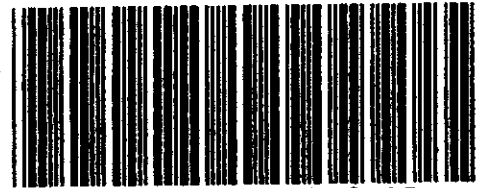


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MARICOPA COUNTY RECORDER
HELEN PURCELL
2004-0369212 04/08/04 10:10
1 OF 1

50708

Las Torres Homeowners Association

Rules and Regulations and Notice to Owners and Potential Purchasers Regarding

Age Restriction

WHEREAS, Las Torres Homeowners Association ("Association") is governed by the Amended and Restated Declaration of Horizontal Property Regime and of Covenants, Conditions and Restrictions for Canyon Ridge Homes (a/k/a/ Las Torres), recorded at recording number 2003-0729521, on June 5, 2003, ("Declaration") and governs the following property: Apartments 1A, 1B, 1C, 1D, 1E, 1F, 2A, 2B, 2C, 2D, 3A, 3B, 3C, 4A, 4B, 4C, 5A, 5B, 5C, 5D, 5E, 6A, 6B, 6C, 6D, CANYON RIDGE HOMES, according to the plat recorded at Book 217 of Maps, Page 11, records of Maricopa County, Arizona ("Las Torres");

WHEREAS, Article II, Section 2(a) of the Declaration states, "Except as set forth below, each residential unit shall be occupied by at least one (1) person fifty-five (55) years of age or older.";

WHEREAS, Article III, Section 2(b) of the Declaration states that the Board may adopt rules and regulations that are more restrictive or less restrictive than the above restriction so long as they set forth an intent to be an age-restricted community and comply with all rules published by the Department of Housing and Urban Development;

WHEREAS, to qualify as an age-restricted community, at least eighty percent (80%) of the units must be occupied by at least one (1) person fifty-five (55) years of age or older;

WHEREAS, the Association wishes to ensure that some units are always available in cases of hardship, but also wishes to ensure that the Association always qualifies as an age-restricted community;

NOW, THEREFORE, the Board of Directors of the Association hereby adopts the following rules and regulations governing the occupancy of units within Las Torres:

1. Unless prior written approval has been received from the Board of Directors, all units must be occupied by at least one (1) person fifty-five (55) years of age or older.

2. The Board will allow up to one (1) unit to not be occupied by at least one (1) person fifty-five (55) years of age or older for reasons other than the exceptions set forth in the Declaration unless more than two (2) units are occupied by persons only under the age of fifty-five (55) based on the exceptions set forth in the Declaration.
3. Before any unit may be occupied by individuals only under the age of fifty-five (55) (whether or not for the exceptions listed in the Declaration), a request must be made in writing to the Board of Directors, and the individual must receive written approval from the Board. This requirement is to ensure that the Association always meets the occupancy requirements of the Department of Housing and Urban Development.
4. The Board will deny any owner the right for the unit to be occupied by persons only under the age of fifty-five (55) (whether or not the resident falls into the exceptions set forth in the Declaration) if such occupancy would place the Association in violation of the rules published by the Department of Housing and Urban Development.
5. The purpose of these Rules is also to put all present and future owners on notice that if they allow their units to be occupied by only persons under the age of fifty-five (55) without receiving the prior written approval of the Board, the Association may exercise any and/or all legal remedies available to it, including bringing legal action against the owner for injunctive relief, requiring the under-age residents to vacate the unit, and the owner of the unit will be responsible for all legal costs incurred by the Association in bringing such action. In addition, the Board may impose fines for the violation, which fines are collectible in the same manner as unpaid assessments.

The President of the Association certifies that the Board of Directors adopted the above rules and regulations at the Board meeting held on MARCH 29, 2004.

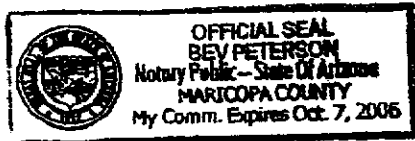
DATED this 5 day of April, 2004.

LAS TORRES HOMEOWNERS ASSOCIATION


By: Steven E. Hall, Jr.

Its: President

STATE OF ARIZONA)
) ss.
County of Maricopa)



On this 5 day of April, 2004, before me the undersigned Notary Public, personally appeared Warren E. Hall, Jr., who acknowledged to me that he is the President of the Association and that he executed the foregoing agreement on behalf of the Association for the purposes expressed therein.



Notary Public

My Commission expires: 10-7-04