

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR SUNRIDGE II, LOTS 1 THROUGH 65 AS RECORDED IN
BOOK 48 OF MAPS AND PLATS AT PAGE 33

Pursuant to Article III, Section 3, the Declarants, being the owners of at least five lots within SunRidge II, amend and restate the Declaration of Covenants, Conditions and Restrictions for SunRidge II, Lots 1 through 64, recorded on January 22, 1997 in Docket 10466 at Page 607, as amended on July 16, 2007 in Docket 13097 at Page 4856.

This Amended and Restated Declaration supercedes the Declaration of Covenants, Conditions and Restrictions for SunRidge II, Lots 1 through 64, recorded on January 22, 1997 in Docket 10466 at Page 607, as amended on July 16, 2007 in Docket 13097 at Page 4856, which upon the recordation of this Amended and Restated Declaration will no longer apply to this subdivision.

The real property described as Lots 1 through 65 inclusive, SunRidge II, a subdivision in the Town of Oro Valley, Pima County, Arizona, will be held, sold and conveyed subject to the following covenants, conditions and restrictions. All of the covenants, conditions and restrictions are for the benefit of each owner of real property in SunRidge II, or having any interest therein, and inures to and pass with title to each and every Lot within SunRidge II, and will bind the respective successors in interest of the present owners of such Lots. These covenants, conditions and restrictions are imposed upon all of the Lots and are covenants running with the title to the Lots.

ARTICLE I - DEFINITIONS

The terms used in this Declaration and the other Governing Documents will generally be given their natural, commonly used definitions unless otherwise specified. Capitalized terms are defined as follows:

Section 1.1. "Act" refers to the Arizona Planned Communities Act, A.R.S. §33-1801, et.

Section 1.2. "Annual Assessments" refers to the annual assessments levied by the Board pursuant to this Declaration.

Section 1.3. "Approving Agent" refers to Association acting through the Board or an Architectural Committee appointed by the Board to act as the Approving Agent except with respect to the Lots still owned by the Declarant,

as more fully set forth in Section 3.1.

Section 1.4. "Architectural Guidelines" refer to the rules and regulations adopted by the Board that pertain to the installation of Improvements on the Lots. These Architectural Guidelines may be amended and supplemented from time to time.

Section 1.5. "Articles" mean the Articles of Incorporation of the Association which were filed in the Office of the Arizona Corporation Commission and as amended from time to time.

Section 1.6. "Assessments" mean all Annual Assessments, Special Assessments and Maintenance Assessments payable to the Association.

Section 1.7. "Association" means SunRidge Estates Homeowners' Association, an Arizona nonprofit corporation, its successors and assigns.

Section 1.8. "Board" means the Board of Directors of the Association.

Section 1.9. "Bylaws" mean the Bylaws of the Association, as amended or restated from time to time.

Section 1.10. "Common Area" means the real property that is owned by the Association for the common use and enjoyment of the Owners.

Section 1.11. "Declarant" refers to Michael E. Arnold and James M. Vaughn.

Section 1.12. "Declaration" means the Covenants, Conditions, and Restrictions set forth in this document, as amended or restated from time to time.

Section 1.13. "First Mortgage" means the holder of any mortgage or a trustee under a deed of trust, under which the interests of any Owner of a Lot are encumbered and which mortgage has first and paramount priority, subject only to the lien of general or ad valorem taxes and assessments and such other matters as are recognized in such First Mortgage as permitted title exceptions. "First Mortgagee" means the holder of a First Mortgage.

Section 1.14. "Governing Documents" means this Declaration, the Bylaws, the Articles, the Architectural Guidelines, and the Association Rules as amended from time to time.

Section 1.15. "Improvements" include any and all construction or

alterations made to any Lot, including but not limited to all buildings and structures, driveways, parking areas, fences, walls, landscaping, recreational facilities, signs, excavation or site work, including without limitation grading, road construction, utilities, alterations or modifications thereto.

Section 1.16. "Lot" means the area of real property designated as a "Lot" on the Plat.

Section 1.17. "Member" means any Owner who is entitled to membership in the Association.

Section 1.18. "Owner" means the record holder of legal title to the fee simple interest in any Lot or in the case of a recorded "contract" (as that term is defined in A.R.S. Section 33-714(2)), the holder of record of the purchaser's or vendee's interest under that contract, but excluding others who hold such title merely as security. An Owner includes any Person who holds record title to a Lot in joint ownership or as an undivided fee interest.

Section 1.19. "Person" means a natural person, a corporation, a partnership, a trustee or any other legal entity.

Section 1.20. "Plat" refers to the plat recorded in Book 44 of Maps and Plats at Page 33 in the office of the Pima County Recorder.

Section 1.21. "Property" means all of the property described on the Plat.

Section 1.22. "Rules" refer to those rules and regulations adopted by the Board which govern the use and occupancy of the Lots and the Common Area and such other matters as determined by the Board. The Association Rules may not discriminate among Owners, and cannot be inconsistent with the other Governing Documents. The Rules have the same force and effect as the restrictions set forth in this Declaration and are binding on the Owners and their successors in interest whether or not a copy of the Rules was actually received by the Owner. If there is a conflict between the Rules and any other Governing Documents, the provisions of the other Governing Documents prevail.

Section 1.23. "Special Assessments" mean the assessments, if any, levied by the Board pursuant to Section 5.4.

ARTICLE II - THE ASSOCIATION AND MEMBERSHIP IN THE ASSOCIATION

Section 2.1. Nonprofit Corporation. The Association is an Arizona nonprofit corporation charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, 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. Unless the Governing Documents or applicable Arizona law specifically require a vote of the Members, approvals or actions to be given or taken by the Association will be valid if given or taken by the Board.

Section 2.2. Board of Directors and Officers.

2.2.1. The affairs of the Association will be conducted by the Board and such officers and committees as the Board may elect or appoint, in accordance with the Articles and Bylaws. The composition of the Board is defined in the Bylaws.

2.2.2. No member of the Board or any Committee of the Association or any officer or employee of the Association is personally liable to any Owner or to any other party, including the Association for any damage or loss arising out of any act, omission, error, or negligence of the Association, the Board, or any representative or employee of the Association, or any committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him/her, acted in good faith, without willful or intentional misconduct.

2.2.3. All meetings of the Board will be open to attendance by the Members; provided that any action permitted by applicable law to be taken in executive session may be taken outside the presence of the Members. Except under emergency situations and in compliance with the Act, the Association will provide at least 48 hours notice to the Members of the time, date, and place of each Board meeting by newsletter, conspicuous posting or other reasonable means.

Section 2.3. Rules. The Board, may from time to time and subject to the provisions of this Declaration and the Act, adopt, amend and repeal the Rules. The Rules may restrict and govern the use of any Lot or the Common Area by any Owner or by any guest, invitee, licensee or lessee of such Owner; provided, however, that the Rules may not discriminate among Owners and must be consistent with the Governing Documents. A copy of the Rules as they may

Section 2.9. Suspension of Voting Rights. If any Owner is in arrears in the payment of any amounts due to the Association for a period of 10 days from the date notice of the delinquency is provided to the Owner by the Association, the Owner's right to vote as a Member of the Association will be automatically suspended and will remain suspended until all payments, including accrued interest, late charges, attorney fees, collection and other costs are brought current. A member is not "entitled to vote" if his/her voting rights have been suspended. In addition, the Board may suspend an Owner's right to vote during any period that the Owner is in violation of any other provisions in the Governing Documents.

ARTICLE III - ARCHITECTURAL AND CONSTRUCTION CONTROL

Section 3.1. Lots Governed by Approving Agent. The original Declaration provided that the Approving Agent for Lots 1 through 25 was Michael E. Arnold or James M. Vaughn, or their heirs, assigns or successors; the Approving Agent for Lots 26 through 46 was William M. Dallman, his heirs, assigns or successors and that the Approving Agent for Lots 47 through 65 was Robert W. Lewis or his heirs, assigns or successors. By virtue of the Amendment to Declaration of Covenants, Conditions and Restrictions for SunRidge II, Lots 1-65, the rights of the Declarants to act as the Approving Agents with respect to the designated Lots and to approve plans and specifications for construction upon the Lots were transferred to the Association except for the Lots set forth below. As of the date of adoption of this Amended and Restated Declaration, the Declarants or their successors and assigns, own the following Lots and retain control over architectural approval of all improvements on these Lots until such time as they are no longer the owners thereof:

Declarant	Lots
Michael E. Arnold or James Vaughn	2, 3, 6, 8, 9, 10, 13, 21, 23
William M. Dallman	None
Robert W. Lewis	None

At such time as Michael E. Arnold or James M. Vaughn, their successors and assigns, no longer own any interest in any of the Lots listed above, whether directly or indirectly (such as through a corporation or limited liability company of which they are an owner), then the Approving Agent for these Lots will be the Association.

Section 3.2. Approving Agent's Authority. For the purpose of enforcing

architectural and construction control, the Approving Agent has the exclusive right, exercisable in its sole discretion, to promulgate Architectural Guidelines pertaining to construction; to waive, amend or modify these restrictions; to amend such Architectural Guidelines from time to time; and to waive or modify any such Architectural Guidelines, provided that no such waiver will be deemed a waiver of the right to enforce such rules, regulations or restrictions in the future as to others. Any waiver granted by the Approving Agent will be given in exchange for a hold harmless agreement executed by the Owner benefitting from the waiver and for the benefit of the Declarant or its successors or assigns.

Section 3.3. Preliminary Plans. Prior to making any Improvements, including soil bearing tests for foundation design or site clearing of any nature, each Owner must submit "Preliminary Plans" to the Approving Agent, consisting of two complete copies of the site plan, floor plan and all exterior elevations of the Single-family Dwelling. The site plan must show all Improvements including driveways, parking areas, cut and fill areas, indicating the proposed method of retainage and improvement, the proposed floor elevations for all structures with the existing and proposed finished grading shown and all pool/patio areas and mechanical and pool equipment enclosures. The finished floor elevation is the average elevation of the natural grade of the area on which the Single-family Dwelling or Improvement is located. The exterior elevations must show all of the proposed materials, textures and colors. Upon obtaining the Approving Agent's written approval of the Preliminary Plans evidenced by the written endorsement of the Approving Agent on the site plan, the Owner must submit to the Approving Agent two complete sets of plans for the proposed Improvements and the specifications therefor and a Building Site grading plan and a landscape plan for all areas outside of the patio walls, if any (the foregoing are hereafter referred to as the "Final Plans"). Approval of the Final Plans will be evidenced by the written endorsement of the Approving Agent made on the Final Plans. A copy of the endorsed Final Plans will be obtained by the Owner of the Lot proposed to be improved prior to the beginning of construction. An Owner cannot proceed with Improvements without a copy of the approved Final Plans in his/her possession. One set of Final Plans will be retained by the Approving Agent. No changes or deviations in or from the final Plans, insofar as the exterior of the proposed Improvements is concerned, can be made without written approval of the Approving Agent. After construction has been completed, no changes can be made, including changes to the exterior color, without the written permission of the Approving Agent. Approval of Final Plans will be in the Approving Agent's sole discretion.

Section 3.4. Minimum Criteria for Plans. Except for improvements or

alterations undertaken by the Declarants on their Lots listed in Section 3.1, all plans must meet the following minimum criteria and such further criteria as the Approving Agent promulgates:

- 3.4.1. be in accordance with the provision of this Declaration;
- 3.4.2. the location, style of architecture which must be Southwest colonial, Spanish colonial, Mexican colonial, Santa Fe style, or soft contemporary as determined by the Approving Agent;
- 3.4.3. exterior color scheme, height, location of exterior lights, selection of building materials and their application will meet the satisfaction of the Approving Agent;
- 3.4.4. Each Single-family Dwelling must be located within a Building Site and cannot contain less than 1,800 square feet of living area.
- 3.4.5. be in sufficient detail to permit the Approving Agent to make its determination;
- 3.4.6. The roof must be of the material design and style satisfactory to the Approving Agent. White reflective roofs are not permitted. The repair or replacement of any roof is subject to the same conditions as the original roof. Flat roofs, if approved, must be fully enclosed by parapet walls at heights approved by the Approving Agent and must be painted desert tan.
- 3.4.7. Type, style and location of skylights or pitched roof surface will be approved by the Approving Agent;
- 3.4.8. Include not less than a two-car garage with doors of a style or design approved by the Approving Agent;
- 3.4.9. Include adequate utility yards or enclosures in which all ground-mounted exterior heating and cooling apparatus, meters, clothes lines, mechanical equipment, tanks and space for trash or rubbish containers and wood storage will be located;
- 3.4.10. All electrical service and telephone lines from the utility company lines must be placed underground and no outside electrical and telephone lines can be placed overhead.

a property line for a two-story or a one-story and a partial story Single-family Dwelling. No wall or coping can exceed six (6) feet in height. All enclosures for patios or for concealment purposes and all retaining walls must be constructed of face brick, stucco frame, stucco mud adobe, burnt adobe or stucco masonry and all enclosures for patios or for concealment purposes and all retaining walls must be constructed and finished to match the Single-family Dwelling in type of material, color or texture. No wooden, wire, chainlink or woven metal fences will be permitted. Any plantings, primary walls, fences or the like must be set back a minimum of five (5) feet from any property line, unless the two abutting property owners mutually agreed to lie on or near the property line.

Section 3.8. Limits on Liability. Neither the Association, nor the Approving Agent, is liable in damages to anyone submitting plans for approval, or to any Owner of land subject to this Declaration because of any mistake in judgment, negligence or non-feasance, arising out of or in connection with the approval, or disapproval, or failure to approve any such plans.

Section 3.9. Variances. The Board and the Approving Agent have the right to grant variances as to any of the provisions of this Declaration or to waive any such provisions as the Board or the Approving Agent in its sole discretion determine and neither the Board nor the Approving Agent is liable to any person for granting any such variance or waiver. Any such variance or waiver must be in writing and must be made prior to the time that the subject matter set forth in the written variance or waiver is acted upon or implemented unless otherwise expressly stated in such written variance or waiver. Any variance or waiver that was granted as to any particular subject matter does not constitute a similar or dissimilar variance or waiver as to any other matter affecting the same Lot or any other Lot. Reviews for approvals, variances, waivers or the like will be conducted by the Board or the Approving Agent in not more than 60 days from the date of receipt of the written plans for approval or in the case of variance or waivers, from receipt of the written request of the Owner.

Section 3.10. Payment of Expenses. The Approving Agent will not charge a fee for reviewing, approving or denying any matters permitted or required to be acted on by the Approving Agent in this Declaration. However, the party requesting approval is required to pay all costs and expenses associated with obtaining and submitting any plans and specifications or other information required by the Approving Agent in order to review and act upon the request for approval.

Section 3.11. Scope of Improvements. Except for Improvements or alterations undertaken by the Declarant pursuant to Section 3.1, no building,

fence, wall or other structure or Improvement can be commenced, erected or maintained on any Lot, nor can any exterior addition to or change or alteration be made until detailed plans and specifications showing the color, nature, kind, shape, height, materials and location of the same, grading and site work with resultant cuts and/or fills, degree of slopes and planned landscaping treatments, have been submitted to and approved in writing as to compliance with the provisions of this Declaration by the Approving Agent prior to beginning construction.

ARTICLE IV - USE RESTRICTIONS

Section 4.1. Property Subject to Use Restrictions. Except for Improvements or alternations undertaken by the Declarant as the Approving Agent pursuant to Section 3.1, the Property is subject to the use restrictions more particularly set forth in this Article.

Section 4.2. All Improvements Must be on Lots. No structures or Improvements whatsoever can be erected, placed or permitted to remain on any portion of the Property which does not constitute a Lot.

Section 4.3. Permitted Improvements. No structure or Improvements can be erected, altered, placed or permitted to remain on any Lot other than one Detached Single-family Dwelling for private use together with other customary Improvements. A minimum two-car garage must be constructed on every Building Site before the residence constructed on the Lot is occupied.

Section 4.4. Native Growth. The native growth on the Property, including cacti, mesquite and palo verde trees, cannot be destroyed or removed from any of the Lots by any of the Owners, except for the removal of the native growth that may be necessary for permitted and approved Improvements. In the event any such growth is removed or destroyed without the approval of the Board or the Approving Agent or which is not necessary for the construction of Improvements, the Board may require the replanting or replacement of the such vegetation at the Owner's expense.

Section 4.5. Rubbish. No Lot can be used in whole or in part for the storage or dumping of rubbish of any character whatsoever, nor for the storage of anything that could cause the Lot to appear in an unclean or untidy condition or that is obnoxious to the eye. No substance, thing or materials can be kept on any Lot that will emit foul or obnoxious odors that may unreasonably disturb the peace, quiet, comfort or serenity of the occupants of surrounding Property.

Section 4.6. Nuisances. No noxious, illegal or offensive activities can be conducted on any Lot or on any part of the Property, nor can anything be done that may become an annoyance or a nuisance to or that may in any way interfere with the quiet enjoyment of each Owner of his/her respective Lot or that will in any way increase the rate of insurance for the Property or cause any insurance policy obtained by the Association to be cancelled.

Section 4.7. Noise Disturbances.

4.7.1. Definition of a Noise Disturbance. As used in this Section, a noise disturbance is any sound that is:

4.7.1.1. Of such duration, volume, or intensity as to be injurious to human or animal life, or property;

4.7.1.2. Of such duration, volume, or intensity as to unreasonably interfere with the comfortable enjoyment of life or property; or

4.7.1.3. Of such duration, volume, or intensity as to alarm, disturb, or annoy reasonable people.

4.7.2. Prohibition of Noise Disturbance. No person may make, continue, permit, or cause to be made or continued, any noise disturbance as defined in Section 4.7.1. Factors to be considered in determining whether a violation of this Section has occurred, may consist of, but not be limited to, the following:

4.7.2.1. The duration, volume, or intensity of the noise;

4.7.2.2. The nature and zoning of the area from which the sound emanates in relation to the area where it is perceived;

4.7.2.3. The time of day or night the noise occurs;

4.7.2.4. Whether the noise is recurrent, intermittent, or constant;

4.7.2.5. Prior violations of this Section by the same disturbance; and

4.7.2.6. Whether a written noise complaint has been received

by the Board.

4.7.3. Specific Prohibitions. The following specified acts and circumstances constitute prohibited noise disturbances in violation of this Section; provided however, that this list is not exclusive and all other acts and circumstances meeting the definition of a noise disturbance are deemed to be in violation of this Section.

4.7.3.1. Radios, Televisions, Musical Instruments and Similar Devices, and Amplified Human Voices. Playing or permitting the playing of any radio, television, musical instrument or similar device, or amplifying the human voice, to such a volume as to be unreasonably loud, raucous, jarring, or disturbing to people within the area of audibility.

4.7.3.2. Barking Dogs. Allowing a dog to bark, howl, or whine continuously between the hours of 10:00 p.m. and 6:00 A.M., until such noise rises to the level of a noise disturbance under this Section. The Board may defer enforcement of any barking dog noise disturbance to the Town of Oro Valley.

4.7.3.3. Motorized Vehicles. It is a violation of this Section to drive a motorized vehicle in a manner that causes the tires to screech or squeal repeatedly within the Property so that it causes a noise disturbance; repeatedly accelerate and decelerate a motorized vehicle within the Properties, so that it causes a noise disturbance; or repeatedly shifting the gears of the motorized vehicle up and down within the Properties, such that it creates a noise disturbance. "Motorized vehicle" means any transportation vehicle that is propelled, other than by human or animal power, on land. This includes, but is not limited to, motorcycles, automobiles, and trucks.

4.7.4. Maintenance of Lots. Each Owner of a Lot must maintain the Lot in a manner satisfactory to the Board, including routinely eradicating the weeds on the Lot and maintaining the existing vegetation so that it does not look overgrown and disorderly. If any Owner fails to maintain the Lot in a manner satisfactory to the Board, the Board, through its agents and employees, is entitled to enter onto the Lot and to make any necessary repairs, maintenance, rehabilitation or restoration of the Lot, including the exterior of any Dwelling Unit, as deemed necessary by the Board, in its discretion. Prior to doing any work on any Lot, the Board will

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provide written notice to the Owner specifying the work that must be done and a date by which the work must be completed. If the Owner fails to complete the work, as requested, then the Board will give the Owner notice of the date and time that its contractor will enter upon the Lot. After the work has been done, the Board will provide the Owner with an invoice for the work performed. If the invoice is not paid within 10 days of the date it is mailed to the Owner, the Association may collect the amount due as a Reimbursement Assessment.

Section 4.8. Signs. No advertising signs, billboards, unsightly objects or nuisances (other than one "for sale" or "for rent" sign per lot and a sign rider in conformance with the industry standard size sign, which cannot exceed 18 by 24 inches and the industry standard size sign rider, which cannot exceed six by 24 inches) can be erected, placed or permitted on a Lot. Political signs are permitted in accordance with the Act. The Declarant is entitled to place "for sale" signs on any of the Lots owned by it as well as a commercial sign advertising any of Declarant's construction or real estate companies.

Section 4.9. Single-Family Use and Business Activities. The Property must be used for Single-family Dwelling purposes only. A business is permitted to be conducted from any Lot so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve any person conducting such business who does not reside on the Properties or door-to-door solicitation of residents of the Properties; (d) the existence or operation of the business does not increase that Lot's use of the Common Area over that which is standard for a single family residence; (e) the existence or operation of the business does not require a substantial number of customers or delivery trucks to visit the residence; and (f) the business activity is not a nuisance, or a hazardous or offensive use, or does not cause the owners to violate any other provisions of this Declaration, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board. The Board may promulgate Rules regarding business activities conducted from a Lot and upon application of an Owner may permit a certain business activity to be conducted from a Lot upon a finding that such business activity does not disturb an Owner's quiet enjoyment of his/her home or constitute a nuisance.

Section 4.10. Leasing. Leasing the Lot is not considered a business activity. Any Owner may lease the entire Lot (but not less than the entire) to a Single Family pursuant to a written lease, a copy of which must be delivered to the

Association prior to the commencement of the rental. The lease must provide that the tenant is obligated to comply with the Governing Documents and that the tenant's failure to do so is a material breach of the lease. The Owner is responsible for all actions of any tenant. No lease may be for a term of less than three months and no Owner may lease the property for transient purposes, such as vacation housing, corporate housing and/or the like.

Section 4.11. Coordination of Improvements. No garage, building, structure or other Improvement is permitted on any Lot until the construction and completion of a Single-family Dwelling, except that a Single-family Dwelling and necessary outbuildings, garages or other structures related thereto may be simultaneously constructed. Nothing in this Declaration prevents the incorporation and construction of a garage in and as a part of such Single-family Dwelling.

Section 4.12. Temporary Dwellings and Vehicles. No temporary house, dwelling, garage, outbuilding or other Improvement, or house trailer, commercial vehicle or equipment, construction or like equipment, tent, or other structure can be placed on any Lot. Boats, campers, other trailers, recreational and similar vehicles or equipment cannot be placed upon any Lot unless stored within an enclosed structure approved by the Approving Agent. All vehicles except those belonging to guests including but not limited to passenger vehicles, pick-up trucks, off-road vehicles and carryalls, must be placed within an approved enclosed structure. No Single-family Dwelling placed or erected on any Lot can be occupied in any manner while in the course of construction, nor at any time prior to its being fully completed. A Single-family Dwelling is deemed as complete when a certificate of occupancy has been issued by the Town of Oro Valley, or the construction of the dwelling has received its final approval. No Single-family Dwelling, when completed, can be occupied until it fully complies with the approved plans, and all other conditions and restrictions herein set forth. The work of constructing, altering or remodeling any Single-family Dwelling, garage, building or other Improvement on any Lot must be diligently undertaken from the beginning until the completion. Any Single-family Dwelling, garage, building or other improvement damaged by fire or other casualty must be repaired, replaced or removed within six months from the time of such damage; provided, that the Board may extend the time, when in opinion of the Board, conditions warrant the extension.

Section 4.13. Animals. No animals, birds or fowl of any kind other than the customary domesticated household pets belonging to the household in the Lot can be kept or maintained on any Lot. In no event, however, are more than two dogs and/or cats more than ten weeks' old permitted. All dogs will at all

times be kept and maintained within walled areas except when accompanied by the Owner. The Board has the right to order the removal from any Lot of any animals, birds or fowl which may be objectionable to any of the residents of any adjacent Lot.

Section 4.14. Unlicensed Vehicles. No unlicensed motor driven vehicles (except bicycles) including, but not limited to, motorcycles, motor driven bicycles, go-carts and the like can be kept or operated on any part of the Property if the vehicle or the operation of such vehicle is disturbing to the Owner of any neighboring Lot.

ARTICLE V - ASSESSMENTS

Section 5.1. Personal Obligation to pay Assessments and Creation of Lien. Subject to Declarant's exemption set forth in Section 5.3.6, below, each Owner, at the time the deed to a Lot is recorded, agrees to pay Annual Assessments, Special Assessments, Reimbursement Assessments, and any other charges imposed by the Board against an Owner and the Owner's Lot. These Assessments and any other charges, together with interest, late fees, collection and other costs and reasonable attorney fees, will also be the personal obligation of the Owner when the Assessment or such other charges became due.

Section 5.2. Purpose of Assessments. The Assessments levied by the Association will be used for (a) the payment of expenses incurred in the operation of the Association; (b) the maintenance, repair and replacement of the Improvements in the Common Area; (c) promotion of the interests of the Owners; (d) the performance and exercise by the Association of its rights, duties and obligations under the Governing Documents; and (e) securing necessary insurance on the Common Area, director's and officer's liability insurance and fidelity insurance.

Section 5.3. Annual Assessments.

5.3.1. Annual Assessments. The Board will determine the amount of the Annual Assessment based upon the operating budget of the Association, including appropriate reserves, provided, however, that the amount of the annual assessment may not be increased more than the maximum amount set forth in the Act, without the approval of a majority of the members of the Association [or in compliance with any other voting requirements set forth in the Act, as amended from time to time].

5.3.2. Notification to Owners of Annual Assessments. The Annual Assessment Period runs from July 1 of each year through June 31 of the next year. The Board will provide notice to the Owners of any change in the amount of the Annual Assessment at least 30 days prior to the commencement of the Annual Assessment Period. The failure to give such notice will not affect the validity of the Annual Assessment established by the Board nor relieve any Owner from the obligation to pay the Annual Assessment.

5.3.3. Installments. The Board may determine that the Annual Assessment is payable in equal quarterly installments or on any other periodic basis. In the event that the Board determines that the annual assessment is payable in installments, if the Owner becomes delinquent in the payment of these installments, the Board has the right to accelerate the balance of the year's assessment, all of which will be due within 15 days of written notice provided by the Board.

5.3.4. Use of Association Funds. The Board will apply the Assessments to the performance of the duties and obligations of the Association and the Board under the Governing Documents and toward such other ends and purposes as the Board may reasonably determine.

5.3.5. Inadequate Funds. If the Board determines that its budgeted or available funds for that calendar year are, or will become, inadequate to pay all expenses of the Association for any reason, including without limitation, nonpayment of Assessments by Members or shortfalls in the reserve fund, it may increase the Annual Assessments for that calendar year and the revised Annual Assessment will commence on a date designated by the Board. If the proposed increase in the Annual Assessment exceeds the maximum increase allowed by the Act, that increase must be approved by a vote of a majority of the Owners.

5.3.6. Declarant's Exemption. Notwithstanding anything in this Declaration to the contrary, the Declarant is not liable for and is not required to pay any Assessments for any Lots which it owns, unless the Declarant either resides in a home constructed on any of its Lots or leases a home on any of the Lots.

Section 5.4. Special Assessments. In addition to the Regular Assessments, the Board may levy Special Assessments for any of the following purposes: (1) constructing capital improvements; (2) correcting an inadequacy in the current operating account; (3) defraying, in whole or in part, the cost of

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any construction, reconstruction, unexpected repair or replacement of improvements in the Common Areas; (4) paying for such other matters as the Board, in its sole discretion, may deem appropriate. Any Special Assessment must be approved by two-thirds of the Members voting in person or by absentee ballot at any meeting of the Association. The Board will determine the due date of any Special Assessment which, at the discretion of the Board, may be paid in installments.

Section 5.5. Reimbursement Assessments. The Association may levy a Reimbursement Assessment against any Owner (1) if a failure to comply with the Governing Documents requires an expenditure of money by the Association, including attorney fees, collection and other costs, to bring the Owner or that Owner's Lot into compliance or is caused by the misconduct of any Owner, or (2) if the Board has imposed a fine or penalty against any Owner after notice of the violation and an opportunity for a hearing has been given to that Owner.

Section 5.6. Estoppel Certificate. The Association will, upon demand, and for a reasonable charge, furnish the Owner with a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid and through what date they are paid.

Section 5.7. Effect of Nonpayment of Assessments or Other Charges; Remedies of the Association.

5.7.1. Late Fees. Any Assessment which is not paid within 15 days after the due date of the Assessment, will bear interest from the due date at a rate established by the Board. In addition to the interest charges, the delinquent Owner will pay the Association a late fee in an amount equal to the greater of \$15.00 or 10% of the amount of the installment.

5.7.2. Automatic Lien. All delinquent Assessments are an automatic lien on the Lot from the date the Assessment became delinquent. The Association's lien arises when the original Declaration was recorded in 1996. The Association may, but is not obligated to, record a lien against the Lot to give notice to third persons of its interest in the Lot.

5.7.3. Release of Recorded Lien. If the Association recorded a Lien against the Lot, the Association is not obligated to release that lien until all delinquent Assessments, late charges, interest and/or reasonable attorney fees and costs have been paid in full.

5.7.4. Enforcement of Assessment Obligation. The Association has

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Section 5.9. Subordination of the Lien to Mortgages. The Association's Lien is subordinate to the lien of any First Mortgage. Sale or transfer of any Lot does not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure, will extinguish the Association's Lien as to payments which became due before the sale or transfer. No sale or transfer relieves the Lot or its Owner from liability for any Assessments or other charges which accrue thereafter.

Section 5.11. Working Capital Payment. To insure that the Association has adequate funds to pay the Common Expenses, the Board may require that every Purchaser of a Lot make a Working Capital payment immediately upon becoming the Owner of the Lot, in an amount determined by the Board from time to time. Funds paid to the Association pursuant to this Section may be used by the Association for the payment of Operating Expenses or any other purpose permitted under the Governing Documents. The Working Capital payment made pursuant to this Section is not refundable and will not be considered as an advance payment of any Assessments levied by the

Association pursuant to this Declaration.

Section 5.12. Reserves. Any reserves collected as part of the Annual Assessments will be deposited by the Association in a separate bank account. Such reserves will be deemed a contribution to the capital account of the Association by the Owners and once paid, no Owner will be entitled to any reimbursement of those funds. The reserves are for the maintenance, repair, and replacement of any improvements in the Common Area and for unforeseen contingencies. The Board is only responsible for budgeting for such reserves as the Board in good faith deems reasonable, and no Member of the Board is liable to any Owner or to the Association if the amount in the reserve account proves to be inadequate.

ARTICLE VI - ENFORCEMENT AND AMENDMENT

Section 6.1. Enforcement.

6.1.1. These covenants, conditions, and restrictions are covenants running with the land and the breach of any provision of the Governing Documents may be enjoined or remedied by appropriate proceedings at law or in equity by the Association or by any Owner of any Lot, but not any other person.

6.1.2. Declarant has the right to enforce the Declaration at any time when Declarant has retained an interest, either directly or indirectly, in any Lot subject to the Declaration.

6.1.3. The Association may enforce the Governing Documents in any manner provided for in this Declaration or by law, including, but not limited to:

6.1.3.1. Imposing reasonable monetary penalties after notice and an opportunity to be heard is given to the Owner;

6.1.3.2. Exercising self-help or taking action to abate any violation of the Governing Documents;

6.1.3.3. Requiring an Owner, at the Owner's expense, to remove any Improvement on the Owner's Lot in violation of the Governing Documents and to restore the Lot to its previous condition. After notice stating a time within which the Owner must perform, if the Owner fails to take action, the Board or its designee

has the right to enter the Lot, remove the Improvement in violation and restore the Lot to substantially the same condition as previously existed and any such action will not be deemed a trespass;

6.1.3.4. Without liability to the Association or Board, prohibiting any Person engaged by an Owner who fails to comply with the terms and provisions of the Governing Documents, from continuing or performing any further activities in the Property;

6.1.3.5. Filing a lawsuit to enjoin a violation of the Governing Documents, to compel compliance with the Governing Documents, to recover fines or money damages or to obtain such other relief to which the Association may be entitled.

6.1.4. The Association is not obligated to take any enforcement action if the Board determines, in its sole discretion, that by virtue of the Association's finances, possible defenses, the time and expense of litigation or other enforcement action, the likelihood of a result favorable to the Association, or other facts deemed relevant by the Board, enforcement action would not be appropriate or in the best interests of the Association.

6.1.5. All rights and remedies of the Association under the Governing Documents or at law or in equity are cumulative, and the exercise of one right or remedy will not act as a waiver of the Association's right to exercise another right or remedy.

6.1.6. No delay or failure by the Association or any Owner in exercising any right under this Declaration or any of the other Governing Documents will operate as a waiver of such right or any other right, and no single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right.

6.1.7. No claim or cause of action will accrue against the Board, the Association or any Owner for their neglect or refusal to exercise such right of enforcement.

6.1.8. Except for judicial construction of the provisions of the Governing Documents, the Association, through its Board, has the exclusive right to construe and interpret the provisions of this Declaration, including without limitation, the use restrictions in Article 4.

In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions of this Declaration is final, conclusive and binding as to all persons and property benefitted or bound by this Declaration.

Section 6.2. Attorney Fees. If the Association takes any action to enforce the provisions of the Governing Documents, or is required to defend any action instituted by any Owner against the Association, including any claim made with the Department of Building and Fire Safety, it has the right to recover any attorney fees, litigation expenses, costs or other expenses incurred as a result of such action. These charges may be recovered against the Owner personally or against the Lot in the same manner as the collection of assessments. The right to recover such charges exists regardless of whether the Association files suit or is successful in compelling compliance without filing suit.

Section 6.3. Notice of Violation. An Owner of any Lot who permits the breach of any of these covenants, conditions and restrictions by persons over whom he/she exercises either direct or indirect control will be given written notice, by first-class mail sent to the Owner's last known address or by personal service, to remedy the breach within 10 days from mailing. If such breach is not remedied as provided, a Notice of Violation of Covenants may be recorded in the office of the Pima County Recorder and/or the appropriate legal action may be taken. A recorded release of the Notice of Violation will be recorded upon compliance. The Notice of Violation, if recorded, may constitute an exception to the title to the Lot which may affect an Owner's ability to convey marketable title to the Lot. Nothing in this paragraph will be construed to limit any other remedy available in law or equity for breach of these covenants.

Section 6.4. Arbitration. In order to more efficiently and economically enforce the Declaration, in addition to the right to bring a judicial action and to record a Notice of Violation, the Association has the right to submit any alleged breach of the Declaration to binding arbitration before a licensed Arizona attorney in Tucson, Arizona. The arbitrator will be selected by the Association. The rules governing the arbitration will be established by the arbitrator, so long as such rules are not in violation of any Arizona law governing arbitration proceedings and arbitration awards. The arbitrator has the right to both issue an award for damages caused by any violation and for injunctive relief ordering corrective action to cure the violation and/or to prohibit future violations. The arbitrator's award is final and binding on the parties, and may be entered as a final judgment in any court of competent jurisdiction. The fact that such an award has been issued may be included in any Notice of Violation recorded pursuant to Section 6.2 and such Notice of Violation is not required to be

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Section 7.2. Mortgagee's Lien. The breach of any of the foregoing covenants, conditions and restrictions does not affect or invalidate the lien of any mortgage or deed of trust made in good faith for value as to any Lot, but the covenants, conditions and restrictions are binding upon and effective against any party acquiring title to any such Lot, whose title to or whose Declarant's title is or was acquired by foreclosure, trustee's sale or otherwise.

Section 7.3. Waiver.

7.3.1. No delay or omission on the part of the Association or the Owner of any Lot in exercising any right, power or remedy set forth herein will be construed as a waiver thereof or acquiescence in any breach. No right of action will accrue nor can any action be brought or maintained by anyone because of the breach hereof or for imposing restrictions herein which may be unenforceable.

7.3.2. The Board may waive any or all of the covenants, conditions and restrictions set forth in this Declaration. Any such waiver may apply, at the option of the Board, to only one or more of the lots, but not to all of the Lots and even if a waiver does not apply to all of the Lots such waiver does not waive the provisions of these covenants, conditions and restrictions as to any other Lot.

Section 7.4. Granting Approvals. Whenever in this Declaration the approval or consent of the Board or the Approving Agent is required or is permitted to be given, such approval or consent may be granted or withheld by the Board or the Approving Agent for any reason or no reason in the sole exercise of its discretion.

Section 7.5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order will in no way affect any other provisions which will remain in full force and effect.

Section 7.6. Remedies Cumulative. Each remedy provided herein and at law and in equity is cumulative and not exclusive.

Section 7.7. Notices. If notice of any action or proposed action by the Board or any committee or of any meeting is required to be given to any Owner, by applicable law, this Declaration or any resolution of the Board, then such notice must be given to the Owner at the property address of the Lot, or such other notice as provided by the Owner in writing to the Association. The

notice requirement is satisfied if notice of such action or meeting is served upon an Owner by first class mail, postage prepaid, addressed to the Owner at the mailing address set forth in the records of the Association and is deemed as delivered 24 hours after mailing. All notices, demands, or other communications intended to be served upon the Association must be sent by certified mail, postage prepaid, to the Association's address as set forth in the records of the Arizona Corporation Commission, or to such other address as provided by the Association to the Owners.

Section 7.8. Binding Effect. By acceptance of a deed or by acquiring any interest in any Lot, each person, that person's heirs, personal representatives, successors, transferees and assigns, agree to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by the Governing Documents. In addition, each such person acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Property and hereby evidences that person's interest that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration will run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration will be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

Section 7.9. Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances will operate to extinguish, terminate or modify any of the provisions of this Declaration.

Section 7.10. Survival of Liability Except as specifically provided herein, the termination of membership in the Association will not relieve or release any such former Member from any liability or obligation incurred under or in any way connected with the Association during the period of such membership, or impair any rights or remedies which the Association may have against such former Member arising out of or in any way connected with such membership and the covenants and obligations incident thereto.

Section 7.11. Interpretation. In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and the Articles, Bylaws, Association Rules or Architectural Guidelines, the provisions of this Declaration will prevail.

Section 7.12. Joint and Several Liability. In the case of joint ownership of

a Lot, the liabilities and obligations of each of the joint Owners set forth in or imposed by this Declaration, will be joint and several.

IN WITNESS WHEREOF, the undersigned, being the Declarants, has executed this Amended and Restated Declaration on July 1, 2010.

"DECLARANTS".

By:

Michael E. Arnold
Michael E. Arnold

Date: 7-1, 2010

Linda Vaughn-Arnold
Linda Vaughn Arnold

By:

James M. Vaughn
James M. Vaughn

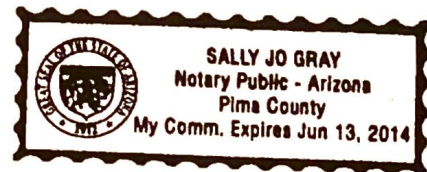
Date: 7/1/, 2010

STATE OF ARIZONA)
)ss.
COUNTY OF PIMA)

ACKNOWLEDGED BEFORE ME this 1 day of July, 2010, by Michael E. Arnold and Linda Vaughn Arnold.

Sally Jo Gray
Notary Public

My Commission Expires: 6/13/2014



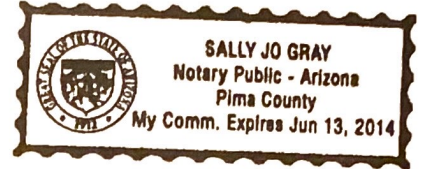
STATE OF ARIZONA)

COUNTY OF PIMA)

)ss.

ACKNOWLEDGED BEFORE ME this 1 day of July, 2010, by
James M. Vaughn.

Sally Jo Gray
Notary Public



My Commission Expires: 6/13/2014