

3.11 No Commercial Usage of Lots. All Lots in the Condominium are intended for residential and recreational use. No business activity may be conducted by any Lot Owner on the Property which detracts from the residential character of the Property through access of traffic into or within the Property for such business activity, provided however, the foregoing shall not be construed so as to prevent the Association from designating certain areas reserved to it as commercial for its use in supplying goods and services to the Lot Owners. Any person conducting a business activity from a Lot may not erect or display signs or any other form of advertising on such Lot or within the Property, except as approved by the Board of Directors.

3.12 Maintenance by Lot Owners. Each Lot Owner shall at all times maintain its Lot, and the Park Model or Recreational Vehicle and all other improvements situated thereon, in good condition and repair. In the event any Park Model or Recreational Vehicle or any improvement situated upon a Lot is damaged or destroyed, a Lot Owner shall proceed with reasonable diligence to repair or restore the damaged property.

3.13 Rights of Other Lot Owners. A Lot Owner shall not permit or suffer anything to be done or kept in or on the Lot which will increase the rate of insurance on the Property, or which will obstruct or interfere with the rights of other Lot Owners, or annoy them by unreasonable noises, or otherwise; nor shall a Lot Owner commit or permit any nuisance, immoral or illegal act in or about the Property.

3.14 Use of Common Elements. No person shall use the Common Elements or any part thereof, or a Lot or any part thereof, in any manner contrary to or not in accordance with the Condominium Documents, as from time to time may be promulgated by the Association.

3.15 Provisions Relating To Rental of Lots. Each Owner shall register any Renter of the Owner's Lot with the Association before such Renter takes possession of the Lot. No Lot may be subleased by a Renter unless the Lot Owner files a specific authorization with the Association. All Renters of Lots shall be bound by the terms of the Condominium Documents. The Board of Directors is authorized to promulgate Rules governing the rental of Lots.

3.16 Provisions Relating To Sale of Lots. No sale transaction shall be completed with respect to any Lot until there has been paid such fees, as set by the Board of Directors, as are required to compensate the Association for record changes, inspection, disclosures required under the Act, decals and other expenses, and such additional sums as may be required to satisfy outstanding Assessments or liens to the Association.

3.17 Pets. No Owner shall raise, breed or keep any animal on any Lot or on the Common Elements or any part thereof, other than Pets. Owners, Renters and Guests may have Pets subject to the registration and control requirements of the Rules. Renters may have Pets only with written approval of the Lot Owner of the Condominium Parcel being rented.

#### 4. EASEMENTS

4.1 Utility Easements. There is hereby created an easement upon, across, over and under the Common Elements and the Lots for reasonable ingress, egress, installation, replacing, repairing or maintaining of all utilities, including, but not limited to, gas, water, sewer, telephone, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment on

the Common Elements and the Lots, but no sewers, electric lines, water lines, or other utility or service lines may be installed or located on the Common Elements or the Lots except as approved by the Board of Directors. This easement shall in no way affect any other recorded easements on the Common Elements or the Lots. The location of utility easements granted to Salt River Project Agricultural Improvement and Power District ("SRP") on the Property, and associated restrictions on the use of those SRP easements, are subject to an Agreement Verifying Location and Terms of Utility Easements, as evidenced by a Notice of Agreement Verifying Location and Terms of Utility Easements recorded on May 11, 2010, at Instrument No. 2010-0400875, in the official records of Maricopa County, Arizona.

4.2 Common Elements. Every Owner shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from their Lot and pedestrian and vehicular ingress and egress to and from the Condominium over those portions of the Common Elements designated for such purposes), and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions and limitations:

4.2.1 The right of the Association to control the use and enjoyment thereof as provided by the terms of this Declaration, which shall include, but not be limited to, the right of the Association to limit the use and enjoyment thereof to the Owners and respective Occupants, as well as to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times.

4.2.2 The right of Owners to the exclusive use of the Limited Common Elements appurtenant to their respective Lot.

4.2.3 Such Rules as may from time to time be promulgated by the Board including, but not limited to, the right of the Board to suspend the right of any Occupant or Owner or Renter to use the recreational facilities which are part of the Common Elements for a violation of the Rules.

4.2.4 The right of the Board to lease, convey easements or grant concessions consistent with the overall character and use of the Property with respect to parts of the Common Elements and to change the character, description and use thereof, subject to the provisions of the Condominium Documents.

## 5. ASSOCIATION AND MEMBERSHIP

5.1 Association. The Association shall have all of the powers and duties granted to or imposed upon it by the Condominium Documents and the Act. The Board of Directors of the Association may enter into a contract with any firm, person or corporation for the maintenance and repair of the Property, and may join with the other condominium corporations contracting with the same firm, person or corporation for maintenance and repair. The Board of Directors may likewise enter into a contract with any public utility for the furnishing of utility services.

5.2 Bylaws. The Association shall be governed by the Bylaws. The Bylaws may be amended in the manner provided for therein, but no amendment to the Bylaws shall be adopted which would affect or impair to validity or priority of any mortgage covering any Condominium Parcel(s)

5.3 Membership. Every Owner of a Condominium Parcel whether he has acquired his ownership by purchase, gift, conveyance or transfer of operation of law, or otherwise, shall be bound by the Condominium Documents. Every Owner shall be entitled and required to be a Member of the Association.

5.4 Voting Rights. Each Owner shall have one (1) vote for each Lot owned. The vote for any Lot must be cast as a single vote, and fractional votes shall not be permitted. If a Lot is owned by more than one person or entity, and only one of the multiple Lot Owners is present at a meeting of the members of the Association, the Owner present shall be entitled to cast the vote allocated to that Lot. If more than one of the multiple Owners is present, the vote allocated to the Lot may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is a majority agreement if any one of the multiple Owners casts the vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of that Lot. If a timely protest is made by one of the other Owners of the Lot, then the vote shall not be counted. If different votes are cast with respect to the same Lot by the Owners of the Lot, none of the votes shall be counted.

5.5 Entity Ownership. If a Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall from time to time designate in writing to the Association the name of the individual who shall have the power to vote on behalf of the corporation, partnership or association. In the absence of any designation being made by a corporation, partnership or association which is the Owner of a Lot, any officer or general partner of the corporation, partnership or association may vote on behalf of the corporation, partnership or association.

5.6 Social Club. The Venture Out Social Club, Inc., an Arizona nonprofit corporation (the "Social Club") has been granted by the Association the exclusive right to operate the recreational facilities in the Property and to provide all types of recreational activities to its members. The Board of Directors may permit the employees of the Association to assist the Social Club with the operation of the recreational facilities under such terms and conditions as the Board of Directors may deem appropriate from time to time.

## 6. ASSESSMENTS AND BUDGET

6.1 Budget. The Board of Directors is authorized and shall be required to propose and adopt a budget no later than sixty (60) days prior to the commencement of a fiscal year. The budget shall contain the best estimate of the Board of Directors with respect to the funds necessary to pay all Common Expenses during the next fiscal year. The budget, as adopted, shall be published and made available to all Lot Owners at the Association's office within (30) days of its adoption. The Board of Directors may amend a budget from time to time as necessary; however, any amendment must be adopted, published and made available to all Lot Owners in the same manner as prescribed for the budget.

6.2 Assessment Ratio. The Association shall levy annually an Assessment against each Lot in an amount equal to the total amount of Common Expenses, including fees and costs for any television service set forth in the budget, divided by the total number of Lots in the Property. Any fees and costs payable by the Association for television service shall be assessed equally to all Lot Owners in the Property. The foregoing ratio of sharing Common Expenses and Assessments shall remain regardless of the purchase price of the Condominium Parcels, their location, or the square footage included in each Lot. The Assessment will be payable quarterly unless otherwise specified by the Board.

6.3 Common Surplus. Any Common Surplus of the Association remaining after payment of, or provision for, Common Expenses shall be credited to Lot Owners to reduce their future Common Expense Assessments.

6.4 Assessment Due Date. The Board of Directors shall establish the date on which the Assessments shall be due and payable.

6.5 Special Assessment. In addition to the general Assessment against each Lot for Common Expenses, the Board of Directors may levy a special Assessment for financing required repair, maintenance, replacement, additions or alterations of the Common Elements. Such special Assessments levied in any fiscal year may not total more than one hundred dollars (\$100) per Lot unless otherwise approved by the Lot Owners pursuant to the terms of this Declaration, including pursuant to Section 6.8 below for additions or alterations to the Common Elements. Each special Assessment levied must specify the purpose of the levy purpose of the levy and the levied funds may only be used for such purpose, except that funds collected in excess of the final cost of the project shall be credited toward the general Assessment of Lot Owners. Further, the Board of Directors are authorized to assign such levied special Assessments and the right to payment thereof as security for financing obtained by the Association to enable the payment of such special Assessment over time by Lot Owners. Notwithstanding the foregoing limitations, in 2004 the Members authorized the Board of Directors to levy a one-time special Assessment in the amount of Two Thousand Two Hundred Eighty-Seven Dollars (\$2,287.00) per Lot for the purpose of renovating and/or rebuilding the Community Center included in the Common Elements. Any funds collected in excess of the final cost of the foregoing project shall be credited toward the general Assessment of Lot Owners.

6.6 Personal Assessment. All Lot Owners shall be liable for the expense of any maintenance, repair or replacement of any portion of the Property, including the Common Elements, rendered necessary by his act, neglect or carelessness, or by that of any member of his family; or his or their Guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association, if any. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this section, shall be charged to said Lot Owner as a specific item which shall be a lien against said Lot with the same force and effect as if the charge were a Common Expense.

6.7 Reserve Fund for Major Repairs and Replacements. The Board of Directors shall annually establish an Assessment for the Reserve Fund. In establishing the Assessment amount, the Board of Directors must evaluate the reasonable probabilities for unusual and future costs for major repairs, maintenance or replacement of the Common Elements. The Board of Directors shall at least every five (5) years name a qualified person or organization to prepare a Reserve Study report to provide an estimate of the amount of money which should be set aside to repair major items, building components or Common Elements that will wear out. The Board will utilize such reports to determine the total amount of the reserve that should be set aside for this purpose. The amount of the Reserve Fund Assessment for the year July 1, 2008 to June 30, 2009 shall be sixty-four dollars (\$64) a quarter per Lot, and for each subsequent year the quarterly Reserve Fund assessment shall not, without Lot Owner approval, exceed the previous year's quarterly Reserve Fund assessment plus five percent (5%).

Notwithstanding other provisions in this Declaration, no portion of this Reserve Fund shall be credited back to any Lot Owner. Funds received from such Assessment shall be deposited in a Reserve Fund and will not be commingled with other funds of the Association. Disbursements made from the Reserve Fund shall be reported to the Lot Owners each year.

6.8 Constructed Additions to the Common Elements. Additions or alterations to the Common Elements authorized by the Board of Directors, excluding any portions that are funded by a gift or donation from any other entity or person, are limited to a total of ninety thousand dollars (\$90,000) in any one fiscal year unless such additions or alterations are ratified by a Majority of Owners represented in person or Absentee Ballot at a meeting of the Association. Substantial additions or alterations to the Common Elements may also be proposed for ratification of the Lot Owners by the submission of a written petition to the Association which shall state details of the desired addition or alteration and its anticipated cost and shall be signed by at least one hundred (100) Lot Owners.

6.9 Purchases of Real Property. Purchases of real property by the Association are limited to a total of forty thousand dollars (\$40,000) in any one fiscal year unless such purchases are authorized by the Board of Directors and ratified by a majority of the Lot Owners represented in person or Absentee Ballot at a meeting of the Association.

6.10 Late Charge. All Assessments which are unpaid fifteen (15) days after the due date shall be charged a late payment fee of ten percent (10%) of the amount of the unpaid Assessment but not less than fifteen dollars (\$15) in each event of delinquency. Such late charge may be increased by the Board pursuant to the Rules.

6.11 Application of Payments. All Assessment receipts from a Lot Owner shall be applied to interest, delinquencies, costs and attorneys' fees, other charges, expenses or advances.

6.12 Acceleration of Assessment Installments upon Default. If a Lot Owner defaults in the payment of an installment of any Assessment, the Board of Directors may accelerate the remaining installments levied for that fiscal year upon notice to the Lot Owner and, thereupon, the unpaid balance of the Assessment shall become due upon the date stated in the Notice, but not less than fifteen (15) days after the delivery of or mailing of said Notice to the Lot Owner. No Lot shall be eligible for voluntary transfer of ownership until and unless all Assessments dues, etc., have been paid.

6.13 Assessment Lien. Each Owner's obligation to pay Assessments is secured by a lien on that Owner's Lot in favor of the Association ("Assessment Lien") pursuant to A.R.S. §33-1256, as such law may be amended or replaced. All reasonable collection fees, charges for late payment of those Assessments, reasonable attorney fees and costs incurred with respect to those unpaid Assessments, and all other charges, fees, penalties, or other monetary obligations by an Owner to the Association that may be secured by the Assessment Lien under Arizona law shall be secured by such Assessment Lien. The recording of this Declaration constitutes record notice and perfection of Assessment Lien, and no further recordation of any claim of lien shall be required. The Association shall have the right, but not the obligation, to record a notice setting forth the amount of any delinquent Assessments or other fees or charges imposed or levied against a Lot which are secured by the Assessment Lien.



6.14 Priority of Assessment Lien. The Assessment Lien shall be prior to all other liens and encumbrances on a Lot except for a mortgage or deed of trust on the Lot recorded before the date on which the Assessment sought to be enforced became delinquent, and liens for real estate taxes and other governmental assessments or charges against the Lot.

6.15 Enforcement. The Association shall have the right to enforce collection of any delinquent Assessments and all other fees and charges owed to the Association in any manner allowed by law including, but not limited to, (i) bringing an action at law against the Lot Owner personally obligated to pay the delinquent amounts and such action may be brought without waiving the Assessment Lien securing any such delinquent amounts, or (ii) foreclosing the lien by appropriate action in court or in the manner provided by law with respect to the exercise of powers of sale in deeds of trust or in any other manner provided by law. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots purchased at such sale.

6.16 Acquisition on Foreclosure. At any foreclosure sale of a Lot, the Board may, with the authorization and approval by the affirmative vote of a majority of Owners, acquire in the name of the Association or its designee, a Lot being foreclosed. The term "foreclosure" shall mean and include any foreclosure of any lien, including an Assessment Lien. The power of the Board to acquire a Condominium Parcel at any foreclosure sale shall never be interpreted as a requirement or obligation on the part of the Board of Directors, or the Association. The provisions hereof are permissive in nature, for the purpose of setting forth the power of the Board of Directors to do so, should the requisite approval of the Association be obtained.

6.17 Personal Obligation. All Assessments and other charges levied against a Lot shall be the personal obligation of the person or entity who was the Owner of the Lot at the time the Assessment or other charge became due.

6.18 Owners' Liability for Contribution/Common Expenses. No Owner of a Condominium Parcel may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use and enjoyment of any of the Common Elements, or by the abandonment of his Lot.

## 7. INSURANCE PROVISIONS

7.1 Public Liability Insurance. The Board of Directors shall obtain public liability and property damage insurance covering all of the Common Elements and insuring the Association in such amounts as the Board of Directors may determine from time to time, provided that the minimum amount of coverage shall be for personal injury \$250,000.00 per person and \$500,000.00 per event, and for property damage \$100,000.00 per event. Said insurance shall include, but not be limited, to water damage, legal liability, hired automobile, non-owned automobile and off premises employee coverage. Premiums for the payment of such insurance shall be paid by the Association and charged as a Common Expense.

7.2 Casualty Insurance. The Association shall obtain fire and extended coverage insurance, including vandalism, malicious mischief, debris removal, cost of demolition, wind storm, water damage, and any other commonly insured perils, insuring all of the insurable improvements within the Common Elements including personal property owned by the Association, with a company acceptable to the Board of Directors, in an amount equal to the full reasonable value on a replacement cost basis (and in any event not less than the minimum amount required by the Act), as determined annually by the Board of Directors.

7.3 Loss Payable Provisions. All policies purchased by the Association shall be for the benefit of the Association, all Lot Owners and their mortgagees, if any, as their interest may appear. It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be made from the insurance proceeds; and if there is a balance in the funds after payment of all costs of the repair and restoration, such balance shall be distributed to the Association's General Fund. Any repair and restoration must be substantially in accordance with the plans and specifications for the original improvements, or according to the plans approved by the Board of Directors.

7.4 Individual Lot Owners Liability And Casualty Insurance. Individual Lot Owners shall be responsible for purchasing at their own expense, casualty or liability insurance to cover accidents occurring upon their own Lot, and for insurance upon personal property.

7.5 Other Insurance. The Board of Directors shall purchase directors and officers liability insurance and any other insurance which the Board of Directors determine is necessary and advisable.

## 8. GENERAL PROVISIONS

8.1 Termination. This Condominium may be voluntarily terminated in the manner provided for by applicable law in effect on the day an effort of termination is initiated.

### 8.2 Amendments To Declaration.

8.2.1. This Declaration may be amended at any regular or special meeting of the Lot Owners of this Condominium called and convened in accordance with the Bylaws. This Declaration may be amended by the affirmative vote of not less than sixty-seven percent (67%) of the votes of the Lot Owners, or any smaller percentage allowed by the Act. Amendments to this Declaration may only be submitted to a vote of the Lot Owners if the amendment has been proposed by the Board of Directors or proposed by written petition submitted to the Association and signed by the Owners of at least one hundred (100) Lots.

8.2.2. No amendment shall change any Condominium Parcel or a Lot's proportionate share of the Common Expenses or Common Surplus, nor the voting rights appurtenant to any Lot, unless the record Owner(s) thereof, and all record Owner(s) or mortgagee(s) or holders of other voluntarily placed liens thereon shall join in the execution of the amendment. No amendment shall be passed which shall impair or prejudice the right of any Renter's interest under any lease.

8.2.3. All amendments shall be recorded in the office of the County Recorder of Maricopa County, Arizona, in accordance with the Act.

8.3 Binding Effect. By acceptance of a deed or by acquiring interest in any Lot of the Property, each person or entity, for himself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns to all of the provisions, restrictions, covenants, conditions, Rules and Regulations now or hereafter imposed by the Condominium Documents and any amendments thereof. In addition, each such person by so doing thereby acknowledges that the Condominium Documents set forth a general scheme for the improvement and development of the real property covered thereby and hereby evidences his interest that all the restrictions, conditions, covenants, and rules and regulations contained in the Condominium Documents shall run with the land and be binding and all subsequent and future Owners, grantees, purchasers, tenants, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that the Condominium Documents shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Lot Owners. Declarant, its successors, assigns and grantees, covenants and agrees that the Lots and the membership in the Association and the other rights created by the Condominium Documents shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the Lot.

8.4 Violation and Remedies . In the event of a violation by the Lot Owner of any of the provisions of this Declaration or of the Bylaws, the Association by direction of its Board of Directors, may pursue one or more of the following remedies (in addition to remedies for the nonpayment of an Assessment):

8.4.1. An action at law to recover for its damage on behalf of the Association or on behalf of the other Lot Owners.

8.4.2. An action in equity to enforce performance on the part of the Lot Owner.

8.4.3. An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief. Failure on the part of the Association to maintain such an action at law or in equity within thirty (30) days from date of a written request, signed by a Lot Owner, sent to the Board of Directors, shall authorize any Lot Owner to bring an action in equity or suit at law on account of violation. Any violations which are deemed by the Board of Directors to be a hazard to public health, may be charged to the Lot Owner as a specific item which shall be a lien against said Lot with the same force and effect as if the charge were a part of the Common Expenses.

8.4.4. Posting the name of violating Lot Owners with or without a description of the violation in various locations within the Property and/or in the weekly publication of the Association.

8.4.5. After notice and opportunity to be heard, impose reasonable monetary penalties upon Lot Owners for violation of the Declaration, Bylaws or the Rules. Said penalties to bear interest at the rate of 10% per annum (or such greater rate of interest as may be set by the Board) until paid. Such penalty may be enforced by an action at law and shall be a lien upon the violating Owner's property.

8.4.6. Withdrawal of the Lot Owner's right to serve as a director, officer, committee member or employee of the Association until the violation is corrected.

8.4.7. Suspension of the violating Lot Owner's right to vote as a Member of the Association.

8.4.8. Cause vehicles parked in violation of the Condominium Documents to be towed and stored at the expense of the violating Owner.

8.4.9. Assess monetary penalties pursuant to the Rules.

8.5 Costs and Attorneys' Fees. In the event the Association employs an attorney to enforce any lien granted to it under the terms of this Declaration or to collect any Assessments or other amounts due from an Owner or to enforce compliance with or recover damages for any violation or noncompliance with the Condominium Documents, including without limitation, in any judicial proceedings involving an Exempt Claim (a claim exempt from the alternative dispute resolution provisions described in this Declaration), the Association in any such action shall be entitled to recover from the other party its costs and reasonable attorneys' fees incurred in any such action.

8.6 No Waiver of Rights. The failure of the Association or of a Lot Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or Lot Owner to enforce such right, provision, covenant or condition in the future.

8.7 No Election of Remedies. All rights, remedies and privileges granted to the Association or Lot Owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional right, remedies or privileges as may be granted to such other party by Condominium Documents, or at law, or in equity. Remedies provided in the Condominium Documents shall be in addition to those which may now or hereafter be added to the Act.

8.8 Liens Against Lots and Notices.

8.8.1. Removal of Liens. All liens against a Lot, other than for permitted mortgages, taxes or special Assessments, shall be satisfied or otherwise removed within 30 days of the date the lien attached. All special Assessments upon a Lot shall be paid before becoming delinquent, as provided in these Condominium Documents, or by law, whichever is sooner.

8.8.2. Notice of Lien. A Lot Owner shall give notice to the Association of every lien upon his Lot, other than for permitted mortgages, taxes and Special Assessments, within five (5) days after receiving notice of the attaching of the lien.

8.8.3. Notice of Suit. Lot Owners shall give notice to the Association of every suit or other proceedings which will or may affect title to his Lot or any other part of the property. Such notice shall be given within five (5) days after the Lot Owner received notices thereof.

8.8.4. Failure to Comply. Failure to comply with this article concerning liens will not affect the validity of any judicial sale.

8.8.5. Permitted Mortgage Register. The Association shall maintain a register of all permitted mortgages and at the request of a mortgagee, the Association shall forward copies of all notices for unpaid Assessments or violations served upon a Lot Owner to said mortgagee.

8.9 Severability. If any term, covenant, provision, phrase, or other element of the Condominium Documents is held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever, any other term, provision, covenant or element of the Condominium Documents.

8.10 Notices. Whenever notices are required to be sent hereunder, the same may be delivered to Lot Owners, either personally or by mail addressed to such Lot Owners at such Lot Owners' Lot, unless the Lot Owner has, by written notice duly receipted for, specified a different address. Notices required to be given to the personal representative of a deceased Owner or devisees when there is no personal representative, may be delivered either personally or by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased Owner is being administered. Proof of such mailing or personal delivery by the Association shall be given by the Affidavit of the person mailing or personally delivering said notices. All notices shall be deemed and considered sent when mailed. Notices to the Association shall be delivered by mail to the following address or such other place as designated by the Board of Directors:

VENTURE OUT AT MESA, INC.  
Attn: Manager  
5001 East Main  
Mesa, Arizona, 85205-8008

8.11 Construction. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a Condominium.

8.12 Captions. The captions used in this Declaration and Exhibits annexed hereto are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the test of this Declaration or Exhibits annexed hereto.

8.13 Conflict. If a conflict exists between the provisions of the Declaration and any other Condominium Documents, the Declaration shall prevail. If a conflict exists between the provisions of the Articles and the Bylaws or Rules, the Articles prevail. In the event of a conflict between the Bylaws and the Rules, the Bylaws prevail.

8.14 Supersedes. This Declaration shall supersede the Existing Declaration in its entirety. Upon the recording of this Declaration, the Initial Declaration shall be of no further force and effect.

## 9. ALTERNATIVE DISPUTE RESOLUTION

## 9.1 Dispute Resolution Agreement.

9.1.1 All Bound ADR Parties (as defined below) agree to encourage the amicable resolution of claims, grievances, controversies, disagreements, or disputes involving the Condominium or the Condominium Documents in order to avoid or limit wherever possible the emotional and financial costs of litigation. Accordingly, each Bound ADR Party covenants and agrees that all Covered Claims (as defined below) between one or more Bound ADR Party must be resolved using the alternative dispute resolution procedures set forth below in this Declaration in lieu of filing a lawsuit or initiating administrative or other proceedings.

9.1.2 As used in this Declaration, the term "Bound ADR Parties" means: (i) the Association and its officers, board members, and committee members (collectively, "Association Parties"); (ii) all Owners and Occupants including all future Owners and its Occupants (collectively, "Owner Parties"); and (iii) any other person not subject to this Declaration who voluntarily agrees to be subject to the alternative dispute resolution procedures outlined below.

9.1.3 The general intent of this Declaration is to require all claims involving the Owners, the Condominium, or the Condominium Documents to be handled under the alternative dispute resolution procedures established in this Declaration. Consequently, as used in this Declaration, the term "Covered Claims" means, irrespective of whether arising out of contract or a breach of express or implied warranties or tort claim, all claims, grievances, controversies, disagreements, or disputes that may arise in whole or part out of (i) the interpretation, application, or enforcement of this Declaration or the other Condominium Documents; (ii) any alleged violation of the Condominium Documents by any of the Bound ADR Parties; (iii) the authority of the Association Parties to take or not take any action under the Condominium Documents; (iv) the failure of the Association Parties to properly conduct elections, give adequate notice of meetings, properly conduct meetings, allow inspection of books and records, properly manage or administer the Association's affairs, or establish adequate warranty and reserve funds; (v) the performance or non-performance by any of the Bound ADR Parties of any of their respective obligations or responsibilities under the Condominium Documents to or on behalf of any other Bound ADR Party; (vi) the planning, design, engineering, grading, development, use, construction, or condition of the Lots or Common Elements and any remodeling or refurbishment by the Association Parties of the Common Elements; (vii) any alleged violation or defect with respect to the maintenance or construction or remodeling or refurbishment of the Common Elements or any improvements or landscaping on the Common Elements; or (viii) any negligence, fraud, misrepresentation, intentional misconduct, or breach of fiduciary duty claim against an Association Party. The term "Covered Claims", however, specifically does not include any Exempt Claims of the type described below.

9.2 Exempt Claims. The following claims, grievances, controversies, disagreements, and disputes (each an "Exempt Claim" and, collectively, the "Exempt Claims") are exempt from the alternative dispute resolution provisions described in this Declaration and may be enforced in any manner permitted under law or equity:

9.2.1 Any action taken by the Association against any Bound ADR Party to enforce the collection of any Assessment, to enforce or foreclose any lien in favor of the Association, or to determine the priority of any lien for Assessments;

9.2.2 Any claim, grievance, controversy, disagreement, or dispute that primarily involves:

- (a) Title to any Lot or Common Element;
- (b) A challenge to a property taxation or condemnation proceeding;
- (c) The eviction of a Renter from a Lot;
- (d) The breach of fiduciary duty by any one or more of the Association Parties in managing the affairs of the Association;
- (e) The rights of any mortgagee or eligible insurer or guarantor;
- (f) An employment matter between the Association and any employee of the Association; or
- (g) Enforcement by the Association of any restrictive covenants contained in this Declaration.

9.2.3 Any suit by the Association to obtain a temporary or permanent restraining order or equivalent emergency equitable relief (together with any other ancillary relief as the court may deem necessary) in order to maintain the then-current status of the Condominium and preserve the Association's ability to enforce the use restrictions contained in this Declaration;

9.2.4 Any suit solely between Owners (that does not include as a party the Association Parties) seeking redress on any Covered Claim that would constitute a cause of action under federal law or the laws of the State of Arizona regardless of the existence of the Condominium Documents (e.g., Owner A sues Owner B over a failed business venture in which they are partners or a motor vehicle accident in which Owner A collides with Owner B on the highway);

9.2.5 Any action arising out of any separate written contract (not related to the Condominium) between Owners or between the Association Parties and any Owner Parties that would constitute a cause of action under the laws of the State of Arizona regardless of the existence of the Condominium Documents (e.g., Owner A supplies copy machines to Association. Association fails to pay for them. Owner A sues to collect.); and

9.2.6 Any suit in which less than all parties are Bound ADR Parties (unless the parties that are not Bound ADR Parties voluntarily agree to be subject to the alternative dispute resolution procedures established in this Declaration).

Any Bound ADR Party having an Exempt Claim may submit it to the alternative dispute resolution procedures established in this Declaration, but there is no obligation to do so and no obligation of any other Bound ADR Party to agree to have the Exempt Claim submitted to the alternative dispute resolution procedures. The submission of an Exempt Claim involving the Association to the alternative dispute resolution procedures below requires the approval of the Association.

9.3 Dispute Resolution Procedures. Covered Claims shall be resolved according to the following procedures:

9.3.1 Notice of Claim. Any Bound ADR Party who alleges to have a Covered Claim ("Claimant") against any other Bound ADR Party ("Respondent") shall notify each Respondent in writing of the alleged Covered Claim ("Claim Notice"). The Claim Notice shall clearly identify (a) the nature of the claim, the Person involved, and the Respondent's alleged role in the claim; (b) the actual and legal basis of the alleged Covered Claim; and (c) the response or relief the Claimant seeks from the Respondent. If the Covered Claim is alleged to result from the act or omission of a person licensed by the State of Arizona under Titles 20 or 32 of the Arizona Revised Statutes, the Claim Notice and the notice by the Association to the Members must be accompanied by an affidavit in support of the Covered Claim subscribed by a person holding the same type of Arizona license as the licensed professional alleged to be at fault. The affidavit must contain the information required to be contained in a preliminary expert opinion affidavit submitted pursuant to A.R.S. §12-2601(B). The Claim Notice must be delivered to each Respondent at least thirty (30) days prior to the commencement of negotiation to resolve the Covered Claim.

9.3.2 Negotiation. In the event of any Covered Claim, the ADR Bound Parties agree to first use their best efforts to settle the Covered Claim. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to the Claimant(s) and Respondent(s).

9.3.3 Mediation. If a Covered Claim cannot be settled through negotiation after sixty (60) days, then the Bound ADR Parties agree to try in good faith to settle the dispute by mediation. The Bound ADR Parties agree to submit any and all Covered Claims to non-binding mediation pursuant to the Real Estate Industry or Construction Industry Arbitration Rules and Mediation Procedures ("AAA Rules"), as applicable, of the American Arbitration Association ("AAA") before commencing arbitration. The cost of mediation shall be shared equally by the parties. Each party to the mediation shall bear its own attorneys' fees and costs in connection with such mediation. The mediation shall be conducted in the county in which the Property is located.

9.3.4 Arbitration.

(a) Agreement to Arbitrate. The Bound ADR Parties agree to resolve any Covered Claims not resolved through negotiation and mediation as provided above exclusively through binding arbitration in the county in which the Property is located. This arbitration provision shall apply to Covered Claims of any kind or nature regardless of when the Covered Claim first arose or the nature of the relief sought.

(b) Waiver of Trial by Judge or Jury. By agreeing to resolve all Covered Claims through binding arbitration, the Bound ADR Parties each give up the right to have their respective claims and defenses decided by a judge or a jury. Instead all claims and disputes will be decided by an arbitrator or by the appeal arbitrator(s), if applicable.



(c) Rules Applicable to All Cases. The arbitration will be conducted by AAA in accordance with the AAA Rules and A.R.S. §12-1501, et seq., as supplemented by this Declaration. The following supplemental rules shall apply to all arbitration proceedings and shall govern in the event of a conflict between the rules set forth below and the AAA Rules.

(d) Qualifications of Arbitrators. The arbitrator shall be neutral and impartial and either a retired judge of the Arizona Superior Court, Arizona Court of Appeals, or Arizona Supreme Court; or a member or former member of the Arizona State Bar with at least fifteen (15) years experience as a practicing lawyer.

(e) Appointment of Arbitrator. The arbitrator to preside over the Covered Claim shall be selected in accordance with the AAA Rules, but no later than sixty (60) calendar days after the Claim Notice.

(f) Expenses. All fees charged by AAA and the arbitrator or appeal arbitrator shall be split equally among the parties.

(g) Preliminary Procedures. If the provisions of this Declaration or state or federal law require the Bound ADR Parties to take steps or procedures before commencing an action in court, then the Bound ADR Parties must take such steps or follow such procedures, as the case may be, before commencing the arbitration. For example, nothing contained herein shall be deemed a waiver or limitation of the provisions of A.R.S. §§12-1362, 12-1363, 12-1364, 12-2505 and 33-2002, if otherwise applicable.

(h) Participation by Other Parties. A Bound ADR Party, to the extent either such party is defending a claim in the arbitration, may, if it chooses, have all necessary and appropriate parties included as parties to the arbitration.

(i) Rules of Law. The arbitrator must follow Arizona substantive law (including statutes of limitations) but strict conformity with the Rules of Evidence is not required, except that the arbitrator shall apply applicable law relating to privilege and work product. The arbitrator shall be authorized to provide all recognized remedies available at law or equity for any cause of action.

(j) Attorneys Fees and Costs. Each party shall bear its own attorneys fees and costs (including expert witness costs) in the arbitration.

9.3.5 Additional Rules Applicable To Certain Cases. In any arbitration in which a claim of a Bound ADR Party exceeds \$250,000 in value, the following additional rules will supplement the AAA Rules and govern in the event of a conflict between the following rules and the rules set forth above, the AAA Rules, or both.

(a) Qualifications of Arbitrator. In addition to the requirements of Section 13.3.4(d) above, the arbitrator shall be a retired judge of the Arizona Superior Court, Arizona Court of Appeals, or the Arizona Supreme Court.

(b) Rules of Law. The Arizona Rules of Evidence shall apply.

(c) Written Decision. Within thirty (30) calendar days after the hearing is closed, the arbitrator must issue a written decision. If either Bound ADR Party requests it, the arbitrator must issue a reasoned award.

9.3.6 Procedure for Appeal of Certain Cases. In any arbitration in which a claim or arbitration award of a Bound ADR Party exceeds \$500,000 in value, the Bound ADR Parties hereby adopt and agree to the following appeal procedures (“Appeal Procedure”).

(a) Right of Appeal. There shall be no right to appeal unless the oral evidence received by the arbitrator was preserved in a manner such that it can be converted to an accurate and reliable written transcript.

(b) Appellate Panel. An appeal shall be decided by one (1) neutral appeal arbitrator unless either party, within the time permitted for the appointment of the appeal arbitrator, elects to have the appeal decided by a panel of three (3) appeal arbitrators. Any party who elects to have an appeal decided by a panel of three (3) appeal arbitrators agrees to be solely responsible for the cost of having two (2) additional appeal arbitrators. The sole appeal arbitrator, or at least one member of any panel of three (3) arbitrators, shall have prior experience as a member or pro tem participant in the Arizona Court of Appeals or Arizona Supreme Court. If such an appeal arbitrator cannot be retained, the sole appeal arbitrator or at least one member of the appeal panel shall have prior experience as an Arizona Superior Court judge.

(c) Issues on Appeal. The only issues that may be considered on appeal are: (1) the award of money was excessive; (2) the award of money was insufficient; (3) the arbitrator awarded non-monetary relief that was inappropriate; and (4) a party who received non-monetary relief should have received other or additional relief. A majority of the appeal arbitrators may affirm the arbitration award or make any alternative award they find to be just, but they must not reject the arbitrator's decisions (a) that a particular party is entitled to relief of some nature or amount or (b) that a particular party is responsible to provide relief of some nature or amount.

(d) Expenses and Costs on Appeal. The appealing party must advance all fees for the appeal and provide AAA with a written transcript of the oral testimony, copies of all documentary evidence and all other tangible evidence received by the arbitrators. If more than one party appeals, the appealing parties must share equally the AAA fees and the cost of preparing and copying the transcript and all other evidence received by the arbitrators. The appeal arbitrator may award costs of the nature provided in the Federal Rules of Appellate Procedure.

(e) New Evidence. The appeal arbitrators must not receive new evidence. The appeal arbitrators must make their decision based only on the evidence that was presented to the arbitrator, except that the appeal arbitrators may visit any site involved in the Covered Claim.

9.3.7 Statute of Limitations. The Bound ADR Parties agree that the alternative dispute resolution procedures set forth in this Declaration shall not serve to modify,

enlarge, extend, or toll any statute of limitations or other deadline for the commencement of an action, claim, or remedy. Failure to initiate arbitration under the alternative dispute resolution procedures in this Article 9 before expiration of any applicable statute of limitation or similar deadline shall result in the Covered Claim being permanently barred.

9.4 Enforcement of Resolution. This agreement of the Bound ADR Parties to negotiate, mediate, and arbitrate all Covered Claims is specifically enforceable under the applicable arbitration laws of the State of Arizona. After resolution of any Covered Claim through negotiation, mediation, or arbitration in accordance with the provisions outlined above, if any Bound ADR Party fails to abide by the terms of any agreement or arbitration award, any other Bound ADR Party may file suit or initiate administrative proceedings to enforce the agreement or arbitration award without the need to again comply with the procedures set forth above. In this case, the Bound ADR Party taking action to enforce the agreement or arbitration award is entitled to recover from the non-complying Bound ADR Party (or if more than one non-complying Bound ADR Party, from all non-complying Bound ADR Parties pro rata) all costs incurred in enforcing the agreement or arbitration award, including, with limitation, attorney fees, and court costs.

9.5 Amendments to Article 9. The alternative dispute resolution procedures established in Article 9 of this Declaration may be modified, amended, or terminated in accordance with the procedures established in this Declaration.

9.6 Waiver. BY ACCEPTANCE OF A DEED TO A LOT OR OTHERWISE BECOMING AN OWNER, EACH OWNER, FOR ITS OWN BEHALF AND ON BEHALF OF ITS SUCCESSORS, ASSIGNS, TRANSFEREES, PERSONAL REPRESENTATIVES, EXECUTORS, AND ALL OF OWNER'S PERMITTEES: (i) AGREES TO HAVE ALL COVERED CLAIMS RESOLVED IN ACCORDANCE WITH THE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES CONTAINED IN THIS DECLARATION; (ii) WAIVES THE RIGHT TO PURSUE ANY COVERED CLAIM IN ANY MANNER NOT ESTABLISHED IN THE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES OF THIS DECLARATION; (iii) UNDERSTANDS THAT, BY AGREEING TO THE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES IN THIS DECLARATION, RIGHTS MAY BE WAIVED TO HAVE THE DISPUTE TRIED BEFORE A JURY OR JUDGE; (iv) WAIVES ANY RIGHTS TO PUNITIVE OR CONSEQUENTIAL DAMAGES; AND (v) UNDERSTANDS AND ACCEPTS THE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES OF THIS DECLARATION AND THE LIMITATIONS DESCRIBED ABOVE.

VENTURE OUT AT MESA, INC.,  
an Arizona nonprofit corporation

By: s/ Robert Hayes, Its President

By: s/ Sonja Killick, Secretary

STATE OF ARIZONA            )  
  )ss  
COUNTY OF MARICOPA    )

On this the 16th day of February, 2011, before me, the undersigned Notary Public, personally appeared Robert Hayes who acknowledged himself to be the President of VENTURE OUT AT MESA, INC., an Arizona nonprofit corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

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

s/ Coreen Renner, Notary Public

My Commission Expires: January 24, 2014

STATE OF ARIZONA            )  
  )ss  
COUNTY OF MARICOPA    )

On this the 16<sup>th</sup> day of February, 2011, before me, the undersigned Notary Public, personally appeared Sonja Killick who acknowledged herself to be the Secretary of VENTURE OUT AT MESA, INC., an Arizona nonprofit corporation, that she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

s/ Coreen Renner, Notary Public

My Commission Expires: January 24, 2014

**EXHIBIT "A"**  
**DESCRIPTION OF PROPERTY**

The Property of Venture Out At Mesa, Inc., a Condominium, consists of Lots 1 through 87, 89 through 288, 290 through 470, 472 through 838, 1752 through 1759, all inclusive, 409-A, 410-A, 509-A, 566-A, 693-A, 789-A, 804-A and 1764, together with Tracts A, B-1 through B-7, C and F inclusive, as set forth on the plat of Venture Out At Mesa, Unit I, recorded in Book 127 of Maps, Page 21, of the records of Maricopa County, Arizona; and in addition, Lots 839 through 1051 inclusive and Tracts A, B-8 through B-10, C, D, E, F and G inclusive as shown on the plat of Venture Out At Mesa, Unit II, recorded in Book 186 of Maps, Page 49, of the records of Maricopa County, Arizona; and, in addition, Lots 1052-1277 inclusive as shown on the plat of Venture out At Mesa, Unit III, recorded in Book 192 of Maps, Page 35, of the records of Maricopa County, Arizona; and, in addition, Lots 1278-1740 inclusive, 1239 and 1144 as shown on the plat of Venture Out At Mesa, Unit IV, recorded in Book 204 of Maps, Page 41 of the records of Maricopa County, Arizona; and in addition, Tract E-2, VENTURE OUT AT MESA, a subdivision recorded in Book 127 of Maps, Page 21, Maricopa County Records and located in the Southeast quarter of Section 22, Township 1 North, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona; and in addition, beginning at the intersection of the Easterly line of Tract E-9 of VENTURE OUT UNIT FOUR and the Northerly right-of-way of Broadway Road as described in Book 204 of Maps, Page 41, Maricopa County Records, Arizona; thence North 00 00'30" West , 0.21 feet; then North 72 00'00" East along said Easterly line of Tract E-9 a recorded distance of 154.43 feet; thence North 36 00'00" East, 670.09 feet to a point on the Westerly right-of-way of Higley Road; thence South 00 36'00" West parallel to and 55.00 feet West of the East section line of Section 22, 560.49 feet to a point of circular curvature, concave Northwesterly, having a radius of 30.00 feet and central angle of 89 23'30"; thence Southwesterly along said curve a distance of 46.80 feet to a point on tangency; thence South 89 59'30" West parallel to and 55.00 feet North of the South section line of Section 22 a distance of 504.89 feet to the point of beginning; and, in addition, Beginning at the intersection of the Easterly line of Tract E-9, VENTURE OUT UNIT FOUR, and the Southerly right-of-way of Apache Trail as described in Book 204 of Maps, Page 41, Maricopa County Records, Arizona; thence South 89 58'30" East along a line which is parallel to and 90.00 feet South of the East-West midsection line of Section 22, Township 1 North, Range 6 East, a distance of 436.47 feet; thence South 36 52'49" East, a distance of 291.59 feet to the West right-of-way line of Higley Road; thence South 0 35'34" West along a line which is parallel to and 55.00 feet West of the section line, a distance of 596.15 feet; thence North 90 00'00" West, a distance of 2.54 feet to the Easterly line of said Tract E-9; thence North 36 00'00" West along said Easterly line, a distance of 1025.37 feet to the Point of Beginning.