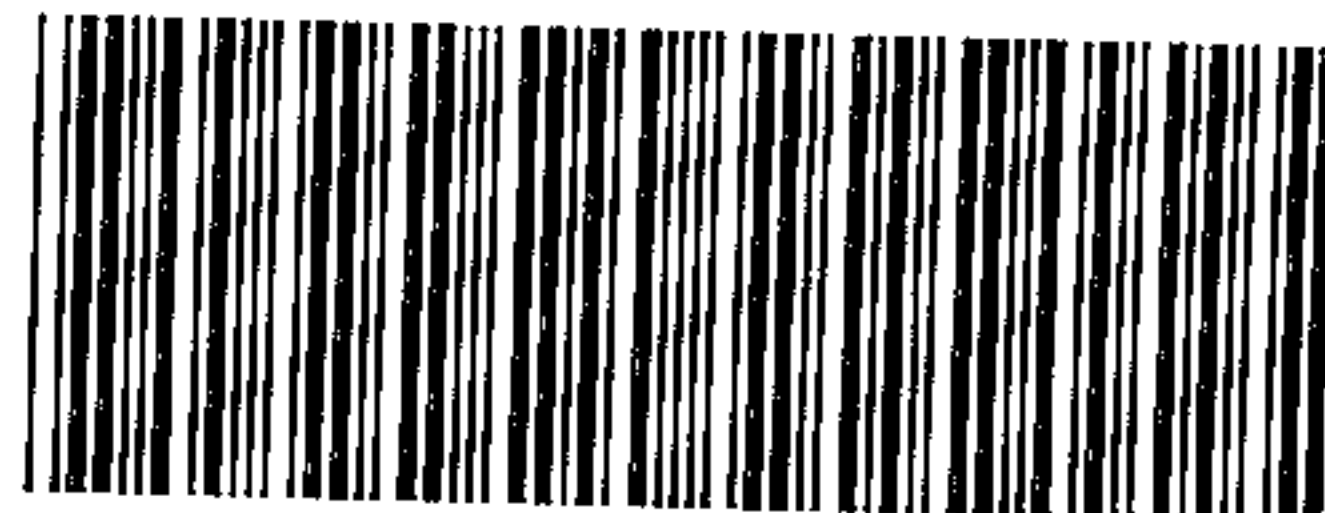


When recorded, mail to:
City of Mesa
P.O. Box 1466
Mesa, AZ 85211-1466



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

97-0057409 01/29/97 01:22

MESA2 2 OF 2

COVENANT RUNNING WITH THE LAND

KNOW ALL MEN BY THESE PRESENTS that,

WHEREAS, a subdivision plan known as SIGNAL BUTTE RANCH - UNIT III and recorded in Book 433 of Maps at Page 52, thereof, records of Maricopa County, Arizona, has been approved by the City Council of the City of Mesa subject to certain requirements and restrictions with respect to drainage; and

WHEREAS, certain areas of the plat will be required to retain rain water from Public Streets;

NOW THEREFORE, in consideration of the approval of the foregoing subdivision plat by the City Council of the City of Mesa, the undersigned agree as follows:

1. That the areas defined as retention basins shall remain at the grades indicated on the approved grading plan for SIGNAL BUTTE RANCH - UNIT III on file with the City of Mesa and that nothing will be constructed to hinder the flow of storm water from Public Streets to these retention areas. The Signal Butte Ranch Homeowners Association shall be responsible for maintaining said retention areas.
2. That the agreements contained herein shall be a covenant running with the land, and on each of these lots, and upon recording shall be binding upon any subsequent purchaser or occupier of said lots within the subdivision plat.
3. That this covenant can be enforced by any owner of any lot within said SIGNAL

BUTTE RANCH - UNIT III or by the City of Mesa, who can bring proceedings at law or in equity against the person or persons violating, attempting, or threatening to violate any of these covenants, to prevent him or them from so doing and to recover damages for such violations. Any person, persons, or the City of Mesa prosecuting any proceedings at law in equity hereunder shall have the right to recover, in addition to any other damages, a reasonable sum as and for attorney's fees and court costs.

4. That this covenant may be amended by an agreement approved by both (i) the City of Mesa; and (ii) the Signal Butte Homeowners Association or the owners of a majority of the lots created by the Signal Butte Ranch subdivision plats.

IN WITNESS WHEREOF, KAUFMAN AND BROAD OF ARIZONA, INC., an Arizona Corporation, as owner has hereunto caused its name to be signed by the undersigned, duly authorized representative this 9th day of January, 1997.

KAUFMAN AND BROAD OF ARIZONA, INC., an Arizona Corporation

By: [Signature] 1/8/97
Howard L. Weinstein Date
Its: Director of Forward Planning

STATE OF ARIZONA
County of Maricopa

Acknowledged before me on January 8, 1997, by Howard Weinstein
Director of Forward Planning of Kaufman and Broad of Arizona, Inc.

Notary Seal 

[Signature]
Notary Public
7/23/00
My Commission Expires