

# **Exhibit B**

OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL  
20040437118 04/23/2004 11:32  
3219-71-1-1-  
ELECTRONIC RECORDING

When Recorded Return To:

Standard Pacific of Arizona, Inc.  
6710 N. Scottsdale Road  
Suite 150  
Scottsdale, AZ 85253  
Attn: Connie Dean

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
LAVEEN MEADOWS**

DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR  
LAVEEN MEADOWS

This Declaration of Covenants, Conditions and Restrictions is made as of the 19<sup>th</sup> day of April, 2004 by Standard Pacific of Arizona, Inc., a Delaware corporation ("StanPac"), Elliott Homes, Inc., an Arizona corporation ("Elliott") and Taylor Woodrow/Arizona, Inc., an Arizona corporation ("Taylor/Woodrow"), collectively "Co-Declarants" and individually a "Co-Declarant," with reference to the following:

A. As of the date hereof, Co-Declarants are the owners of fee title to the Property.

B. Co-Declarants intend by this Declaration to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of property within the Property. Co-Declarants desire to provide a flexible (yet common) and reasonable procedure for the overall development of the Property, and to establish a method for the administration, maintenance, preservation, use and enjoyment of the Property.

NOW, THEREFORE, Co-Declarants hereby declare that the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of and which shall run with the Property now and hereafter subjected to this Declaration and which shall be binding on all parties having any right, title or interest in said Property or any part thereof, and their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner of all or any part thereof.

ARTICLE 1

DEFINITIONS

Except as otherwise expressly provided in this Declaration, the following terms shall, for purposes of this Declaration, have the meanings set forth below:

1.1 "Annexable Property" means all real property which is described on Exhibit B hereto.

1.2 "Annual Assessments" means the Assessments levied pursuant to Article 8.

1.3 "Architectural Committee" means the committee established pursuant to Article 9.

1.4 "Architectural Committee Rules" means the rules and guidelines adopted by the Architectural Committee pursuant to Section 9.2, as amended or supplemented from time to time.

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

1.6 "Assessments" means the Annual Assessments, the Special Assessments and any other amounts declared by this Declaration to be a part of the Assessments or declared by this Declaration to be secured by the lien created under Section 8.3.

1.7 "Association" means Laveen Meadows Homeowners' Association, Inc., an Arizona nonprofit corporation, and its successors and assigns.

1.8 "Association Rules" means the rules and regulations adopted by the Association pursuant to Section 7.3, as amended from time to time.

1.9 "Board" means the board of directors of the Association.

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

1.11 "Common Area" means all real property (including the improvements thereon, all easements and licenses, all other real property interests, and all personal property and facilities) owned, managed or maintained by the Association for the common use and enjoyment of the Owners.

1.12 "Co-Declarants" mean StanPac, Elliott and Taylor Woodrow, and their successors and any Person to whom they may expressly assign any or all of their rights under this Declaration.

1.13 "Co-Declarant Affiliate" means any Person directly or indirectly controlling, controlled by or under common control with any Co-Declarant, and shall include, without limitation, any general or limited partnership, limited liability company, limited liability partnership or corporation in which any Co-Declarant (or another co-Declarant Affiliate) is a general partner, managing member or controlling shareholder.

1.14 "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

1.15 "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Laveen Meadows, as amended from time to time.

1.16 "Designated Builder" means any Person other than Co-Declarants who (i) is engaged in the business of construction and selling residences in the Property to the public, (ii) has acquired one or more Lots in connection with and in the course of such business, and (iii) is designated by Co-Declarants by written notice to the Association as having any of the special rights, privileges or immunities of Co-Declarants under this Declaration.

1.17 "Dwelling Unit" means any building or part thereof situated upon a Lot and intended for use and occupancy as a residence by a Single Family.

1.18 "First Mortgage" means a Mortgage Recorded against a Lot which has priority over all other Mortgages Recorded against that Lot.

effective unless they have been approved in advance by the Board and they specify that such governing documents, such Parcel or portion thereof, or group of Lots, the Subsidiary Association, and the Subsidiary Association's members are subject and subordinate to this Declaration and the Articles, Bylaws, and other Property Documents unless, in the Board's sole discretion, either: (a) they are inconsistent or in conflict with this Declaration and any other Property Documents; or (b) they fail to contain the specification required by the preceding sentence.

## ARTICLE 8

### ASSESSMENTS

8.1 Creation of Assessment Right. In order to provide funds to enable the Association to meet its financial and other obligations and to create and maintain appropriate reserves, there is hereby created a right of assessment exercisable on behalf of the Association by the Board. Annual Assessments and Special Assessments shall be for Common Expenses and shall be allocated equally among all Lots, subject to the provisions of this Article 8.

8.2 Covenants with Respect to Assessments. Each Owner, by acceptance of his, her or its deed (or other conveyance instrument) with respect to a Lot, is deemed to covenant and agree to pay the Assessments levied pursuant to this Declaration with respect to such Owner's Lot, together with: (a) interest from the date due at a rate equal to the greater of: (i) ten percent (10%) per annum; or (ii) the annual rate of interest, if any, then in effect for new first priority single family residential mortgage loans guaranteed by the Veterans Administration; (b) such late fees as may be established from time to time by the Board; and (c) such costs and reasonable attorneys' fees, costs and other litigation fees and costs as may be incurred by the Association in seeking to collect such Assessments. Each of the Assessments with respect to a Lot, together with interest, late fees, costs and reasonable attorneys' fees, costs and other litigation fees and costs as provided in this Section 8.2, shall also be the personal obligation of the Person who or which was the Owner of such Lot at the time such Assessment arose with respect to such Lot, provided, however, that the personal obligation for delinquent Assessments shall not pass to a successor in title of such Owner unless expressly assumed by such successor (unless title is transferred to one or more such successors for purposes of avoiding payment of any Assessments or is transferred to a Person controlling, controlled by or under common control with the Owner transferring title). No Owner shall be relieved of his, her or its obligation to pay any of the Assessments (or any other amounts owing by such Owner to the Association hereunder, all of which shall be deemed a part of the Assessments) by abandoning or not using his, her or its Lot or the Common Area, or by leasing or otherwise transferring occupancy rights with respect to his, her or its Lot. However, upon transfer by an Owner of fee title to such Owner's Lot, as evidenced by a Recorded instrument, such transferring Owner shall not be liable for any Assessments thereafter levied against such Lot. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or setoff shall be claimed or allowed by reason of the alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration, the Articles or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law or ordinance

or with any order or directive of any municipal or other governmental authority. Except as otherwise provided in any FHA/VA loan documentation (including without limitation any deed of trust or other instrument securing an FHA/VA loan), the failure of an Owner to pay the Assessments levied pursuant to this Declaration shall not constitute a default under any insured FHA/VA mortgage. Furthermore, nothing herein shall be interpreted to require or obligate Mortgagees to collect Assessments from any Owner.

8.3 Lien for Assessments; Foreclosure. There is hereby created and established a lien against each Lot which shall secure payment of all present and future Assessments assessed or levied against such Lot or the Owner thereof (together with any present or future charges, fines, penalties or other amounts levied against such Lot or the Owner thereof pursuant to this Declaration or any of the other Property Documents). Such lien is and shall be prior and superior to all other liens affecting the Lot in question, except: (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and (b) the lien or charge of any First Mortgage made in good faith and for value. Such liens may be foreclosed in the manner provided by law for the foreclosure of mortgages. The sale and transfer of any Lot pursuant to a mortgage foreclosure or any proceeding in lieu thereof pertaining to a First Mortgage shall extinguish the lien of the Assessments as to payments which became due prior to such sale or transfer, but no such sale or transfer shall relieve such Lot from liability for any Assessments becoming due after such sale or transfer, or from the lien thereof. The Association shall have the power to bid for any Lot at any sale to foreclose the Association's lien on the Lot, and to acquire and hold, lease, mortgage and convey the same. During the period any Lot is owned by the Association, no right to vote shall be exercised with respect to said Lot and no Assessments shall be assessed or levied on or with respect to said Lot, provided <sup>in the Declaration</sup> however, that the Association's acquisition and ownership of a Lot under such circumstances shall not be deemed to convert the same into Common Area. The Association may maintain a suit to recover a money judgment for unpaid Assessments, rent, interest and attorneys' fees and costs and other litigation related fees and costs without foreclosing or waiving the lien securing same. Recording of this Declaration constitutes record notice and perfection of the liens established hereby, and further Recordation of any claim of a lien for Assessments or other amounts hereunder shall not be required, whether to establish or perfect such lien or to fix the priority thereof, or otherwise (although the Board shall have the option to Record written notices of claims of lien in such circumstances as the Board may deem appropriate).

8.4 Dates Assessments Commence. Assessments shall be payable with respect to a Lot from the date upon which title to the Lot shall first be conveyed to a Retail Purchaser, and such Assessments shall be payable regardless of whether a Dwelling Unit or other structure shall be situated upon such Lot on such date. As to any Lot owned by any Co-Declarant or a Designated Builder and so long as a Class B membership exists, the Assessments shall be payable by Co-Declarants or the Designated Builder, as applicable, beginning upon the date of the first sale of a Lot within the Phase to a Retail Purchaser; provided, however, the Assessments shall be an amount equal to twenty-five (25%) of the Assessments which would otherwise be payable hereunder with respect to a Lot if it were owned by an Owner and not a Co-Declarant or a Designated Builder. As to any Lot conveyed by a Co-Declarant or a Designated Builder to a Retail Purchaser, Assessments as to such Lot shall be prorated as of the close of escrow with respect to such Lot (or, if no escrow is utilized, as of the date of Recordation of the deed conveying such Lot to such Retail Purchaser). No assessment shall be payable with respect to a

Lot so long as any Co-Declarant or Designated Builder shall own all the Lots within the Phase containing such Lot.

**8.5 Computation of Assessments: Annual Budget.** The Board shall prepare and adopt an estimated annual budget for each fiscal year of the Association, which annual budget shall serve as the basis for determining the Annual Assessments for the applicable fiscal year (subject to the limitations of Section 8.7 hereof). Such budget shall take into account the estimated Common Expenses and cash requirements of the Association for the year. The annual budget shall also take into account the estimated net available cash income for the year, if any, from the operation or use of any of the Common Area. The annual budget shall also provide for a reserve for contingencies for the year (and for subsequent fiscal years) and a reserve for replacements, all in such reasonably adequate amounts as shall be determined by the Board, taking into account the number and nature of replaceable assets, the expected life of each asset, and each asset's expected repair or replacement cost. Not later than sixty (60) days following the meeting of the Board at which the Board adopts the annual budget for the year in question, the Board shall cause to be delivered or mailed to each Owner a copy of the budget and a statement of the amount of the Annual Assessments to be levied against such Owner's Lot for the fiscal year in question. In the event the Board fails to adopt a budget for any fiscal year prior to commencement of such fiscal year, then until and unless such budget is adopted, the budget (and the amount of the Annual Assessments provided for therein) for the year immediately preceding shall remain in effect. Subject to the provisions of this Section 8.5 and of Sections 8.7 and 8.9, neither the annual budget (nor any amended budget) adopted by the Board, nor any Assessment levied pursuant thereto, shall be required to be ratified or approved by the Owners. If, at any time during a fiscal year of the Association <sup>Unofficial Document</sup> deems it necessary to amend the budget for such year, the Board may do so and may levy an additional Annual Assessment for such year (subject to the limitations imposed by Section 8.7) or may call a meeting of the Members to request that the Members approve a Special Assessment pursuant to Section 8.9. Within sixty (60) days after adoption of the amended budget (if the Board elects to levy an additional Annual Assessment), the Board shall cause a copy of the amended budget and a statement of the additional Annual Assessments to be levied against the Lots to be delivered or mailed to each Owner; if, instead, the Board elects to call a meeting of Members to seek approval of a Special Assessment, the Board shall cause a copy of the amended budget proposed by the Board to be delivered or mailed to each Owner with the notice of such meeting, and if a Special Assessment is duly approved by the Members at such meeting, shall cause a statement of the Special Assessment to be levied against each Lot to be promptly mailed or delivered to each Owner.

**8.6 Due Dates.** Annual Assessments for each fiscal year shall be due and payable in equal periodic installments, payable not more frequently than monthly nor less frequently than semiannually, as determined for such fiscal year by the Board, with each such installment to be due and payable on or before the first day of the applicable period during that fiscal year. Special Assessments, if any, shall be paid in such manner and on such dates as may be fixed by the Board. In addition to any other powers of collection or enforcement granted hereunder, in the event any Assessments (or installments thereof) with respect to a Lot are delinquent, the Board shall have the right, in its sole discretion, to accelerate the date on which all Assessments with respect to such Lot are due and payable. For purposes of this Declaration, Assessments shall be deemed "paid" when actually received by the Association or by its manager or agent designated by the Association to collect the same (provided, however, that if any Assessments

were paid by check and the bank or other institution upon which such check is drawn thereafter dishonors and refuses to pay such check, those Assessments shall not be deemed "paid" and shall remain due and payable with interest accruing from the date such Assessments were originally due). As provided in Section 8.2, the Board shall have the right to establish from time to time, in its reasonable discretion, late fees which may be charged in the event Assessments or other amounts payable to the Association are not paid on or before the applicable due dates, and may, at its election, provide grace period(s) following the applicable due date(s) before such late fees begin to accrue.

8.7 Maximum Annual Assessment. The Annual Assessments provided for herein shall not at any time exceed the Maximum Annual Assessment, as determined in accordance with this Section 8.7. For the fiscal year ending December 31, 2004, the Maximum Annual Assessment shall be Five Hundred Dollars (\$500.00) for each Lot. Thereafter, unless a greater increase is approved by the affirmative vote of sixty-seven percent (67%) of the votes of each class of Members represented in person or by valid proxy at a meeting of Members duly called for such purpose, the Maximum Annual Assessment for any fiscal year shall be equal to the Maximum Annual Assessment for the immediately preceding fiscal year increased at a rate equal to the greater of: (a) the percentage increase for the applicable fiscal year over the immediately preceding fiscal year in the Consumer Price Index, All Urban Consumers (All Items) (1982-1984 Average = 100 Base) published by the Bureau of Labor Statistics of the U.S. Department of Labor (or its successor governmental agency), or, if such index is no longer published by said Bureau or successor agency, then the index most similar in composition to such index; or (b) ten percent (10%). Notwithstanding the foregoing, the Board may, without the approval of the Members, increase the Maximum Annual Assessment for any fiscal year by an amount sufficient to permit the Board to meet any increases over the preceding fiscal year in: (i) premiums for any insurance coverage required by the Declaration to be maintained by the Association; or (ii) charges for utility services necessary to the Association's performance of its obligations under this Declaration, in either case (i) or (ii) notwithstanding the fact that the resulting increase in the Maximum Annual Assessment is at a rate greater than otherwise permitted under the preceding sentence. Nothing herein shall obligate the Board to levy, in any fiscal year, Annual Assessments in the full amount of the Maximum Annual Assessment for such fiscal year, and the election by the Board not to levy Annual Assessments in the full amount of the Maximum Annual Assessments for any fiscal year shall not prevent the Board from levying Annual Assessments in subsequent fiscal years in the full amount of the Maximum Annual Assessment for such subsequent fiscal year (as determined in accordance with this Section 8.7). In the event that, for any fiscal year, the Board elects to levy an Annual Assessment at less than the full amount of the Maximum Annual Assessment for such fiscal year, the Board may, if in its reasonable discretion circumstances so warrant, subsequently levy a supplemental Annual Assessment during said fiscal year so long as the total of the Annual Assessments levied during said fiscal year does not exceed the Maximum Annual Assessment for such fiscal year.

8.8 Notice and Quorum for Meetings to Consider Special Assessments and Certain Increases in Annual Assessments. Notwithstanding any other provision hereof or of the other Property Documents, written notice of any meeting called for the purpose of: (a) approving the establishment of any Special Assessment, as required by Section 8.9 hereof; or (b) approving any increase in the Maximum Annual Assessment greater than that permitted by application of the formula as set forth in Section 8.7, shall be sent to all Members not less than thirty (30) days nor

IN WITNESS WHEREOF, the undersigned have executed this Declaration as of the day and year first set forth above.

CO-DECLARANT:

STANDARD PACIFIC OF ARIZONA, INC., a Delaware corporation

By: *Carol Grumley*  
 Its: Carol Grumley  
Vice President

By: *Bruce Schroeder*  
 Its: Bruce Schroeder  
Vice President

STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

On this 19<sup>th</sup> day of April, 2004, before me, the undersigned officer, personally appeared Carol Grumley, who acknowledged himself/herself to be Vice President of Standard Pacific of Arizona, Inc., a Delaware corporation, and that he/she, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of such by himself/herself.

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

*Connie S. Dean*  
Notary Public

My commission expires: 11-08-06

