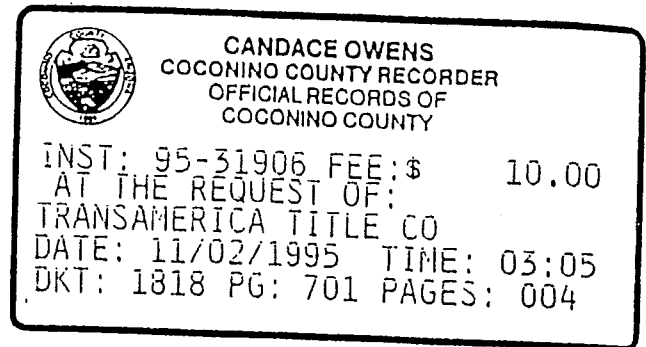


When Recorded, Return to:

ROBERTS & ROWLEY, LTD.
63 East Main Street
Suite 501
Mesa, Arizona 85201



SECOND AMENDMENT
TO THE DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR WALNUT MEADOWS AT FAIRFIELD COUNTRY CLUB ESTATES

THIS SECOND AMENDMENT to the *Declaration of Covenants, Conditions, and Restrictions for Walnut Meadows at Fairfield Country Club Estates* (the "Amendment") is made on October 25, 1995, by CIRCLE G DEVELOPMENT COMPANY, an Arizona corporation ("Declarant"), and FOUNDATION ASSET MANAGEMENT, INC., an Arizona non-profit corporation, Nominee for Baptist Foundation of Arizona, an Arizona non-profit corporation, as Trustee for the Jalma W. Hunsinger Family Trust ("Owner").

RECITALS

- A. Declarant recorded that certain *Declaration of Covenants, Conditions, and Restrictions for Walnut Meadows at Fairfield Country Club Estates* (the "Declaration") on May 23, 1995, in Docket 1711, Page 311, in the official records of Coconino County, Arizona.
- B. Part 9, Section 9.5, of the Declaration provides for the amendment of the Declaration by an instrument signed by the Declarant or its successors or assigns and the Owners owning not less than seventy-five percent (75%) of the Lots.
- C. The Declaration was amended by that certain *Amendment to the Declaration of Covenants, Conditions, and Restrictions for Walnut Meadows at Fairfield Country Club Estates* dated August 1, 1995 and recorded on August 8, 1995, as Instrument No. 95-22229, at Docket 1791, Page 981, in the official records of Coconino County, Arizona.
- D. Declarant and Owner now desire to again amend the Declaration.

1818-701

NOW THEREFORE, Declarant and Owner hereby declare, covenant and agree as follows:

1. Section 2.16 of the Declaration entitled "Fenced Areas" is hereby amended to read in its entirety as follows:

2.16 Fenced Areas. Each Owner of a Lot numbered 52 through 71, inclusive, shall enclose his back and side yards with six-foot fencing; the south side of his back yard with a fence consisting of a two-foot poured concrete or block stem wall and four-foot wood fencing with metal posts and metal gate hangers on top thereof and all other back and side yards with six-foot wood fencing constructed with metal posts and metal gate hangers, the design of all of which must be approved in advance by the Architectural Control Committee.

Each Owner of a Lot numbered 5, 6, 13, 14, or 15 shall enclose his back and side yards with six-foot wood fencing, constructed with metal posts and metal gate hangers of such size and design as is approved by the Committee; provided, however, that such Owners shall not be required to enclose the side or back of any of said Lots that lead directly to a lake. If the Owner of any of said Lots elects to construct a fence on the side or back of his Lot that leads to a lake, the location, design and type of materials for such fence shall be approved in advance by the Architectural Control Committee.

Each Owner of a Lot numbered 72 through 81, inclusive, and each Owner of a Lot numbered 147 through 158, inclusive, may, but shall not be required to, enclose his back and side yards with fencing with the prior approval of the Architectural Control Committee.

Except as otherwise provided within this Section, the Owner of every Lot within the Subdivision shall enclose his back and side yards with six-foot fencing, constructed with metal posts and metal gate hangers of such size and design as is approved in advance by the Committee.

All fencing required hereunder shall be constructed prior to the time that any person occupies the residence on

the Lot and shall be constructed on the Lot boundary line. Each Owner will share the costs of such fencing with the Owner of an adjoining Lot in regard to the cost incurred to construct the required fencing between their two Lots. If any Owner refuses or fails to pay his proportionate share of fencing required to be constructed hereunder, then such obligation shall be deemed to create a lien on his Lot for the amount owed and may be enforced by the Association or other Lot Owners in a similar manner to any other lien created by this Declaration. Under no circumstances shall a "chain-link" fence be permitted.

2. This Amendment shall be effective upon the date of recordation hereof and shall continue in full force and effect during the term of the Declaration, and any extension thereof.

3. All other provisions of the Declaration, as amended, shall remain in full force and effect without modification.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed by the signatures of their duly-authorized officials as of the day and year first above written.

DECLARANT:

CIRCLE G DEVELOPMENT COMPANY,
an Arizona corporation

By: William R O'Garra

Its: member

OWNER:

FOUNDATION ASSET MANAGEMENT, INC.,
an Arizona non-profit corporation,
Nominee for The Baptist Foundation of Arizona,
an Arizona non-profit corporation, as Trustee for the
Jalma W. Hunsinger Family Trust

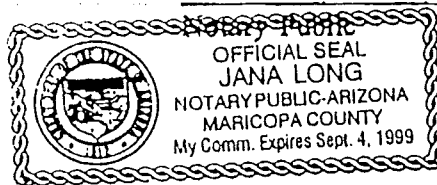
By: James O. Grelund

Its: Secretary

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me on October 25, 1995,
by William R. Olsen Jr, _____, of Circle G Development
Company, an Arizona corporation, on behalf of said corporation.

My Commission Expires:

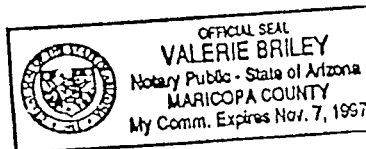


Jana Long

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me on October 30, 1995,
by Thomas D. Grubinski, Secretary, of Foundation Asset Management,
Inc., an Arizona non-profit corporation, Nominee for Baptist Foundation of Arizona, an Arizona
non-profit corporation, as Trustee for the Jalma W. Hunsinger Family Trust.


My Commission Expires:
11-7-97



Valerie Briley
Notary Public

When Recorded, Return to:

ROBERTS & ROWLEY, LTD.
63 East Main Street
Suite 501
Mesa, Arizona 85201

 CANDACE OWENS
COCONINO COUNTY RECORDER
OFFICIAL RECORDS OF
COCONINO COUNTY
INST: 95-22229 FEE:\$ 10.00
AT THE REQUEST OF:
TRANSAMERICA TITLE CO
DATE: 08/08/1995 TIME: 04:46
DKT: 1791 PG: 981 PAGES: 003

AMENDMENT
TO THE DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR WALNUT MEADOWS AT FAIRFIELD COUNTRY CLUB ESTATES

THIS AMENDMENT to the Declaration of Covenants, Conditions, and Restrictions for Walnut Meadows at Fairfield Country Club Estates (the "Amendment") is made on August 1, 1995, by CIRCLE G DEVELOPMENT COMPANY, an Arizona corporation ("Declarant"), and FOUNDATION ASSET MANAGEMENT, INC., an Arizona non-profit corporation, Nominee for Baptist Foundation of Arizona, an Arizona non-profit corporation, as Trustee for the Jalma W. Hunsinger Family Trust ("Owner").

RECITALS

A. Declarant recorded that certain Declaration of Covenants, Conditions, and Restrictions for Walnut Meadows at Fairfield Country Club Estates (the "Declaration") on May 23, 1995, in Docket 1711, Page 311, in the official records of Coconino County, Arizona.

B. Part 9, Section 9.5 of the Declaration provides for the amendment of the Declaration by an instrument signed by the Declarant or its successors or assigns and the Owners owning not less than seventy-five percent (75%) of the Lots.

C. Declarant and Owner now desire to amend the Declaration.

NOW THEREFORE, Declarant and Owner hereby declare, covenant and agree as follows:

1. The fourth sentence of Section 2.10 of the Declaration entitled "Landscaping" is hereby amended to read in its entirety as follows:

The Owner shall fully landscape the Lot in accordance with a landscape plan approved by the Architectural Control Committee within three (3) months after completion of construction of the residence (weather permitting; and if not, as soon thereafter as is reasonably possible).

2. This Amendment shall be effective upon the date of recordation hereof and shall continue in full force and effect during the term of the Declaration, and any extension thereof.

3. All other provisions of the Declaration shall remain in full force and effect without modification.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed by the signatures of their duly-authorized officials as of the day and year first above written.

DECLARANT:

CIRCLE G DEVELOPMENT COMPANY,
an Arizona corporation

By: *David R. [Signature]*

Its: *Vice President*

OWNER:

FOUNDATION ASSET MANAGEMENT, INC.,
an Arizona non-profit corporation,
Nominee for The Baptist Foundation of Arizona,
an Arizona non-profit corporation, as Trustee for the
Jalma W. Hunsinger Family Trust

By: *James O. [Signature]*

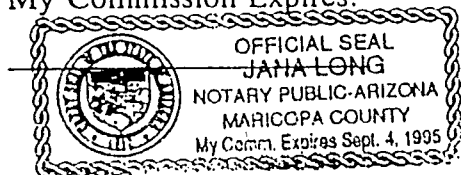
Its: *Secretary*

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me on Aug 7, 1995,
by Serald Rieck, VICE PRES., of Circle G Development
Company, an Arizona corporation, on behalf of said corporation.

Jana Long
Notary Public

My Commission Expires:



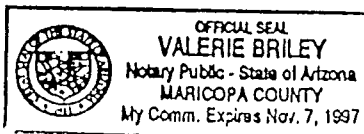
STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me on August 7, 1995,
by Thomas A. Grabinski, Secretary, of Foundation Asset Management,
Inc., an Arizona non-profit corporation, Nominee for Baptist Foundation of Arizona, an Arizona
non-profit corporation, as Trustee for the Jalma W. Hunsinger Family Trust.

Valerie Briley
Notary Public

My Commission Expires:

11-7-97



When Recorded, Return to:

(Return to Hawkins & Campbell via 24-Hr. Turnaround)

ROBERTS & ROWLEY, LTD.
63 East Main Street
Suite 501
Mesa, Arizona 85201-7417



CANDACE OWENS
COCONINO COUNTY RECORDER
OFFICIAL RECORDS OF
COCONINO COUNTY

INST: 95-14590 FEE: \$ 19.00
AT THE REQUEST OF:
CITY OF FLAGSTAFF
DATE: 05/23/1995 TIME: 08:23
DKT: 1771 PG: 311 PAGES: 029

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
WALNUT MEADOWS AT FAIRFIELD COUNTRY CLUB ESTATES

THIS DECLARATION of Covenants, Conditions and Restrictions is made as of April 11, 1995, by CIRCLE G DEVELOPMENT COMPANY, an Arizona corporation ("Declarant").

WITNESSETH

WHEREAS, Declarant is the Owner of both legal and equitable title of the following-described real property situated within the County of Coconino, State of Arizona, to wit:

Lots 1 through 158, inclusive, WALNUT MEADOWS AT FAIRFIELD COUNTRY CLUB ESTATES, according to the plat recorded in Book 6 of Maps, Page 30+30A in the official records of Coconino County, Arizona (the "Subdivision");

and,

Tracts A through G, WALNUT MEADOWS AT FAIRFIELD COUNTRY CLUB ESTATES, according to the plat recorded in Book 6 of Maps, Page 30+30A in the official records of Coconino County, Arizona (the "Common Area");

WHEREAS, Declarant is the Owner of both legal and equitable title of the additional real property situated within the County of Coconino, State of Arizona, more fully described on in the attached Exhibit A (the "Expansion Property"); and,

WHEREAS, Declarant intends to develop the Subdivision; and,

WHEREAS, Declarant may annex the Expansion Property into the Subdivision; and,

WHEREAS, Declarant desires to and hereby does reserve to itself, its successors and assigns, the right to exercise the powers and duties set out in this Declaration; and

1771-311

WHEREAS, in order to enable Declarant to accomplish the purposes outlined above, all of the Subdivision Property is hereby subjected to and 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 Subdivision and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall enure to the benefit of each Owner thereof.

NOW, THEREFORE, Declarant hereby declares, covenants and agrees as follows:

PART 1

Definitions

The following words, phrases or terms used in this Declaration shall have the following meanings:

1.1 "Architectural Control Committee" shall mean the Architectural Control Committee appointed by the Association pursuant to this Declaration.

1.2 "Association" shall be synonymous with "Homeowners' Association" and shall mean the Homeowners' Association For Walnut Meadows at Fairfield Country Club Estates, an Arizona non-profit corporation.

1.3 "Committee" shall mean the Architectural Control Committee.

1.4 "Common Area" shall mean the real property described above as "Common Area" that shall be deeded by the Declarant to the Association, together with any additional real property hereafter acquired by the Association within the Subdivision.

1.5 "Declarant" shall mean Circle G Development Company, an Arizona corporation, or its successors or assigns as to the Declarant's rights.

1.6 "Declaration" shall mean the covenants, conditions and restrictions herein set forth in this entire document, as it may from time to time be amended or supplemented.

1.7 "Developer" shall mean and refer to Circle G Development Company, an Arizona corporation.

1.8 "Expansion Property" shall mean that real property described on the attached Exhibit A that may be annexed into the Subdivision in accordance with the provisions of Part 8 herein.

1.9 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Subdivision, except any such plats designated as a "Tract" or "Exception" thereon.

1.10 "Owner(s)" shall mean and refer to the record Owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if same has merged) of any Lot. Owner shall include the purchaser of a Lot under an executory contract for the sale of real Property. The foregoing does not include persons or entities who hold an interest in any Lot merely as a security for the performance of an obligation nor shall the term "Owner" include a Developer or Contractor other than Declarant.

1.11 "Property" shall mean and refer to the Subdivision.

1.12 The "Subdivision" shall mean all of the Lots within Walnut Meadows at Fairfield Country Club Estates, as more fully described above.

1.13 "Visible from Neighboring Property" shall mean with respect to any given object, that such object is or would be visible to a person six feet tall standing at ground level on any part of such neighboring property.

PART 2

Permitted Uses and Restrictions

2.1 Subdividing. Until the commencement of construction of the first dwelling within the Subdivision, a Lot may be re-subdivided into smaller Lots by recording an amended or substituted plat; after the commencement of construction of the first dwelling within the Subdivision, no Lot shall be re-subdivided into smaller Lots nor conveyed or encumbered in less than the full original dimensions of such Lot as shown by the recorded plat. Nothing herein contained shall prevent the dedication or conveyance of portions of Lots for public utilities

purposes, in which event the remaining portion of such Lots shall, for the purpose of this provision, be treated as a whole Lot.

2.2 Residential Use. Lots within the Subdivision shall be single-family residential Lots, and there may be erected on any one Lot not more than one single-family residence, plus such accessory and auxiliary garages, guest house and servants' quarters as are incidental to single-family residential use. No other buildings shall be erected on any of said Lots, nor shall any of said Lots or any part thereof be used for any business purposes whatsoever.

2.3 Plan Approval. Except as provided herein, no single-family residence, garage, guest house, shed, fence or other structure shall be constructed within the Subdivision without having first obtained the prior approval of design, location and materials by the Architectural Control Committee as described herein. All such approvals shall be obtained pursuant to the provisions and requirements of Part 5 herein.

2.4 Construction Permitted. All structures erected within the Subdivision must be of new construction, and no buildings or structures may be moved from any other location, other than the point of distribution of manufacture, onto any of the Lots or tracts.

2.5 Minimum Livable Area. All single-family residences constructed on Lots 72 through 81, inclusive, and Lots 147 through 158, inclusive, within the Subdivision shall contain a total minimum livable area of 1600 square feet on grade level and above-grade level, with or without a basement. Split-level homes constructed on Lots 72 through 81, inclusive, and Lots 147 through 158, inclusive, containing a grade level, sub-grade level and above-grade level shall contain a minimum livable area on the grade level and sub-grade level combined of not less than 55% of the total square footage of the home. All single-family residences constructed on Lots 1 through 71, inclusive, and Lots 82 through 146, inclusive, within the Subdivision shall contain a total minimum livable area of 1370 square feet on grade level and above-grade level, with or without a basement. Split-level homes constructed on Lots 1 through 71, inclusive, and Lots 82 through 146, inclusive, containing a grade level, sub-grade level and above-grade level shall contain a minimum livable area on the grade level and sub-grade level combined of not less

than 55% of the total square footage of the home. All square footage requirements shall be exclusive of open porches, pergolas or attached garages.

2.6 Roofs. All roofs must have a Dutch gable, gable or hip. No flat roof shall be permitted, and all roofs shall have a minimum of 5/12 pitched roof.

2.7 Garages. All single-family residences shall be constructed with a minimum of one two-car garage enclosed with garage doors. No single or double carport shall be allowed.

2.8 Commencement of Construction. No garage, guest house or similar structure shall be erected on any Lot until construction of the primary single-family residence (complying with these restrictions) shall have been commenced on the Lot, and no garage or guest house shall be maintained or occupied until construction on the single-family residence is finished and ready for occupancy. Any garage, guest house or similar structure erected on any Lot shall be of the same design and constructed of the same materials as the permanent residence on the Lot.

2.9 Permanent Structure. No garage, guest house, trailer, mobile home, motor home, motor vehicle or any temporary structure of any nature may be used temporarily or permanently as a residence on any Lot or tract. All permanent structures on all Lots shall comply with all minimum yard setback requirements established by the zoning ordinance of the City of Flagstaff, Arizona, as it may be amended from time to time.

2.10 Landscaping. Each front yard of Lots 1 through 71, inclusive, and Lots 82 through 146, inclusive, shall be required, as a minimum, to be landscaped with three five-gallon trees, ten one-gallon shrubs, and one twenty-four-inch box tree. In addition, each yard shall be leveled, two-thirds (2/3) covered with sod (or other approved ground cover), and shall have an automatic sprinkler system. Each front yard of Lots 72 through 81, inclusive, and Lots 147 through 158, inclusive, shall not be subject to such minimum requirements, but shall be landscaped in accordance with a landscaping plan submitted to and approved by the Architectural Control Committee for each of those Lots, respectively. The Owner shall fully landscape the Lot in accordance with a landscape plan approved by the Architectural Control Committee within three (3) months from the close of his purchase of the Lot (weather permitting; and if not, as soon thereafter as reasonably possible). If the Owner fails to comply with the provisions of this

section within the permitted time period, then the Association or Committee may require compliance and shall have the rights and remedies provided in this Declaration to force such compliance.

2.11 General Upkeep. All clothes lines, yard equipment, garbage cans and service yards shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring parcels and streets. All rubbish, trash or garbage shall be removed from the premises of all Lots and shall not be allowed to accumulate thereon. No outside antenna or broadcasting tower shall be erected on any of the Lots; provided, however, that a satellite dish may be permitted if it is not visible from any street, or as otherwise specifically approved by the Architectural Control Committee. Any television antenna must be contained within the attic of a home (or other approved structure).

2.12 Parking. No motor vehicles, trailers or boats may be parked, and no "parking" slabs may be constructed, on the side of any Lot, except (i) those that are enclosed within and hidden from view by fencing approved by the Architectural Control Committee, and (ii) those that have been otherwise specifically approved by the Architectural Control Committee. Campers, horse trailers and boats may be parked on the back of any Lot; provided that any such parking area shall be attractively screened or concealed so as not to be visible from neighboring property, roads or streets, and then only with the prior approval of the Committee. All other trucks, vehicles and equipment shall not be kept on any Lot or street except in a private garage. No motor vehicle which is under repair or not in operating condition shall be placed or permitted to remain on any street or streets, or any portion of any Lot or Lots unless it is within an enclosed garage or structure.

2.13 Pets. No animals, reptiles, fish or birds of any kind shall be kept on any Lot; provided, however, that a reasonable number of dogs, cats, birds or fish may be kept on a Lot as household pets if such pets are not a nuisance or threat to other Lot Owners and are not kept, bred or maintained for commercial purposes. All such household pets must be kept within a fenced area, encaged or otherwise controlled and not allowed to wander off or fly about. At no time will swine, peacocks, pigeons or geese be allowed.

On the written request of any owner, the Architectural Control Committee shall conclusively determine (in its sole discretion) whether for the purposes of this Section, a particular animal, bird, fowl, poultry or livestock is generally a recognized household pet, whether such pet is a nuisance, or whether the number of such pets on any property is reasonable. Any decision rendered by the Committee shall be enforceable in the same manner as any other restriction contained herein.

2.14 Signs. No exterior signs or advertisements of any kind shall be placed, allowed or maintained on any Lot, except that mailboxes, residential nameplates and "For Sale" and "For Rent" signs of a size not in excess of 480 square inches may be placed and maintained on a Lot in conformity with common specifications. Exceptions to this restriction will be the Developer's signs during construction and sale of property.

2.15 Tanks. No elevated tanks of any kind shall be erected, placed or permitted on any Lots. Any tanks, including tanks for the storage of fuel, must be buried or attractively screened to conceal it from neighboring Lots, roads or streets, and then only with the prior approval of the Architectural Control Committee.

2.16 Fenced Areas. Each Owner of a Lot numbered 52 through 71, inclusive, shall enclose his back and side yards with six-foot fencing; the south side of his back yard with a fence consisting of a two-foot poured concrete or block stem wall and four-foot wood fencing with metal posts and metal gate hangers on top thereof and all other back and side yards with six-foot wood fencing constructed with metal posts and metal gate hangers, the design of all of which must be approved in advance by the Architectural Control Committee.

Each Owner of a Lot numbered 5, 6, 13, 14, and 15 shall enclose his back and side yards with six-foot wood fencing, constructed with metal posts and metal gate hangers of such size and design as is approved by the Committee; provided, however, that such Owners shall not be required to enclose the side of any of said Lots that lead directly to a lake. If the Owner of any of said Lots elects to construct a fence on the side of his Lot that leads to a lake, the location, design and type of materials for such fence shall be approved in advance by the Architectural Control Committee.

Except as otherwise provided within this Section, the Owner of every Lot within the Subdivision shall enclose his back and side yards with six-foot fencing, constructed with metal posts and metal gate hangers of such size and design as is approved in advance by the Committee.

All fencing required hereunder shall be constructed prior to the time that any person occupies the residence on the Lot and shall be constructed on the Lot boundary line. Each Owner will share the costs of such fencing with the Owner of an adjoining Lot in regard to the cost incurred to construct the required fencing between their two Lots. If any Owner refuses or fails to pay his proportionate share of fencing required to be constructed hereunder, then such obligation shall be deemed to create a lien on his Lot for the amount owed and may be enforced by the Association or other Lot Owners in a similar manner to any other lien created by this Declaration. Under no circumstances shall a "chain-link" fence be permitted.

2.17 Commercial Activities. No hotel, store, multi-family dwelling, boarding house, guest ranch or any other place of business of any kind, and no hospital, sanitarium or other place for the care or treatment of the physically or mentally sick or for the treatment of disabled animals shall be erected or permitted upon the premises of any Lot, or any part thereof, and no business of any kind or character whatsoever shall be conducted in or from any residence or building on any Lot.

2.18 Mineral Exploration. No Lot shall be used in any manner to explore for or to remove any water oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

2.19 Upkeep Assessment. The Owners of all Lots shall keep the same reasonably clean and clear of weeds and trash so as not to cause an unsightly or dangerous condition, and if such Owner shall fail after ten (10) days' written notice from the Homeowners' Association or the Architectural Control Committee to do so, either the Association or the Committee shall have the right to enter upon such Lot and may cause the same to be cleaned four times yearly, if necessary, and assess the actual cost thereof to the Owner of such Lot. Any such assessment shall be a lien against the Property and may be enforced as set out in Part 7.

2.20 Drainage. The Developer has established appropriate grades as required by the proper governmental authorities within the Subdivision, and the final grades shall not be disturbed in any manner which may adversely affect any other residential Lot or property whether within the Subdivision or elsewhere; nor shall any Owner divert or cause diversion of the surface water from the street adjacent to his property onto any other property. All surface water shall be left free to its natural flow unless lawfully diverted to a drainage ditch. The provisions of this section shall be subordinate to the Coconino County subdivision regulations governing such drainage.

2.21 Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Property within the Subdivision which shall induce, breed or harbor infectious plant diseases or noxious insects.

2.22 Roof-Mounted Equipment. No heating, air-conditioning or evaporative cooling equipment shall be placed, allowed or maintained anywhere other than on the ground, except solar heating panels which have been approved by the Architectural Control Committee and which are not visible from the street.

2.23 Utility and Service Lines. No gas, electric, power, telephone, water, sewer, cable television or other utility or service lines of any nature or kind shall be placed, allowed or maintained upon or above the ground on any Lot, except to the extent underground placement thereof may be prohibited by law or would prevent the subject line from being functional. The foregoing shall not prohibit service pedestals and above-ground switch cabinets and transformers where required.

2.24 Trash Containers and Collection. No garbage or trash shall be placed or kept on any Property within the Subdivision except in covered containers acceptable to the City of Flagstaff. In no event shall such containers be maintained so as to be visible from neighboring Property except to make the same available for collection and, then, only for the shortest time reasonably necessary to effect such collection.

2.25 Burning and Incinerators. No open fires or burning shall be permitted on any Lot at any time, and no incinerators or like equipment shall be placed, allowed or maintained

upon any Lot. The foregoing shall not be deemed to preclude the use, in customary fashion, of outdoor residential barbecues or grills.

2.26 Exemption For Purposes of Construction, Development and Sale. The restrictions contained in this Part 2 shall not apply to the Declarant or the Developer(s), their agents, servants, employees, contractors or sub-contractors or other persons on the Property for the benefit of Declarant or Developers. Developers shall also have the right and power to erect and utilize sales offices and models on the Property. Declarant shall also have the right and power to grant easements, amend the Declaration to comply with FHA/VA and FNMA requirements, and to otherwise amend the Declaration during the period of Declarant's control. Declarant shall have the right during the period of construction, development and sale to grant specifically limited exemptions from these restrictions to any other developer, builder, or any Owner. Any such exemptions shall be granted only upon the specific request itemizing the exemption requested, the location thereof and the need therefore and the anticipated duration and any authorization thereof shall be similarly itemized. No such exemption shall be broader in terms of activity, location or time than is reasonably required, and shall be for a specified period of time.

PART 3

Homeowners' Association

3.1 Rights, Powers and Duties. The Association shall be a nonprofit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration, together with such rights, powers and duties as may be reasonably necessary to effectuate the objectives and purposes of the Association as set forth in this Declaration. The Association shall take title to and shall own all of the Common Area within the Subdivision.

3.2 Identity of Members: Membership in the Association shall be limited to Owners of Lots within the Subdivision, as the same be expanded from time to time. An Owner of a Lot in the Subdivision shall automatically, upon becoming the Owner thereof, be a member of the Association and shall remain a member of the Association until such time as his

ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

3.3 Transfer of Membership: Membership in the Association shall be appurtenant to each Lot in the Subdivision, and a membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of a Lot within the Subdivision and then only to the purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association.

3.4 Classes of Members: The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners within the Subdivision with the exception of the Declarant. Each Class A member shall be entitled to one (1) vote for each Lot owned and shall be subject to a separate assessment or assessments for each Lot owned.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot owned for as long as there is a Class B membership. The Class B membership shall cease and be converted to a Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) When all of the Lots have been conveyed to purchasers; or
- (b) When the Declarant notifies the Association in writing that it relinquishes its Class B membership; or
- (c) On January 1, 1999.

3.5 Joint Ownership: When more than one person is the Owner of any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one ballot be cast with respect to any Lot. The vote or votes for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a ballot representing a certain Lot, it will thereafter be conclusively presumed for

all purposes that he was acting with the authority and consent of all other Owners of the same Lot. In the event more than one ballot is cast for a particular Lot, none of the votes shall be counted and the votes shall be deemed void.

3.6 Corporate Ownership: In the event any Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing at the time of acquisition of the Lot an individual who shall have the power to vote the membership, and in the absence of such designation and until such designation is made, the chief executive officer, if any, of such corporation, partnership or association shall have the power to vote the membership, and if there is no chief executive officer, then the board of directors or general partner of such corporation, partnership or association shall designate who shall have the power to vote the membership.

3.7 Suspension of Voting Rights: In the event any Owner is in arrears in the payment of any assessments or other amounts due under any of the provisions of this Declaration for a period of fifteen (15) days, the Owner's right to vote as a Member of the Association shall be suspended and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current.

PART 4

Board of Directors and Its Duties

4.1 Board of Directors and Officers. The affairs of the Association shall be conducted by a board of directors, elected by the members in accordance with the Articles and Bylaws of the Association, and such officers and committees as the Board may elect or appoint, in accordance with the Articles and the Bylaws. Directors need not be Members of the Association. The initial Board of Directors of the Association shall be:

T. Dennis Barney
William R. Olsen, Jr.
Gerald J. Ricke

4.2 Care of the Common Area. The Board shall regulate the use, design, appearance and maintenance of the Common Area within the Subdivision and shall be fully empowered to levy and collect assessments of the Owners within the Subdivision, as provided herein, for the costs of maintaining, improving or protecting the Common Area.

4.3 Architectural Control Committee. The Board shall establish an "Architectural Control Committee for Walnut Meadows at Fairfield Country Club Estates" consisting of not less than three nor more than five members to regulate the external design, appearance and use of Lots within the Subdivision. Each member of the Committee shall be an Owner (or employee or officer of a corporate Owner, or partner of a partnership Owner) of one or more Lots within the Subdivision, and all members of the Committee shall be appointed by the Board. No improvement of any kind may be made on any Lot without prior approval from the Committee and no change to an improvement previously approved by the Committee may be made without prior written approval of the Committee in its architectural review capacity. The Committee shall have the authority and responsibility to review the plans and specifications of all single-family residences, garages, guest houses, sheds, fences and other structures to be constructed in the Subdivision pursuant to the terms hereof. The Homeowners' Association and the Committee shall both have the authority to enforce the provisions of this Declaration and to perform such other duties as may be necessary to fully implement the intent and provisions of this Declaration.

4.4 Meetings and Compensations. The board of directors of the Homeowners' Association shall meet from time to time as necessary to perform their duties hereunder. The vote or written consent of a majority of the directors at a meeting, or otherwise, shall constitute the act of the Association. Directors of the Homeowners' Association and members of the Architectural Control Committee shall not be entitled to compensation for their services.

4.5 Association Rules. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations. The Rules may set forth the standards and procedures for architectural review and guidelines for architectural design, placement of buildings, landscaping, color scheme, exterior finishes and materials and similar features which are recommended for use within the Subdivision. The Association Rules may restrict and govern the use of any Common Area by any Owner, by the family of such Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be available for inspection by the members at reasonable times. The Association Rules may be (but shall not be required to be) recorded with the County Recorder of Coconino County, Arizona, in which event the Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. Association Rules may be more restrictive than the restrictions contained in this Declaration but may not be less restrictive.

PART 5

Plan Approval

5.1 Standards. The Architectural Control Committee shall have the right to refuse to approve any plans or specifications or grading plans which are not suitable or desirable, in its opinion, for aesthetic or other reasons, or in so passing upon such plans, specifications and grading plans, and without any limitations of the foregoing, it shall have the right to take into consideration the suitability of the proposed building or other structure and of the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings, and the effect of the building or other structure as planned on the outlook from the adjacent or neighboring Property. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, including exterior color scheme, shall be subject to the prior approval of the Committee. No deviations in or from such plans and specifications, once approved, shall be made without the prior written approval of the

Committee. All decisions of the Committee shall be final and no Owner or other party shall have recourse against the Committee or Association for the Committee's refusal to approve any such plans and specifications or plot plans, including lawn area and landscaping.

5.2 Time for Approval. Two copies of the complete plans and specifications of any proposed structure must be submitted to the Architectural Control Committee for approval. In addition, the Owners of Lots within the Subdivision shall also submit an application for the consideration by the Committee of such plans and specifications on the *Design Review Application* form (or forms) that have been adopted by the Committee for such purposes, and shall fully comply with all *Construction Guidelines* that may have been adopted for construction with the Subdivision. At least one copy of the plans and specifications shall be retained by the Committee or the Association.

The Committee shall have the authority to use the services of an architect as a consultant, and to charge a sum not exceeding One Hundred Fifty Dollars (\$150.00) for each set of plans and specifications submitted to it for approval to defray the fees of the consultant; provided, however, that the Committee shall have authority to charge additional fees to pay the costs incurred as a result of resubmittals. The consultant shall not have the right to vote in passing upon the plans and specifications.

In the event that a written request for such approval is not acted upon within thirty (30) days of the receipt by the Committee of the request, then such approval will not be required; provided, however, that no structure may be constructed pursuant to this section which conflicts with any specifically delineated restriction contained herein.

5.3 Hearing. Without any way limiting the generality of any of the foregoing provisions of this section, the Architectural Control Committee or any member thereof may, but is not required to, consult with or hear the views of any Owner with respect to any plans, drawings, specifications or any other proposal submitted to the Committee for review.

5.4 Waiver. The approval by the Architectural Control Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Committee, shall not be deemed to constitute a waiver of any right to withhold

approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

5.5 Liability. Neither the Homeowners' Association nor the Architectural Control Committee, nor any director of the Association or member of the Committee shall be liable to any Owner or to any other party for any damage, loss or prejudice suffered or claimed on account of:

- A. approval or disapproval of any plans, drawings or specifications, whether or not defective,
- B. the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications,
- C. the development of any Property within the Subdivision, or
- D. the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of an Owner, such certificate has been issued in good faith on the basis of such information as may be easily available.

PART 6

Property Rights

6.1 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- B. the right of the Association to suspend the voting rights and right to use the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed 60 days for any infraction of its published rules and regulations;

C. the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

6.2 Delegation of Use. Any Owner may delegate, in accordance with the rules and regulations of the Association, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on his property.

PART 7

Covenant for Maintenance Assessments

7.1 Creation of Lien and Personal Obligation of Assessments. The Declarant for each Lot owned within the Subdivision hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Homeowners' Association (i) annual assessments or charges, (ii) special assessments for Lot maintenance, and (iii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any annual or special assessment, together with interest, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successor in title unless expressly assumed by the successor in title.

7.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Subdivision and for the improvement and maintenance of the Common Area.

7.3 Maximum Annual Assessment. The annual assessment is to be established by the Board may not exceed a certain amount hereinafter referred to as, the "Maximum Annual Assessment" which Maximum Annual Assessment shall be determined and shall vary in accordance with the following provisions:

- A. Until January 1 of the year immediately following the conveyance of the first Lot to an owner, the Maximum Annual Assessment against each Owner shall be \$200 per each membership, payable as determined by the Association.
- B. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the Board of Directors may, without vote of the Members, increase the Maximum Annual Assessment during each fiscal year of the Association by an amount proportional to the amount of increase during the prior fiscal year in the Consumer Price Index for all Urban Consumers (All Items) U.S. City Average, published by the United States Department of Labor Bureau of Labor Statistics (1984 = 100), or in the event said Index ceases to be published, by any successor Index recommended as a substitute therefore by the United States government, or an amount equal to 5% of the prior year's annual assessment, whichever is greater.
- C. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the Maximum Annual Assessment may be increased by an amount greater than the maximum increase allowable pursuant to Subsection B above, only by a vote of at least two-thirds (2/3) of each class of Members who are voting in person or by proxy at a meeting called for this purpose.

7.4 Special Assessments for Lot Maintenance. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only and applicable only to the Lots of owners in violation of this

Declaration requiring maintenance for the purposes of defraying the cost of such repair and maintenance of any Lot which is not properly maintained by a Lot Owner or curing any violation by an Owner of the Declaration. Such special assessments shall be levied against such Owners and at such times as the Board of Directors deems necessary and appropriate to bring each Lot and Owner in conformance with this Declaration.

7.5 Special Assessments for Capital Improvements. In addition to the other assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

7.6 Notice and Quorum for Any Action Authorized Under This Part. Written notice of any meeting called for the purpose of taking any action authorized under this Part 7 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

7.7 Uniform Rate of Assessment. Annual and Special Assessments for Capital Improvements must be fixed at a uniform rate for all Lots within the Subdivision (the "Uniform Rate"); provided, however, that, except as provided hereinafter, Declarant and the assigns of Declarant's rights and Developer shall be obligated to pay no more than twenty-five percent (25%) of the Uniform Rate for Lots owned by them that are either (i) undeveloped, or (ii) developed, but unsold and unoccupied (the "Developer Rate").

In the event that the funds available to the Association are insufficient to carry out the duties and responsibilities of the Association, the Board of Directors of the Association may, by notice to Declarant and Developer, raise the Developer Rate for the current fiscal year by any amount, so long as it does not exceed the Uniform Rate per Lot, in order that the Association may have sufficient funds to permit it to carry out its duties and responsibilities. The determination that the Developer Rate shall be increased may be made at any time and may be made more than once per year. At the beginning of each fiscal year, the Developer Rate shall return to twenty-five percent (25%) of the Uniform Rate unless the Board of Directors gives or has given the Declarant and the Developer notice of an increase for that new year. The Declarant and the Developer may be required by the Association to retroactively increase monthly payments or assessments for the current fiscal year to reflect the rate increase. The Association may not retroactively increase the Uniform Rate or the Developer Rate for any prior fiscal year. However, nothing in this Section shall preclude the Association from collecting any validly made assessment for any previous year that has not been paid.

Special Assessments for Lot Maintenance need not be fixed at a uniform rate but shall be regulated by the reasonable costs and requirements of effecting such repairs and maintenance necessary to cure any violation of this Declaration.

7.8 Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

7.9 Effective Non-Payment of Assessment; Remedies of the Association. Each Owner of any Lot shall be deemed to covenant and agree to pay to the Association the assessments provided for herein and agree to the enforcement of the assessments in the manner herein specified. In the event the Association employs an attorney or attorneys for the collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, each Owner agrees to pay reasonable attorney fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against the Owner. Any assessment made hereunder shall be due and payable within ten (10) days after the date notice of the amount and nature of costs incurred by the Association is delivered to the offending Owner. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in any manner provided by law or in equity or without any limitation of the foregoing, by either or both of the following procedures:

A. Enforcement by Suit. The Association may cause a suit at law to be commenced and maintained in the name of the Association against an Owner to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the rate of eighteen percent (18%) per annum from the date of delinquency, court costs, and reasonable attorney fees in such amount as the court may adjudge against the delinquent Owner.

B. Enforcement by Lien. There is hereby created a claim of lien with power of sale on each and every Lot within the Subdivision to secure payment to the Association of any and all assessments levied against any and all Owners of such Lots under these restrictions, together with interest thereon at the rate of eighteen percent (18%) per annum from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorney fees. Each default shall constitute a separate basis for a demand or claim of

lien or a lien, but any number of defaults may be included within a single demand or claim of lien. Such a claim of lien shall be executed and acknowledged by any officer of the Association and shall contain substantially the following information:

- (1) The name of the delinquent Owner;
- (2) The legal description and street address of the Lot against which claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs and reasonable attorney fees (with any proper offset allowed);
- (4) That the claim of lien is made by the Association pursuant to these Restrictions; and
- (5) That a lien is claimed against the Lot in an amount equal to the amount stated.

Upon recordation of a duly-executed original or copy of such a claim of lien and mailing a copy thereof to the Owner, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such assessment was levied. Such a lien shall have priority over all liens or claims created subsequent to the recordation of the claim of lien thereof, except only tax liens for real property taxes on any Lot, assessments on any Lot in favor of any municipal or other governmental assessing unit, and the liens which are specifically described in Section 7.10 hereinafter. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a realty mortgage or trust deed as set forth by the laws of the State of Arizona, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of advancing such costs. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Lot. In the event such foreclosure is by action in court, reasonable attorney fees, court costs, title search fees, interest and all other

costs and expenses shall be allowed to the extent permitted by law. Each Owner, by becoming an Owner of a Lot in the Subdivision hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner.

7.10 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

PART 8

Annexation of Expansion Property

8.1 Annexation Without Approval and Pursuant to General Plan. Declarant or its successors and assigns may annex the Expansion Property, or any part thereof, into the Subdivision. The Expansion Property may be annexed to the Subdivision together or in phases, and shall become subject to the jurisdiction of the Association and its assessments (without approval, assent or vote of the Association or its Members) when a supplementary declaration, entitled "First (or Second, Etc.) Supplementary Declaration of Covenants, Conditions and Restrictions of Walnut Meadows at Fairfield Country Club Estates" covering the portion of the Expansion Property sought to be annexed shall be executed and recorded by Declarant or its successors and assigns; provided, however, that all Supplementary Declarations shall:

- A. be executed and recorded pursuant to this Section within five years (i) subsequent to the recordation of this Declaration, or (ii) subsequent to the last recordation of a Supplementary Declaration, whichever of (i) or (ii) shall later occur;
- B. comply with the general plan approved by the FHA and VA for the Subdivision; and,

- C. contain such additional or different easements, restrictions, covenants and conditions as shall be applicable to that part of the Expansion Property being annexed thereby.

Recordation of the Supplementary Declaration shall constitute and effectuate annexation of the portion of the Expansion Property described therein, making the real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association. Thereafter the annexed Expansion Property shall be part of the Subdivision, and all the Owners of Lots, parcels or dwelling units in the annexed Expansion Property shall automatically be Members of the Association, except as may be otherwise provided in the Supplementary Declaration.

8.2 Supplementary Declarations. Annexations authorized under the foregoing Section shall be made by recording in the Office of the County Recorder of Coconino County, Arizona, a First Supplementary Declaration of Covenants, Conditions and Restrictions, or similar instrument, with respect to the Expansion Property, which shall extend the plan of this Declaration to such Property. In no event, shall any Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within the existing Subdivision unless it complies with the Amendment provisions of this Declaration.

PART 9

General Provisions

9.1 Enforcement. The Homeowners' Association, the Architectural Control Committee when specifically permitted, Declarant or any Owner shall have the right to enforce, by any proceeding at law or in equity, any restrictions, conditions, covenants, reservations, liens and charges now or hereinafter imposed by the provisions of this Declaration. Failure by any person or entity to enforce any covenant or restriction herein contained shall in no way be deemed a waiver of the right to do so thereafter.

9.2 Interpretation of the Covenants. Except for judicial construction, the Association shall have the exclusive right to construe and interpret the provisions of this

Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's (or Declarant's) construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and Property benefitted or bound by the covenants and provisions hereof.

9.3 Severability. Invalidation of any of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall be in full force and effect.

9.4 Rule Against Perpetuities. If any interest purported to be created by this Declaration is challenged under the rule against Perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be (i) those which would be used in determining the validity of the challenged interest, plus (ii) those of the issue of the Board who are living at the time the period of perpetuities starts to run on the challenged interest.

9.5 Amendment. The covenants and restrictions of this Declaration shall run with and bind the land until December 31, 2024, after which they shall be automatically extended for successive periods of ten (10) years. Except as provided in Section 9.6 below, so long as there are Class B Memberships in existence, this Declaration may be amended by an instrument signed by (i) the Declarant or its successors or assigns (except in the event where the Declarant has assigned its rights for only part of the Property and retained the its rights for the remainder, in which event the instrument shall be signed by the Declarant and its successors or assigns), and (ii) the Owners owning not less than seventy-five percent (75%) of the Lots within the Subdivision. After the expiration or termination of all Class B Memberships and at any time prior to December 31, 2024, this Declaration may be amended by an instrument signed by the Owners owning not less than seventy-five percent (75%) of the Lots within the Subdivision. At any time subsequent to December 31, 2024, this Declaration may be amended by an instrument signed by the Owners owning not less than sixty-five percent (65%) of the Lots within the Subdivision. Any amendment must be recorded.

9.6 Right of Amendment if Requested by Governmental Agency, State or Federally Chartered Lending Institution. Notwithstanding any other provision of this Declaration, Declarant (or its Successors-In-Interest or Designee), Declarant reserves the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by the Federal Housing Administration ("FHA"), the Veterans Administration ("VA"), or FNMA and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration, or by any state or federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or Parcel(s) or any portions thereof. Any such amendment shall be effected by the recordation, by Declarant, of a Certificate of Amendment duly signed by or on behalf of the partners, authorized agents, or authorized officers of Declarant, as applicable, with their signatures acknowledged, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the mandatory language requested by such agency or institution. Recordation of such a Certificate shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Certificate, when recorded, shall be binding upon all of the Subdivision, and all persons having an interest therein.

9.7 Violations and Nuisances. Every act or omission whereby any provision in this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the release sought is for negative or affirmative action, by Declarant, the Homeowners' Association, the Architectural Control Committee, or any Owner or Owners of a Lot within the Subdivision. However, any other provision to the contrary notwithstanding, only Declarant, the Homeowners' Association or the duly-authorized agent of any of them may enforce by self help any of the provisions of this Declaration.

9.8 Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to ownership, occupation or use of any Property within the Subdivision is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures et forth herein.

9.9 Remedies Cumulative. Each remedy provided by this Declaration is cumulative and not exclusive.

9.10 Delivery of Notices and Documents. Any written notice of other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered twenty-four (24) hours after copy of same has been deposited in the United States mail, postage prepaid, addressed to the last known address of addressee.

9.11 References to the Covenants in Deeds. Deeds to and instruments affecting any Lot or any part of the Property may contain the covenants herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants shall be binding upon the grantee-owner or other person claiming through any instrument and his heirs, executors, administrators, successors and assigns.

9.12 Declaration. By acceptance of a deed or by acquiring any ownership interest in any of the real Property within this Declaration, each person or entity, for himself or itself, his heirs, personal representative, successors, transferees and assigns, binds himself, his heirs, personal representative, successors, transferees and assigns to all of the provisions, restrictions, covenants, conditions, rules and regulations, now or hereinafter imposed by this Declaration and any amendments thereof. In addition, each persons by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and care of the real Property covered thereby and evidences his interest in all of the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

9.13 Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

EXHIBIT "A"

The Expansion Property will be the property to the west of Walnut Meadows at Fairfield Country Club Estates.

The Expansion Property is currently being platted as Walnut Ridge Estates at Fairfield Country Club Estates.

1771-339