

FIDELITY NATIONAL TITLE**Unofficial
Document**

WHEN RECORDED RETURN TO:

David V. Sanderson, Esq.
DeConcini McDonald Yetwin & Lacy, P.C.
7310 N. 16th Street, Suite 330
Phoenix, Arizona 85020-5276

BD0001312

**FIRST AMENDMENT TO DECLARATION OF
CONDOMINIUM AND OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR CHANDLER PARC CONDOMINIUMS
(FORMERLY KNOWN AS "CAMBRIC COURT 2000 CONDOMINIUMS")
(PLATTED AS "CAMBRIC COURTS PHASES 1, 2 AND 3")**

DISCLOSURE: THIS DECLARATION AND THE ASSOCIATION BYLAWS CONTAIN ALTERNATIVE DISPUTE RESOLUTION PROCEDURES THAT ARE APPLICABLE TO CLAIMS AND DISPUTES ARISING OUT OF OR UNDER THIS DECLARATION, THE OTHER CONDOMINIUM INSTRUMENTS, THE BYLAWS, AND THE OTHER ASSOCIATION DOCUMENTS. THESE ALTERNATIVE DISPUTE RESOLUTION PROCEDURES ARE CONTAINED IN ARTICLE 11 OF THIS DECLARATION AND ARTICLE 15 OF THE BYLAWS.

**FIRST AMENDMENT TO DECLARATION OF
CONDOMINIUM AND OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR CHANDLER PARC CONDOMINIUMS**

This First Amendment to Declaration of Condominium and of Covenants, Conditions, and Restrictions for Chandler Parc Condominiums (this "Amendment") is made this ___ day of December, 2005, by Cambric Courts Rentals, LLC, an Arizona limited liability company (the "Declarant").

A. The Declaration of Condominium and of Covenants, Conditions, and Restrictions for Cambric Court 2000 Condominiums (the "Declaration") was entered into December 13, 2000 by Shadow Creek Limited Partnership, III, an Arizona limited partnership, and recorded January 3, 2001, at Instrument no. 2001-0003643 official records of Maricopa County, Arizona.

B. The Declaration submitted to condominium ownership the Units and Common Elements depicted on the Plat; the Plat referred to the Condominium as "Cambric Courts Phases 1, 2 and 3".

C. Declarant is the current owner of all the Units in the Condominium and, pursuant to Section 10.4 of the Declaration, has authority to amend the Declaration.

D. Although the Property was platted as a condominium and the Declaration was recorded, the Property was operated as a rental property from the time of construction until the present, and individual Units have never been offered for sale.

E. To the extent legally required to do so, Declarant, by recordation of this Amendment, provides notice to all Persons that the Condominium is a conversion of a multifamily rental community into a condominium. To the extent that A.R.S. §33-1215.A.11 may be applicable to the Condominium, Declarant provides the statement and information attached as Exhibit "C" to this Declaration.

Unofficial Document

F. Declarant desires to amend the Declaration as set forth in this Amendment:

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Paragraph 1.1(G) is amended as follows:

1.1(G) The name of the Association shall be "Chandler Parc Condominium Association".

2. Paragraph 11.1(O) is amended as follows:

1.1(O) The name of the Condominium created by this Declaration is "Chandler Parc Condominiums".

3. All references in the Declaration to "Cambric Court 2000 Condominiums" are amended to refer to "Chandler Parc Condominiums."

4. Paragraph 2.4(A)(i) is deleted and replaced with the following:

2.4(A)(i) Each Unit (except for Units 282, 283 and 284) is allocated, as a Limited Common Element, the covered parking space assigned in the deed to the Owner's Unit using the numbering of the covered parking spaces depicted on Exhibit "D" attached hereto.

5. Paragraph 2.4(A)(iv) is added to the Declaration and shall read as follows:

2.4(A)(iv) The patio or balcony adjoining or attached to each Unit is allocated to that Unit as a Limited Common Element.

6. All references in paragraph 4.11 of the Declaration, and in any other provision of the Declaration, to "garages" are deleted and replaced with "covered parking spaces".

7. Paragraph 7.1(B)(i) is amended as follows:

7.1(B)(i) Until January 1 of the year immediately following the year in which the first Unit is conveyed to a Purchaser, the maximum monthly Common Expense Assessment shall be One Hundred Fifty Dollars (\$150) for each Unit.

8. Paragraph 7.3 of the Declaration is deleted in its entirety and, in order to retain numbering of succeeding paragraphs, is replaced with the words "7.3 – Removed by First Amendment to Declaration".

9. Paragraph 7.9 of the Declaration is deleted in its entirety and replaced with the following:

7.9 Initial Working Capital Contribution by Owners. To provide the Association with funds for initial working capital and extraordinary or unexpected expenses, each purchaser of a Unit from the Declarant will pay to the Association, immediately upon becoming the Owner of a Unit, an amount equal to one-sixth (1/6) of the Association's annual assessment for the then current fiscal year of the Association. These working capital payments will be collected only upon the original sale of the Unit by the Declarant and will not be collected on subsequent resales. All working capital payments to the Association will be deposited in the Association's operating reserve account or separately accounted for in the Association's operating account as a reserve or contingency fund, and working capital reserve funds will be used only as directed by the Board of Directors, as they may see fit in their sole discretion. None of the working capital payments shall be used to fund Association litigation. During the period of Declarant Control, neither the Association nor the Declarant will use any of the working capital funds to defray the Declarant's expenses or to pay for ordinary expenses of the Association. Declarant, in its sole discretion, may, but shall not be obligated to advance amounts to the Association for working capital. If Declarant elects to advance any amounts for working capital, Declarant will be entitled to a reimbursement from the Association, upon Declarant's demand, for all working capital funds previously advanced by Declarant. Except for those amounts paid by Declarant, all amounts paid as working capital will be non-refundable and will not act as a credit against any assessment payable by an Owner pursuant to this Declaration. The working capital reserve referred to in this Section 7.9 is separate and distinct from the repair, restoration, replacement, and maintenance reserve or reserves discussed in Section 7.13 and the Reserve Contribution discussed in Section 7.14.

10. Paragraph 7.13 is added to the Declaration and shall read as follows:

7.13 Reserves and Reserve Funds. The Board shall not expend funds designated as replacement or deferred maintenance reserve funds for any purpose other than the repair, restoration, replacement or maintenance of major components of the Common Elements for which the Association is obligated and for which the reserve fund was established. Notwithstanding the foregoing, the Board: (i) may authorize the temporary transfer of money from the reserve account to the Association's operating account to meet short term cash flow requirements or other expenses; (ii) shall cause the transferred funds to be restored to the reserve account within two (2) years of the date of the initial transfer, however, the Board may, upon making a documented finding that a delay of restoration of the funds to the reserve account would be in the best interests of the Association and the Property, delay the restoration until such time it reasonably determines to be necessary; and (iii) shall exercise prudent fiscal management in delaying

restoration of the transferred funds to the reserve account and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits specified above. However, under no circumstances shall reserve funds be used to fund Association litigation, which shall be funded only out of the Association's ordinary operating account or by Special Assessment. Any such Special Assessments shall be subject to the limitations specified in Section 7.2 above. The Board shall do all of the following:

(A) At least once every two (2) years, and, in any event, as often as required by law (including any FHA, VA, FNMA or FHLMC regulation applicable to the Condominium as a result of one or more of such agencies being an Eligible Mortgage Holder or Eligible Insurer or Guarantor of one or more First Mortgages on a Unit in the Condominium), cause a study to be conducted or updated for the reserve account requirements;

(B) Annually review the reserve account study and shall consider and implement necessary adjustments to its analysis of the reserve account requirements as a result of that review;

(C) Cause the reserve account study to include at a minimum:

(i) Identification of the major components of the Common Elements (including, without limitation, the Recreational Amenities) which the Association is obligated to repair, replace, restore or maintain which, as of the date of the study, have a remaining useful life of less than 30 years;

(ii) Identification of the probable remaining useful life of the components identified in (i) above as of the date of the study;

Unofficial Document

(iii) An estimate of the cost of repair, replacement, restoration or maintenance of each major component identified in (i) above during and at the end of its useful life;

(iv) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

For purposes of this Section 7.12, the term "reserve account requirements" means the estimated funds which the Board has determined are required to be available at a specified point in time to repair, replace or restore those major components of the Common Elements which the Association is obligated to maintain. Withdrawal of funds from the Association's reserve account shall require the signatures of either: two members of the Board; or, one member of the Board and an officer of the Association who is not also a member of the Board.

11. Paragraph 7.14 is added to the Declaration and shall read as follows:

7.14. Reserve Contribution. Each Person who purchases a Unit or otherwise becomes the Owner of a Unit shall pay the Association, immediately upon becoming an Owner, a contribution to the repair, restoration, replacement, and maintenance reserve or reserves of the Association ("Reserve Contribution") in an amount to be set by the Board of Directors prior to the first conveyance of a Unit to a Purchaser. The Board may thereafter revise the Reserve Contribution amount from time to time, but not by more than twenty percent (20%) in any calendar year without a majority vote of the Association. No Reserve Contribution shall be payable for the following transfers: (i) by devise or intestate

succession; (ii) from an Owner to a family trust, family limited partnership, or other Person for estate planning purposes; (iii) to an entity owned or controlled by the Owner; or (iv) by trustee's deed, sheriff's deed, notice of forfeiture or judicial determination of forfeiture following a foreclosure of a deed of trust or mortgage or forfeiture of a contract for the conveyance of real property.

12. Paragraph 10.6 is amended as follows:

10.6 Notices – The address for notice to the Association, the Declarant or the Architectural Committee shall be changed to: 1287 North Alma School Road, Office 180, Chandler, AZ 85224, Attn: Diane A. Harkink.

13. Article 11 is added to the Declaration and shall read as follows:

ARTICLE 11

ALTERNATIVE DISPUTE RESOLUTION

11.1. Covered Claim Resolution Agreement

(A) All Bound ADR Parties (as defined below) agree to encourage the amicable resolution of claims, grievances, controversies, disagreements, or Covered Claims (as defined below) 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 between one or more Bound ADR Party must be resolved using the alternative resolution procedures set forth below in this Declaration and in the Bylaws in lieu of filing a lawsuit or initiating administrative or other proceedings.

Unofficial Document

(B) As used in this Declaration, the term "Bound ADR Parties" means: (i) Declarant and its affiliates, builders, general contractors, brokers, subcontractors, and their respective agents, employees, and representatives (collectively, "Declarant Parties"); (ii) the Association and its officers, board members, and committee members (collectively, "Association Parties"); (iii) all Owners and Occupants including all future Owners and their Occupants (collectively, "Owner Parties"); (iv) the property manager or Association manager; and (v) any other person not subject to this Declaration who voluntarily agrees to be subject to the alternative dispute resolution procedures outlined below.

(C) 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 Declarant Parties or Association Parties to take or not take any action under the Condominium Documents; (iv) the failure of the Declarant Parties or 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 Units or Common Elements and any remodeling or refurbishment by the Declarant Parties of any of the Units or Common Elements, including without limitation construction defects, soil conditions, grading, specifications, installations or environmental or health-related conditions (including without limitation, radon gas, mildew and mold); (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 a Declarant Party. The term "Covered Claims", however, specifically does not include any Exempt Claims of the type described below.

11.2. 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:

(A) 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;

(B) Any claim, grievance, controversy, disagreement, or dispute that primarily involves:

(i) Title to any Unit or Common Element;

(ii) A challenge to property taxation or a condemnation proceeding;

(iii) The eviction of a tenant from a Unit;

(iv) The breach of fiduciary duty by any one or more of the Association Parties in managing the affairs of the Association;

(v) The rights of any Mortgagee or Eligible Insurer or Guarantor;

(vi) An employment matter between the Association and any employee of the Association; or

(vii) Enforcement by the Association of any restrictive covenants contained in this Declaration.

(C) 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;

(D) Any suit solely between Owners (that does not include as a party the Association Parties or the Declarant 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);

(E) Any action arising out of any separate written contract (on or related to the Condominium) between Owners or between the Declarant 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 Declarant's business. Declarant fails to pay for them. Owner A sues to collect.); and

(F) 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 and the Bylaws, 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 an Association Party or Declarant Party to the alternative dispute resolution procedures below requires the approval of the Association or Declarant, as applicable.

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

(A) 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 Claimant is an Association Party and the Respondent is a Declarant Party, then, prior to delivery of the Claim Notice to Respondent or the initiation of any action, proceeding, mediation, or arbitration, the Association Party shall deliver to all Members a notice including: (a) a description of the claim, including the factual and legal basis of the claim; (b) a description of the attempts of the Declarant Party or any other Bound ADR Party to correct the matter complained of, including attempts to repair any alleged defect in the Unit or the Common Elements and the opportunities provided by the Association Party to the Declarant Party to make such correction or repair; (c) the estimated cost to correct or repair the matter complained of; (d) the name and professional background of any attorney retained by the Association Party to pursue the claim and disclosure of any relationship between such attorney and any officer or member of the Board of Directors of the Association or between such attorney and the management company for the Association; (e) the estimated attorneys' fees and expert witness fees and costs necessary to pursue the Covered Claim and the source of funds to pay such fees and costs; (f) the estimated time required to conclude the resolution of the claim; and (g) a statement from the Board of Directors affirming that pursuit of the claim is in the best interest of the Association and the Members. 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).