

When Recorded, Return To:

Gary L. Jones, Esq.
Desert Troon Investments, Inc.
8900 E. Pinnacle Peak Road
Suite 200
Scottsdale, Arizona 85255



**MEMORANDUM OF AGREEMENT/FIRST SUPPLEMENT TO
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR TORREON**

This Memorandum of Agreement/First Supplement to Declaration of Covenants, Conditions, and Restrictions for Torreon ("Memorandum") is made as of June 1, 1998, by Summit Development Company, L.L.C., an Arizona limited liability company ("Declarant").

Background.

A. Declarant is the "Declarant" pursuant to that Declaration of Covenants, Conditions, and Restrictions for Torreon dated May 28, 1998, and recorded on May 28, 1998, at Book 1998, Page 9788, official records of Navajo County, Arizona (the "Declaration").

B. Pursuant to Section 20.1 of the Declaration, Declarant may unilaterally supplement, amend or modify the Declaration until the termination of the Class "B" Control Period. The Class B Control Period has not been terminated, and Declarant desires to supplement the Declaration to provide notice of the existence of an agreement entered into pursuant to and authorized in accordance with the Declaration that affects the Properties and the Units therein. Capitalized terms used in this Memorandum that are not otherwise defined in this Memorandum shall have the meanings ascribed in the Declaration.

Supplement.

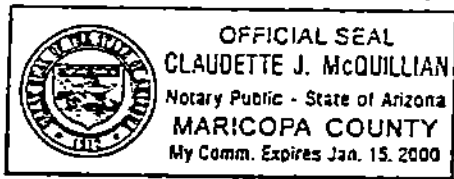
1. Torreon Golf Club, L.L.C., an Arizona limited liability company (the "Golf Company"), as the owner of the Golf Course, and Torreon Community Association, Inc., an Arizona non-profit corporation (the "Association"), as the "Association" described in the Declaration, are parties to that certain Association Use and Management Agreement for Torreon Golf Course dated June 1, 1998 ("AUMA"). Without limiting the scope of the AUMA, the AUMA permits Members to use certain facilities and improvements operated and maintained in connection with the Golf Course, and imposes certain responsibilities, liabilities and obligations on the Association and the Members with respect thereto.

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 28th day of January, 1998, by Larry S. Jones, as Vice Pres. of Desert Troon Investments, Inc., an Arizona corporation, as the managing member of Desert Troon Limited, L.L.C., an Arizona limited liability company, as the managing member of Summit Development Company, L.L.C., an Arizona limited liability company, on behalf of the company.

Claudette J. McQuillian
Notary Public

My Commission Expires:



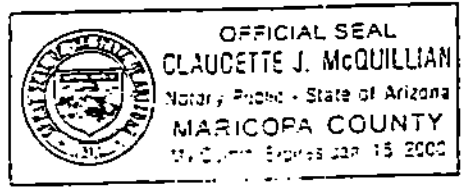
January 15, 2000

STATE OF ARIZONA)
)ss:
County of Maricopa)

The foregoing instrument was acknowledged before me this 28th day of January, 1998, by Daniel S. Smith, the President of Desert Troon Limited, L.L.C., an Arizona limited liability company, as the managing member of Torreon Golf Club, L.L.C., an Arizona limited liability company, on behalf of the company.

Claudette J. McQuillian
Notary Public

My Commission Expires:



January 15, 2000

STATE OF ARIZONA)
)ss:
County of Maricopa)

The foregoing instrument was acknowledged before me this 29th day of January, 1999, by Jheridan Atkinson the President of Torreon Community Association, Inc., an Arizona non-profit corporation, on behalf of the corporation.

Claudette J. McQuillan
Notary Public

My Commission Expires:

January 15, 2000

