

Official Records of Maricopa County
Recorder Helen Purcell

When recorded return to:

20080166595, 02/26/2008 03:03,01454-51-1-1--, N

Ekmark & Ekmark L.L.C.
6720 N. Scottsdale Rd., Suite 261
Scottsdale, AZ 85253

Electronic Recording.

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SUN VILLAGE RESORT

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS 1

A. "Ancillary Association" 1

B. "Annual Assessment" 2

C. "Architectural Committee" 2

D. "Architectural Guidelines" 2

E. "Articles" 2

F. "Assessable Property" 2

G. "Assessment" 2

H. "Assessment Lien" 2

I. "Assessment Period" 2

J. "Association" 2

K. "Association Land" 2

L. "Board" 2

M. "Bylaws" 2

N. "Common Area" 3

O. "Condominium Development" 3

P. "Condominium Unit" 3

Q. "Covenants" 3

R. "Declarant" 3

S. "Declaration" 3

T. "Deed" 3

U. "Dwelling Unit" 3

V. "Exempt Property" 3

W. "Golf Course" and "Golf Course Land" 4

X. "Land Use Classification" 4

Y. "Lease" 4

Z. "Lot" 4

Aa. "Maintenance Charges" 4

Bb. "Master Development Plan" 4

Cc. "Member" 4

Dd. "Membership" 4

Ee. "Neighboring Property" 4

Ff. "Owner" 4

Gg. "Parcel" 5

Hh. "Recording" 5

Ii. "Resident" 5

Jj. "Single Family" 5

Kk. "Special Assessment" 5

Ll. "Special Use Fees" 5

Mm.	" <u>Sun Village Resort</u> " or " <u>Sun Village</u> "	5
Nn.	" <u>Sun Village Rules</u> "	5
Oo.	" <u>Tract Declaration</u> "	5
Pp.	" <u>Visible From Neighboring Property</u> "	6
Qq.	" <u>Water Feature</u> "	6

ARTICLE II

	<u>PROPERTY SUBJECT TO THIS DECLARATION</u>	6
Section 1.	<u>General Declaration Creating Sun Village.</u>	6
Section 2.	<u>Association Bound.</u>	6

ARTICLE III

	<u>EASEMENTS AND RIGHTS OF ENJOYMENT IN COMMON AREA</u>	6
Section 1.	<u>Easements of Enjoyment.</u>	6
Section 2.	<u>Delegation of Use</u>	7
Section 3.	<u>Rights of Ingress and Egress.</u>	8
Section 4.	<u>Easements for Encroachments.</u>	8

ARTICLE IV

	<u>LAND USE CLASSIFICATIONS, PERMITTED USES AND RESTRICTIONS</u>	8
Section 1.	<u>Land Use Classifications.</u>	8
Section 2.	<u>Covenants Applicable to Lots and Parcels Within All Land Use Classifications.</u>	9
(a)	<u>Architectural Control.</u>	9
(b)	<u>Animals.</u>	9
(c)	<u>Temporary Occupancy and Temporary Buildings.</u>	10
(d)	<u>Maintenance of Lawns and Plantings.</u>	10
(e)	<u>Nuisances; Construction Activities.</u>	10
(f)	<u>Diseases and Insects.</u>	11
(g)	<u>Repair of Building.</u>	11
(h)	<u>Antennas.</u>	11
(i)	<u>Mineral Exploration.</u>	11
(j)	<u>Trash Containers and Collection.</u>	11
(k)	<u>Clothes Drying Facilities.</u>	11
(l)	<u>Machinery and Equipment.</u>	12
(m)	<u>Signs.</u>	12
(n)	<u>Restriction on Further Subdivision, Property Restrictions and Rezoning.</u>	12
(o)	<u>Utility Easements.</u>	13
(p)	<u>Party Walls and Party Fences.</u>	13
(q)	<u>Fencing.</u>	14

(r)	<u>Utility Service.</u>	15
(s)	<u>Overhead Encroachments.</u>	15
(t)	<u>Trucks, Trailers, Campers and Boats.</u>	15
(u)	<u>Motor Vehicles.</u>	15
(v)	<u>Towing of Vehicles.</u>	15
(w)	<u>Parking.</u>	16
(x)	<u>Roofs.</u>	16
(y)	<u>Water Features.</u>	16
(z)	<u>Window Treatments</u>	16
(aa)	<u>Golf Course.</u>	16
(bb)	<u>Drainage.</u>	17
(cc)	<u>Garage Openings.</u>	17
(dd)	<u>Right of Entry.</u>	17
(ee)	<u>Health, Safety and Welfare.</u>	17
(ff)	<u>Restrictions on Solicitation.</u>	17
(gg)	<u>Solar Panels.</u>	17
Section 3.	<u>Covenants Applicable to Lots Within a Single Family Residential Land Use Classification, a Residential Condominium Land Use Classification, and a Cluster Residential Land Use Classification.</u>	17
(a)	<u>General.</u>	17
(b)	<u>Tenants.</u>	18
(c)	<u>Age Restriction.</u>	18
Section 4.	<u>Variances.</u>	19

ARTICLE V

	<u>ORGANIZATION OF ASSOCIATION</u>	20
Section 1.	<u>Formation of Association.</u>	20
Section 2.	<u>Board of Directors and Officers.</u>	20
Section 3.	<u>The Sun Village Rules and Architectural Guidelines.</u>	20
Section 4.	<u>Personal Liability.</u>	20
Section 5.	<u>Ancillary Associations.</u>	21

ARTICLE VI

	<u>MEMBERSHIPS AND VOTING</u>	21
Section 1.	<u>Owners of Lots and Parcels.</u>	21
Section 2.	<u>Voting.</u>	21
Section 3.	<u>Right to Vote.</u>	21
Section 4.	<u>Membership Rights.</u>	22
Section 5.	<u>Transfer of Membership.</u>	22

ARTICLE VII

COVENANT FOR ASSESSMENTS AND CREATION OF LIEN 22

Section 1. Creation of Lien and Personal Obligation of Assessments and Maintenance Charges. 22

Section 2. Annual Assessments. 23

Section 3. Uniform Rate of Assessment. 23

Section 4. Maximum Annual Assessment. 23

Section 5. Special Assessments for Capital Improvements and Extraordinary Expenses. 24

Section 6. Notice and Quorum for Any Action Authorized Under Sections 4 and 5. 24

Section 7. Establishment of Annual Assessment Period. 24

Section 8. Rules Regarding Billing and Collection Procedures. 24

Section 9. Collection Costs and Interest on Delinquent Assessments. 25

Section 10. Evidence of Payment of Assessments and Maintenance Charges. 25

Section 11. Property Exempted from the Annual and Special Assessments. 26

Section 12. Capital Preservation Assessment. 26

ARTICLE VIII

ENFORCEMENT OF PAYMENT OF ASSESSMENTS AND MAINTENANCE CHARGES AND OF ASSESSMENT LIEN 26

Section 1. Association as Enforcing Body. 26

Section 2. Association's Remedies to Enforce Payment Of Assessments and Maintenance Charges. 26

Section 3. Subordination of Assessment Lien to First Mortgage or Deed of Trust; Priority of Lien. 27

Section 4. Costs to be Borne by Member in Connection with Enforcement of Payment of Assessments and Maintenance Charges. 27

ARTICLE IX

USE OF FUNDS; BORROWING POWER 28

Section 1. Purposes for Which Association's Funds May Be Used. 28

Section 2. Borrowing Power. 28

Section 3. Association's Rights in Spending Funds From Year to Year. 28

Section 4. Administration of Special Use Fees. 28

Section 5. Insurance. 28

Section 6. Reserve Fund. 29

Section 7. Financial Reports. 29

ARTICLE X

MAINTENANCE 29
Section 1. Common Area and Public Right-of-Way. 29
Section 2. Assessment of Certain Costs of Maintenance and Repair of Common Area and Public Areas. 31
Section 3. Improper Maintenance and Use of Lots and Parcels. 31
Section 4. Easement. 31

ARTICLE XI

ARCHITECTURAL COMMITTEE 32
Section 1. Establishment. 32
Section 2. Meetings; Guidelines. 32
Section 3. Discretion of Committee; Liability. 32
Section 4. Response Within Forty-Five (45) Days. 33
Section 5. Evidence of Committee's Approval. 33
Section 6. Appeal. 33
Section 7. Fee. 33

ARTICLE XII

RIGHTS AND POWERS OF ASSOCIATION 34
Section 1. Association's Rights and Powers As Set Forth in Articles and Bylaws. 34
Section 2. Enforcement of Provisions of This and Other Instruments. 34
Section 3. Contracts with Others for Performance of Association's Duties. 34
Section 4. Change of Use of Association Land and Procedure Therefor. 34
Section 5. Condemnation. 35

ARTICLE XIII

TERM; AMENDMENTS; TERMINATION 35
Section 1. Term; Method of Termination. 35
Section 2. Amendments by Owners. 35
Section 3. Amendments by Board. 36

ARTICLE XIV

ANNEXATION OF ADDITIONAL PROPERTY 36
Section 1. Right of Annexation. 36

ARTICLE XV

WATER RIGHTS 36
Section 1. Association Use. 36

ARTICLE XVI

MISCELLANEOUS 37
Section 1. Interpretation of the Covenants. 37
Section 2. Severability. 37
Section 3. Change of Circumstances. 37
Section 4. Rules and Regulations. 37
Section 5. References to the Covenants in Deeds. 37
Section 6. Gender and Number. 37
Section 7. Captions and Titles. 38
Section 8. Notices. 38
Section 9. Attorney's Fees. 38

EXHIBIT A

LEGAL DESCRIPTION 40

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SUN VILLAGE RESORT

THIS Amended and Restated Declaration of Covenants, Conditions and Restrictions (“DECLARATION”), made as of the date hereinafter set forth by Sun Village Community Association (“Association”).

RECITALS

WHEREAS, Declarant recorded a Declaration of Covenants, Conditions and Restrictions for Sun Village Resort, recorded at Recording Number 86-337166 Official Records of the Maricopa County Recorder, a First Amendment to Declaration of Covenants, Conditions and Restrictions for Sun Village Resort, recorded at Recording Number 87-769403 Official Records of the Maricopa County Recorder, a Second Amendment to Declaration of Covenants, Conditions and Restrictions for Sun Village Resort, recorded at Recording Number 88-623560 Official Records of the Maricopa County Recorder, a Third Amendment to Declaration of Covenants, Conditions and Restrictions for Sun Village Resort, recorded at Recording Number 90-104556 Official Records of the Maricopa County Recorder a Fourth Amendment to Declaration of Covenants, Conditions and Restrictions for Sun Village Resort, recorded at Recording Number 90-300210 Official Records of the Maricopa County Recorder, a Fifth Amendment to Declaration of Covenants, Conditions and Restrictions for Sun Village Resort, recorded at Recording Number 06-1034381 Official Records of the Maricopa County Recorder, which governs the land described in the attached Exhibit A;

WHEREAS, the Association, by and through its Members, wishes to amend and restate the Declaration in its entirety as set forth herein;

NOW, THEREFORE, the Association hereby declares that all of the properties described above 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 real property and be binding on all parties having any rights, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

A. "Ancillary Association" shall mean an association created by the developer of a residential subdivision or neighborhood within Sun Village for the owners of dwelling units within that subdivision or neighborhood. The members of an Ancillary Association may include

homeowners in one or more subdivisions or neighborhoods.

B. "Annual Assessment" shall mean the charge levied and assessed each year against each Lot, Parcel and Owner pursuant to Article VII, Section 2, hereof.

C. "Architectural Committee" shall mean the Architectural Committee of the Association to be created pursuant to Article XI below.

D. "Architectural Guidelines" shall mean the rules, regulations and guidelines concerning the development, modification, alteration, and use of any residential area within Sun Village, as adopted by the Architectural Committee and approved by the Board in accordance with Article V, Section 3.

E. "Articles" shall mean the Articles of Incorporation of the Association as the same may from time to time be amended or supplemented.

F. "Assessable Property" shall mean any Lot or Parcel in Sun Village, except such part or parts thereof as may from time to time constitute Exempt Property.

G. "Assessment" shall mean an Annual Assessment, a Special Assessment, or a Capital Preservation Assessment.

H. "Assessment Lien" shall mean the lien created and imposed by Article VII.

I. "Assessment Period" shall mean the term set forth in Article VII, Section 7.

J. "Association" shall mean the Arizona nonprofit corporation organized to administer and enforce the Covenants and to exercise the rights, powers and duties set forth in this Declaration, its successors and assigns.

K. "Association Land" shall mean such part or parts of Sun Village, together with the buildings, structures and improvements thereon, and other real property which the Association now or hereafter owns in fee or in which the Association now or hereafter has a leasehold or easement interest, for as long as the Association is the owner of the fee, leasehold or easement interest. Association Land to be owned and maintained by the Association shall include, but not be limited to, the Sun Village Parkway and other private streets, the Sun Village recreation center (the clubhouse and swimming pool), the Zuni recreation center and pool, the RV storage area, and the Sun Village Golf Course.

L. "Board" shall mean the Board of Directors of the Association.

M. "Bylaws" shall mean the Bylaws of the Association as the same may from time to time be amended or supplemented.

N. "Common Area" shall mean (a) all Association Land; (b) all land within Sun Village which is available for use exclusively by Members of the Association; (c) all land or right-of-way easements within Sun Village which are dedicated to the public or to the City of Surprise, but which the City of Surprise or other governmental agency requires the Association to maintain; (d) areas on a Lot or Parcel within easements granted to the Association or its Members for the location, construction, maintenance, repair and replacement of a wall or landscaping outside the wall, which easement may be granted or created on a recorded subdivision plat or Tract Declaration or by a deed or other conveyance accepted by the Association.

O. "Condominium Development" shall mean a declaration of condominium established under the laws of the State of Arizona.

P. "Condominium Unit" shall mean a Condominium Unit, together with any appurtenant interest in all common elements, which is created by a declaration of condominium established and recorded under Arizona law.

Q. "Covenants" shall mean the covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements set forth herein.

R. "Declarant" shall mean Estes Homes, a partnership and the successors and assigns of Declarant's rights and powers hereunder.

S. "Declaration" shall mean this AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SUN VILLAGE RESORT, as amended or supplemented from time to time.

T. "Deed" shall mean a deed or other instrument conveying the fee simple title in a "Lot" or "Parcel".

U. "Dwelling Unit" shall mean any building or portion of a building situated upon a Lot or Parcel designed and intended for use and occupancy as a residence by a Single Family.

V. "Exempt Property" shall mean the following parts of Sun Village:

- (1) All land and improvements owned by or dedicated to and accepted by the United States, the State of Arizona, Maricopa County, the City of Surprise, or any political subdivision thereof, for as long as any such entity or political subdivision is the owner thereof or for so long as said dedication remains effective.
- (2) All Association Land, for as long as the Association is the owner thereof.

Property described in Items (1) and (2) of this Subsection V shall be fully exempt from all of the terms and provisions of this Declaration.

W. "Golf Course" and "Golf Course Land" shall mean Tracts G and H of SUN VILLAGE RESORT, a plat recorded in Book 299, page 33, Records of Maricopa County, Arizona, and any amendments thereto, together with any additional property hereafter added to the Golf Course. The Golf Course is Association Land regulated by the Board.

X. "Land Use Classification" shall mean the classification established by the Declarant or the Association pursuant to Article IV, Section 1, which classification designates the type of improvements which may be constructed on a Lot, Parcel or Association Land and the purposes for which such improvements and surrounding land may be utilized.

Y. "Lease" shall mean a lease, whether oral or written and regardless of the term thereof, for the leasing or rental of an apartment or other residential or commercial property.

Z. "Lot" shall mean any (a) area of real property within Sun Village designated as a Lot on a recorded subdivision plat and limited by a Tract Declaration to either Single Family Residential Use or Cluster Residential Use and (b) any Condominium Unit within Sun Village which is limited to residential use by a Tract Declaration.

Aa. "Maintenance Charges" shall mean any and all costs assessed pursuant to Article X, Sections 2 and 3.

Bb. "Master Development Plan" shall mean the Sun Village Development Plan approved by the City of Surprise, as the same may from time to time be amended, a copy of which shall be on file at all times in the office of the Association.

Cc. "Member" shall mean any person holding a Membership in the Association pursuant to this Declaration.

Dd. "Membership" shall mean a Membership in the Association and the rights granted to the Owners to participate in the Association pursuant to Article VI.

Ee. "Neighboring Property" is any property or street within Sun Village other than the specific property in reference.

Ff. "Owner" (when so capitalized) shall mean the record holder of legal title to the fee simple interest of any Lot or Parcel including, without limitation, one who is buying a Lot or Parcel under a recorded contract, but excluding others who hold such title merely as security. Owner shall not include a lessee or tenant of a Lot or Parcel. In the case of Lots or Parcels the fee simple title to which is vested of record in a trustee pursuant to Arizona Revised Statutes, Section 33-801 et seq., legal title shall be deemed to be in the Trustor. An Owner shall include any

person who holds record title to a Lot or Parcel in joint ownership with any other person or holds an undivided fee interest in any Lot or Parcel.

Gg. "Parcel" shall mean an area of real property within Sun Village that is not part of a Lot or Common Area.

Hh. "Recording" shall mean placing an instrument of public record in the office of the County Recorder of Maricopa County, Arizona and "Recorded" shall mean having been so placed of public record.

Ii. "Resident" shall mean:

- (1) Each buyer under a contract of sale covering any part of the Assessable Property, regardless of whether the contract is recorded, and each tenant or lessee actually residing on any part of the Assessable Property; and
- (2) Members of the immediate family of each Owner, lessee, tenant and of each buyer referred to in subparagraph (1) actually living in the same household with such Owner, lessee, tenant or buyer.

Jj. "Single Family" shall mean an adult individual living alone, a group of two or more adult persons each related to the other by blood, marriage or legal adoption, or a group of not more than three (3) adult persons not all so related, who maintain a common household in a Dwelling Unit. An "adult" shall mean a person eighteen years of age or older. The occupancy of all residential areas in Sun Village shall be subject to the age restrictions provided in Article IV, Section 3(c) and Section 4(c).

Kk. "Special Assessment" shall mean any assessment levied and assessed pursuant to Article VII, Section 5.

Ll. "Special Use Fees" shall mean special fees charged by the Board for the use of Association owned facilities or for participation in Association sponsored programs over, above and in addition to any Annual or Special Assessments, or Maintenance Charges imposed or payable hereunder.

Mm. "Sun Village Resort" or "Sun Village" shall mean the real property described in Exhibit A of this Declaration.

Nn. "Sun Village Rules" shall mean the rules for Sun Village adopted by the Board pursuant to Article V, Section 3.

Oo. "Tract Declaration" shall mean a declaration recorded pursuant to Article IV, Section 1 of this Declaration.

Pp. "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 on neighboring property, on the level of the base of the object being viewed.

Qq. "Water Feature" shall mean the Water Features (including, but not limited to, lakes, fountains and other similar water amenities, but excluding swimming pools) shown on the Master Development Plan for Sun Village, including the land underlying the Water Features. Some of the Water Features will be on Association Land. Other Water Features centered within residential neighborhoods may be maintained and owned in common by the surrounding Owners or by an Ancillary Association created for the benefit of those Owners. The use of all Water Features and surrounding areas shall be regulated by the Board.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. General Declaration Creating Sun Village. The Association hereby declares that all of the real property within Sun Village (except any property which is hereafter excluded or abandoned pursuant to the provisions of this Declaration) is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred, in whole or in part, subject to this Declaration as amended or modified from time to time. In addition, all of the real property within Sun Village shall be subject to recorded Tract Declarations as applicable and as amended from time to time. Said Tract Declarations will specify the Land Use Classification and permitted uses of property described therein (in accordance with Article IV hereof) and will incorporate this Declaration and establish such additional covenants, conditions and restrictions as may be appropriate for that property. This Declaration and all subsequent Tract Declarations are declared and agreed to be in furtherance of a general plan for the subdivision, development, improvement and sale of Sun Village and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of Sun Village and every part thereof. All of this Declaration and applicable Tract Declarations shall run with Sun Village for all purposes and shall be binding upon and inure to the benefit of the Association, all Owners and Residents and their successors in interest.

Section 2. Association Bound. The Covenants shall be binding upon and shall benefit the Association.

ARTICLE III

EASEMENTS AND RIGHTS OF ENJOYMENT IN COMMON AREA

Section 1. Easements of Enjoyment. Every Member shall have a right and easement

of enjoyment in and to the Common Area which rights shall be appurtenant to and shall pass with the title to every Lot and Parcel, subject to the following rights of the Association:

(a) The right of the Association to charge reasonable admission and other Special Use Fees for the use of any recreational or other facility situated upon the Common Area, including, but not limited to, golfing fees.

(b) The right of the Association to suspend the voting rights and Common Area use rights of any Member (including turning off the transponders or other automatic gate access devices) (i) for any period during which any Assessment against the Member's Lot or Parcel remains delinquent; (ii) for a period not to exceed 60 days for any infraction of this Declaration, a Tract Declaration, the Sun Village Rules or applicable architectural regulations, and (iii) for successive 60-day periods if any such infraction is not corrected during any prior 60-day suspension period. Members, however, shall still have access to the Property through the guard-gated access points.

(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 Association. Unless otherwise required by zoning stipulations or agreements with the City of Surprise effective prior to the date hereof or specified on a recorded subdivision plat, no such dedication or transfer shall be effective unless an instrument signed by the Owners of two-thirds (2/3) of the Memberships agreeing to such dedication or transfer has been recorded, except that the Board shall have authority to transfer to such public agencies, authorities or utilities, easements and rights-of-way which are intended to benefit Sun Village and which do not have any substantial adverse affect on the enjoyment of the Common Area by the Members.

(d) The right of the Association to regulate the use of the Common Area through the Sun Village Rules and to prohibit access to those Common Area, such as landscaped rights-of-ways, not intended for use by the Members. The Sun Village Rules shall be intended, in the absolute discretion of the Board, to enhance the preservation of the Common Area or the safety and convenience of the users thereof, or otherwise shall serve to promote the best interests of the Owners and Residents.

Section 2. Delegation of Use. Any Member may, in accordance with this Declaration and the Sun Village Rules and the limitations therein contained, delegate his right of enjoyment in the Common Area and facilities to the members of his family, to his guests or invitees, or to his tenants or lessees (including his tenant's family, guests or invitees). For the purposes of this Section, the Board shall have authority to treat members of one family as a single delegatee. In addition to other rules, the Board may restrict the use of the Common Area by persons under eighteen years of age.

Section 3. Rights of Ingress and Egress. Every Member shall have an unrestricted right of ingress and egress to his Lot(s) and/or Parcel(s) (which right shall be perpetual and shall be appurtenant to and shall pass with the title to said Lot(s) or Parcel(s)) over the following areas:

(a) for pedestrian traffic over, through and across sidewalks, paths, walks and lanes that from time to time may exist upon the Common Area; and

(b) for pedestrian and vehicular traffic over, through and across the Common Area streets and roadways which are designated and paved for such purpose.

Section 4. Easements for Encroachments. Each Lot and Parcel and the Common Area shall be subject to an easement for encroachments of walls, ledges, roofs and other structures created by construction, settling and overhangs as originally designed and constructed by the Declarant or other developer. If any such improvement on the Common Area encroaches upon any Lot or Parcel, or if any such improvement on any Lot or Parcel encroaches upon any portion of the Common Area, or if any such improvement on any Lot or Parcel encroaches upon another Lot or Parcel, a valid easement for any of said encroachments and for the maintenance thereof shall exist. In the event any structure on any Lot or Parcel or on the Common Area is repaired, altered or reconstructed in accordance with the original plans and specifications, the Owners of the Lots and Parcels and the Association agree that similar encroachments shall be permitted and that a valid easement for said encroachments and for the maintenance thereof shall exist.

ARTICLE IV

LAND USE CLASSIFICATIONS, PERMITTED USES AND RESTRICTIONS

Section 1. Land Use Classifications. The Land Use Classifications for Lots, Parcels and Association Land established by a Tract Declaration shall not be changed except as specifically permitted by this Declaration. The Land Use Classifications are as follows:

(a) Single Family Residential Use.

(b) Residential Condominium Use.

(c) Association Use, which may include common recreational and any other areas owned (in fee or by easement) and maintained by the Association. Such other areas may include, but are not limited to, golf course, restaurants, stores, service facilities, and recreational vehicle storage.

(d) Utility or Well-Site Use.

(e) Cluster Residential Use, which shall consist of Lots with dwelling units intended for Single Family occupancy and may include those types of residential housing

arrangements known as townhouses, clustered housing, duplexes, zero-lot line housing and similar arrangements, together with any related areas intended for the use and enjoyment of the Owners and Residents of the Lots in the Cluster development.

Section 2. Covenants Applicable to Lots and Parcels Within All Land Use Classifications. The following Covenants and rights shall apply to all Lots and Parcels, the Owners, Residents and lessees thereof, whether or not a Tract Declaration has been recorded on said property and regardless of the Land Use Classification of such property.

(a) Architectural Control. No improvements (whether temporary or permanent), alterations, repairs, excavation, grading, landscaping or other work which in any way alters the exterior appearance of any residential property within Sun Village, or the improvements located thereon, from its natural or improved state existing on the date the original Declaration of Covenants, Conditions and Restrictions for Sun Village Resort was recorded shall be made or done without the prior approval of the Architectural Committee, except as otherwise expressly provided in this Declaration. No building, fence, wall, residence or other structure shall be commenced, erected, maintained, improved, altered or made without the prior written approval of the Architectural Committee. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, including exterior color scheme, and all changes in the grade of any Sun Village area, shall be subject to the prior written approval of the Architectural Committee. No changes or deviations in or from the plans and specifications once approved by the Architectural Committee shall be made without the prior written approval of the Architectural Committee.

(b) Animals. No animals, birds, fowl, poultry or livestock, other than a reasonable number of dogs, cats, or other indoor pets, shall be maintained on any Lot, Parcel or other area in Sun Village, or in any Dwelling Unit and then only if they are kept, bred or raised thereon solely as domestic pets and not for commercial purposes. All pets must be kept under the direct control of the Owner at all times in a fenced yard (however, any fencing must be approved by the Architectural Committee), within a Dwelling Unit, or on a leash not to exceed six feet in length. No permitted pet shall be allowed to make an unreasonable amount of noise or to become a nuisance or an annoyance to other Owners. It shall be the responsibility of each Owner to remove immediately any droppings from pets. No structure for the care, housing or confinement of any permitted pet shall be maintained so as to be Visible From Neighboring Property, unless otherwise approved by the Architectural Committee. Upon the written request of any Member or Resident, the Board shall conclusively determine, in its sole and absolute discretion, whether, for the purposes of this subsection, a particular animal is a problem or nuisance or whether the number of pets on any such property is reasonable. Any decision rendered by the Board or Architectural Committee shall be enforceable in the same manner as other restrictions contained herein. No Owner or Resident shall be allowed to feed or otherwise care for wild animals or birds, except that hummingbird feeders shall be allowed so long as they do not become a nuisance or annoyance, as determined by the Board.

(c) Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for a residence, either temporary or permanent. Temporary buildings or structures may be used on any property for construction or repair purposes, with the prior written approval of the Architectural Committee and for the time period approved by the Architectural Committee.

(d) Maintenance of Lawns and Plantings. Each Owner of a Lot or Parcel shall keep all shrubs, trees, hedges, grass, and plantings of every kind located on

(i) his Lot or Parcel (including set back areas and Common Area);

(ii) platted public right-of-way areas between sidewalks (or bikepaths) and the street curb on the front or side of his property, if any;

(iii) any other public right-of-way or easement area which abuts the Owner's Lot or Parcel and which is located between the boundary line of his Lot or Parcel and the paved area of any street, sidewalk, bikepath or similar area; and

(iv) any non-street public right-of-way or easement area adjacent to his Lot or Parcel, neatly trimmed, and shall keep all such areas properly cultivated and free of trash, weeds and other unsightly material; provided, however, that such Owner shall not be responsible for maintenance of any area over which (1) the Association or an Ancillary Association assumes the responsibility in writing; (2) the Association or an Ancillary Association has been given such responsibility by a recorded instrument as provided in Article X, Section 1 of this Declaration; or (3) the City of Surprise assumes responsibility, for so long as the Association, Ancillary Association or the City of Surprise assumes or has such responsibility. The Architectural Committee may require landscaping by the Owner of all or any portion of an improved or developed Lot or an improved or developed Parcel including the areas described in Subsections (i), (ii), (iii) and (iv) above. All areas maintained by an Ancillary Association shall be maintained in a manner which is consistent with the Architectural Guidelines and Sun Village Rules set forth by the Association.

(e) Nuisances; Construction Activities. No weeds, dead trees or plants, rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot, Parcel, or any other area in Sun Village and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such other property. No other nuisance shall be permitted to exist or operate upon any Lot, Parcel, or any other area in Sun Village. Without limiting the generality of any of the foregoing provisions and except as otherwise permitted herein, no exterior speakers, horns, whistles, firecrackers, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such property. Normal

construction activities and parking in connection with the building of improvements in Sun Village shall not be considered a nuisance or otherwise prohibited by this Declaration. It is acknowledged that normal construction activities may be noisy and may require the use of exterior speakers for communication purposes. The Architectural Committee in its sole discretion shall have the right to determine the existence of any nuisance.

(f) Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot, Dwelling Unit, Parcel or any other area in Sun Village which shall induce, breed or harbor diseases or insects.

(g) Repair of Building. No building or structure in Sun Village shall be permitted to fall into disrepair and each such building and structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished, as required by the Architectural Committee. In the event any building or structure is damaged or destroyed, then, subject to the approvals required by Subsection (a) above, such building or structure shall be promptly repaired, rebuilt or demolished.

(h) Antennas. Unless governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, no radio, television or other antennas of any kind or nature shall be placed or maintained upon any Lot, Dwelling Unit, Parcel or any other area in Sun Village which are Visible From Neighboring Property, without the prior written consent of the Architectural Committee. Any device governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, shall comply with the applicable antenna installation rules of the Association and shall be mounted, to the extent reasonably possible, so as to not be Visible From Neighboring Property or the street.

(i) Mineral Exploration. No area in Sun Village (other than a Parcel designated as a Well-site) 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.

(j) Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, Parcel, or other area in Sun Village except in covered containers of a type, size and style which are approved by the Architectural Committee. All such containers shall be screened from view to the extent reasonably possible as approved by the Architectural Committee. All rubbish, trash and garbage shall be regularly removed from Lots, Parcels and other Sun Village areas and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained in Sun Village.

(k) Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained in Sun Village unless they are erected, placed or maintained exclusively within a fenced service yard or are otherwise concealed and are not Visible From Neighboring Property.

(1) Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained in Sun Village except (i) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures, or other improvements; (ii) that which the Association may require for the operation and maintenance of Sun Village; or (iii) that used or displayed in connection with any business permitted under a Tract Declaration.

(m) Signs. No signs whatsoever (including, but not limited to, commercial, political and similar signs) which are Visible From Neighboring Property shall be erected or maintained in Sun Village except:

(i) Signs required by legal proceedings and signs required by law to be allowed on the Lot.

(ii) Not more than two (2) identification signs for individual detached residences, each with a face area of seventy-two (72) square inches or less and not more than one (1) identification sign with a face area of seventy-two (72) square inches or less for each attached residence.

(iii) "For Sale" signs and sign riders required by law to be allowed on the Lot.

(iv) Such other signs (including but not limited to construction job identification signs, builders signs, and subdivision, shopping center, apartment and business identification signs) which are in conformance with the requirements of the City of Surprise and which have been approved in writing by the Architectural Committee as to size, colors, design, message content and location.

(v) Unless otherwise provided by the City of Surprise or Maricopa County, one (1) political sign no larger than twenty-four by twenty-four inches (24" x 24") shall be allowed forty-five (45) days before an election and seven (7) days after an election.

(vi) Signs the nature, number and location of which have been approved in advance and in writing by the Architectural Committee.

(n) Restriction on Further Subdivision, Property Restrictions and Rezoning. No Lot or Parcel shall be further subdivided or separated into smaller lots or parcels by any Owner, and no portion less than all of any such Lot or Parcel, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Architectural Committee. This provision shall not apply to transfers of an undivided ownership interest in the whole of any Lot or Parcel. No buildings or other permanent structures shall be constructed on any area in Sun Village until a Tract Declaration has been recorded on such property, unless otherwise approved by the Association. No Tract Declaration or further

covenants, conditions, restrictions or easements shall be recorded by any Owner or other person against any property in Sun Village unless the provisions thereof have first been approved in writing by the Board or the Architectural Committee and any covenants, conditions, restrictions or easements recorded without such approval being evidenced thereon shall be null and void. No application for rezoning of any area in Sun Village, and no applications for variances or use permits, shall be filed with any governmental authority unless the proposed use of the property has been approved by the Board or the Architectural Committee and the proposed use otherwise complies with this Declaration and any applicable Tract Declaration.

(o) Utility Easements. There is hereby created a blanket easement upon, across, over and under Sun Village for ingress to, egress from, and the installation, replacing, repairing and maintaining of, all utility and service lines and systems, including, but not limited to water, sewers, gas, telephones, electricity, television cable or communication lines and systems, etc. as such utilities are installed in connection with the initial development of the property and the construction of the first Dwelling Unit or other building thereon. Pursuant to this easement, a providing utility or service company may install and maintain facilities and equipment on the property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of buildings on the property. Notwithstanding anything to the contrary contained in this Subsection, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on any area in Sun Village except as approved by the Board.

(p) Party Walls and Party Fences. A Party Wall shall be defined as any concrete block wall located on the border between contiguous pieces of land within the Property, whether between Lots, Parcels, or Common Area, or any combination thereof. A Party Fence shall be defined as any fence located on the border between contiguous pieces of land within the Property, whether between Lots, Parcels, or Common Area, or any combination thereof. Except as hereinafter provided, the rights and duties of Owners with respect to Party Walls or Party Fences shall be as follows:

(i) The Owners of contiguous Lots or Parcels who have a Party Wall or Party Fence shall both equally have the right to use such Wall or Fence, provided that such use by one Owner does not interfere with the Use and enjoyment of the same by the other Owner.

(ii) Except as provided below, the cost of reasonable repair and maintenance of a Party Wall or a Party Fence shall be shared equally by the adjoining Lot Owners.

(iii) In the event that any Party Wall or Party Fence is damaged or destroyed through the act or failure to act of an Owner or any of his tenants, lessees, agents, guests or members of his family, (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner to promptly rebuild and repair the Party Wall or Party Fence without cost to the Owner of the adjoining Lot or Parcel. Any dispute over an Owner's

liability for such damage shall be resolved as provided in Subsection (vi) below, but any liability imposed on an Owner hereunder shall not prevent the Owner from seeking indemnity therefor from the persons causing such damage.

(iv) In the event any Party Wall or Party Fence is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act or failure to act of an adjoining Owner, his tenants, lessees, agents, guests or family, it shall be the obligation of all Owners whose Lots or Parcels adjoin such Party Wall or Party Fence to rebuild and repair such Wall or Fence at their joint expense, such expense to be allocated among the Owners in accordance with the frontage of their Lots or Parcels on the Party Wall or Party Fence.

(v) Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any Party Wall or Party Fence without the prior consent of all Owners of any interest therein, whether by way of easement or in fee.

(vi) In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a Party Wall or Party Fence, or with respect to the sharing of the cost thereof, such adjoining Owners shall submit the dispute to the Board, the decision of which shall be binding.

Anything in the foregoing to the contrary notwithstanding:

(vii) In the case of Party Fences (1) between Common Area and Lots or Parcels, or (2) constructed by the Declarant or the Association on Common Area within a Lot or Parcel, the Association shall be responsible for all maintenance thereof, subject to the provisions of Article X, Sections 2 and 3..

(viii) In the case of Party Walls (1) between Common Area and Lots or Parcels, or (2) constructed by the Declarant or the Association on Common Area within a Lot or Parcel, the Association shall be responsible for all maintenance thereof, subject to the provisions of Article X, Sections 2 and 3, except that each Owner of a Lot or Parcel shall be responsible for painting and maintaining the surface of the portion of the Party Wall facing his Lot or Parcel and/or the portion thereof which is not a portion of the Common Area.

(ix) The provisions of this Subsection (p) shall not apply to any Party Wall which separates the interiors of two Dwelling Units. The rights of the owners of such Dwelling Units with respect to such Party Walls shall be governed by the Tract Declaration or additional covenants or by plats recorded against the Dwelling Units.

(q) Fencing. Perimeter fences and golf course fencing, if any, shall be constructed in accordance with the Architectural Guidelines.

(r) Utility Service. Unless governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, no lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be erected, placed or maintained anywhere in or upon any Lot or Parcel unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures as approved by the Architectural Committee, except for

(i) boxes on the ground for electrical or communication connections, junctions, transformers and other apparatus customarily used in connection with such underground lines, wires and other devices, and

(ii) such above ground electrical apparatus as may be reasonably convenient or necessary on any well sites or parcels designated for utility use.

(s) Overhead Encroachments. No tree, shrub or planting of any kind on any area in Sun Village shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way, the golf course or other area from ground level to a height of eight (8) feet without the prior approval of the Architectural Committee.

(t) Trucks, Trailers, Campers and Boats. No motor vehicle classed by manufacturer rating as exceeding 3/4-ton, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, boat, boat trailer or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or repaired on any area in Sun Village so as to be Visible From Neighboring Property, the Common Area or the streets; provided, however, the provisions of this subsection shall not apply to (i) pickup trucks of less than 3/4-ton capacity with camper shells not exceeding seven (7) feet in height measured from ground level and mini-motor homes not exceeding seven (7) feet in height and eighteen (18) feet in length which are parked as provided in subsection (w) below and are used on a regular and recurring basis for basic transportation, (ii) trucks, trailers and campers parked in the recreational vehicle storage area, or (iii) trucks, trailers and campers temporarily parked on streets or Lots in accordance with the Sun Village Rules.

(u) Motor Vehicles. No automobile, motorcycle, motorbike or other motor vehicle shall be constructed, reconstructed or repaired upon any Lot, Parcel, street or other area in Sun Village, and no inoperable vehicle may be stored or parked on any such area so as to be Visible From Neighboring Property or to be visible from Common Area or streets; provided, however, that the provisions of this Section shall not apply to (i) emergency vehicle repairs; or (ii) non-commercial vehicle repair within a garage which is closed except as necessary for ingress and egress.

(v) Towing of Vehicles. The Board of Directors shall have the right to have any truck, mobile home, travel trailer, trailer, camper shell, camper, recreational vehicle, boat,

boat trailer or similar equipment or vehicle or any automobile, motorcycle or other motor vehicle parked, kept, maintained, constructed, reconstructed or repaired in violation of this Declaration, the Articles, Bylaws or Sun Village Rules towed away at the sole cost and expense of the owner of the vehicle or equipment. Any expense incurred by the Association in connection with the towing of any vehicle or equipment shall be paid to the Association upon demand by the owner of the vehicle or equipment.

(w) Parking. Vehicles of all Owners and Residents, and of their employees, guests and invitees, are to be kept in garages, carports, and other parking areas designated or approved by the Board of Directors; provided, however, this Section shall not be construed to permit the parking in the above described areas of any vehicle whose parking in Sun Village is otherwise prohibited or the parking of any inoperable vehicle. Vehicles permitted by law to park on streets and driveways shall be exempt from the restrictions of this Section (w).

(x) Roofs. No air conditioning unit, evaporative cooler other apparatus, structure or object shall be placed on the roof of a Dwelling Unit without the prior written consent of the Architectural Committee. The Architectural Committee shall not approve a roof mounted air conditioning unit or evaporative cooler unless the elevation design of the Dwelling Unit as originally constructed or proposed to be constructed includes parapet walls that prevent said roof mounted equipment from being Visible From Neighboring Property.

(y) Water Features. Fishing, boating and the disposal of wastes are prohibited in all Water Features in Sun Village. Swimming is prohibited except in the case of an emergency. Agents or employees of the Association shall be entitled to use a boat on the Water Features if reasonably necessary for the maintenance and repair of the Water Features.

(z) Window Treatments. Within thirty (30) days of occupancy each Owner of a Dwelling Unit shall install permanent draperies or suitable window treatments on all windows Visible From Neighboring Property. All residential window treatments which are Visible From Neighboring Property must show white from the exterior, unless otherwise approved by the Architectural Committee. In no event shall windows be covered with paper, aluminum foil, bed sheets or any other materials or temporary coverings not specifically intended for such purpose. No interior or exterior reflective material shall be used as a window covering unless such material has been approved by the Architectural Committee.

(aa) Golf Course. The Golf Course Land shall be developed solely as a golf course or green landscaped area, and shall be used solely for golf course, driving range, park and picnic purposes or such other recreational and aesthetic purposes as are consistent with these greenbelt limitations; provided however, that as long as the Golf Course Land is being operated as a golf course, no other uses including, but not limited to, playground equipment and picnicking, shall be permitted. The Golf Course Land shall be owned, maintained, and regulated by the Association. The Owners, guests and Residents of Dwelling Units adjacent to the Golf Course are deemed to have assumed the risks and hazards inherent in residing in that location, including,

but not limited to errant golf balls, broken glass, invasion of privacy and invasion of rights of enjoyment. Subject to the greenbelt limitations above, the Association, by the approval of seventy-five percent of the votes of Members, may alter the use of the Golf Course Land.

(bb) Drainage. No Owner or Resident shall interfere with or obstruct the drainage pattern over his Lot or Parcel from or to any other Lot or Parcel as that pattern may be established by Declarant or other developer.

(cc) Garage Openings. No garage door shall be open except when necessary for access to and from the garage. No parking area or garage shall be used to store junk or other unsightly material.

(dd) Right of Entry. During reasonable hours and upon reasonable notice to the Owner or other occupant of a Lot or Parcel, any member of the Architectural Committee, any member of the Board or any authorized representative of either of them, shall have the right to enter upon and inspect any Lot or Parcel, and the improvements thereon, except for the interior portions of any completed residence, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with and such persons shall not be deemed guilty of trespass by reason of such entry.

(ee) Health, Safety and Welfare. In the event other uses, activities and facilities not specifically mentioned in this Section 2 are deemed by the Board to be a nuisance or to adversely affect the health, safety or welfare of Owners and Residents, the Board may make rules restricting or regulating their presence on Sun Village as part of the Sun Village Rules.

(ff) Restrictions on Solicitation. No solicitation or canvassing of the residents of Sun Village shall be permitted without the prior written approval of the Association.

(gg) Solar Panels. Solar Energy Devices shall be installed in accordance with Arizona law and in conformance with any rules or regulations adopted by the Board of Directors.

Section 3. Covenants Applicable to Lots Within a Single Family Residential Land Use Classification, a Residential Condominium Land Use Classification, and a Cluster Residential Land Use Classification. The following Covenants shall apply only to Lots, Dwelling Units, and the Owners and Residents thereof lying within a Single Family Land Use Classification, a Residential Condominium Land Use Classification and a Cluster Residential Land Use Classification:

(a) General. Property classified as "Single Family Residential" under a Tract Declaration may be used only for the construction and occupancy of single family Dwelling Units and typical residential activities incidental thereto, such as the construction and use of a private swimming pool, together with any common recreational facilities or any other Common Area or amenities. All property within such Land Use Classification shall be used, improved and

devoted exclusively to Single Family Residential use. No occupation, profession, trade or other nonresidential use shall be conducted on any such property, except that an Owner or other resident of a Lot may conduct a business activity upon the Lot so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside of the Lot; (ii) the business activity conforms to all applicable zoning ordinances or requirements for the Lot; (iii) the business activity does not involve persons coming onto the Lot or the door-to-door solicitation of Owners or other residents in the Premises; and (iv) the business activity is consistent with the residential character of the Premises and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of other residents in the Premises, as may be determined from time to time in the sole discretion of the Board. Furthermore, no advertising or directional signs may be placed upon the Lot or any portion of the Common Area regarding the business activity. The terms "business" and "trade" as used in this section shall be construed to have ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (a) such activity is engaged in full or part time; (b) such activity is intended or does generate a profit; or (c) a license is required for such activity. The foregoing restrictions shall not, however, be construed in any manner as to prohibit an Owner from maintaining his personal and/or a reasonable professional library therein and keeping his personal business records therein.

(b) Tenants. The entire Dwelling Unit and Lot may be let to a single family tenant or lessee from time to time by the Owner, subject to the provisions of this Declaration, the Sun Village Rules and any applicable rules adopted by the Board. The Lot may only be leased in its entirety. There shall no leasing of less than the entire Lot.

(c) Age Restriction.

(i) Except as set forth below, every Dwelling Unit must be occupied by at least one (1) person fifty-five (55) years of age or older, and no person who is less than eighteen (18) years of age shall occupy a Dwelling Unit. The foregoing restrictions shall not prohibit the occupancy of a Dwelling Unit by the following persons:

(A) a person who is less than eighteen (18) years of age who is a guest of a Unit Owner for a period not to exceed thirty (30) consecutive days, and not to exceed a total of sixty (60) days in any calendar year;

(B) the surviving spouse or other surviving cohabitant of a deceased Resident who was fifty-five (55) years old or older at the time of death;

(C) the spouse or other cohabitants of a Resident who is fifty-five (55) years old or older at the time such Resident is advised by such medical doctor

licensed by the State of Arizona to move to, or is placed in, a facility for the care of the elderly or the infirm on the advice of a medical doctor licensed by the State of Arizona; and

(D) any other person permitted to occupy a Dwelling Unit pursuant to the rules and regulations adopted by the Board in accordance with this subparagraph (c); provided, however, that no occupancy shall be permitted if such would be violative of any law, including without limitation, the Housing for Older Persons Act of 1995, and the rules and regulations interpreting such act published by the Department of Housing and Urban Development under 24 CFR Part 100 et al (the "HOPA").

(ii) The Board shall publish, adhere to and enforce policies and procedures which demonstrate an intent to provide housing for persons fifty-five (55) years of age or older.

(iii) In addition to the other enforcement powers given the Association and the Board, under this Declaration, the Articles, and Bylaws, the Association, through the Board, is hereby given an express right to enforce this subparagraph (c) and any and all rules and regulations adopted by the Board and/or the Association in connection with the age restrictions set forth in this subparagraph (c). The Association's remedies for violation of this subparagraph (c) and/or the accompanying, rules and regulations include, but are not limited to: seeking injunctions and other legal remedies; imposing fines; suspension of voting rights; suspension of use of the recreation facilities; and assessing for costs incurred in connection with such violation, including, but not limited to, administration costs and attorneys' fees and costs. All such costs incurred, if unpaid, shall become a lien against the Lot of the Owner in violation, collectible in the same manner as delinquent assessments.

(iv) Notwithstanding anything contained in this Section 3(c) to the contrary, IN NO EVENT shall less than eighty percent (80%) of the Dwelling Units (or such higher percentage to the extent required by law) at any time be occupied by persons/groups/families where no individual is at least fifty-five (55) years of age or older.

Section 4. Variances. The Board or Architectural Committee may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in Article IV of this Declaration or from restrictions in any Tract Declaration if the Board or Architectural Committee determines in its discretion (a) either (i) that a restriction would create an unreasonable hardship or burden on an Owner or (ii) that a change of circumstances since the recordation of this Declaration has rendered such restriction impractical or obsolete and (b) that the activity permitted under the variance will not have any substantial adverse affect on the Owners and Residents of Sun Village and is consistent with the high quality of life intended for the Residents and Owners of Sun Village.

ARTICLE V

ORGANIZATION OF ASSOCIATION

Section 1. Formation of Association. The Association shall be a non-profit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Section 2. Board of Directors and Officers. The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws as the same may be amended from time to time. The Board may also appoint various committees and may contract with a Manager who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Association. The Board shall determine the compensation to be paid to the Manager and other employees of the Association.

Section 3. The Sun Village Rules and Architectural Guidelines. 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 to be known as the Sun Village Rules. The Sun Village Rules may restrict and govern the use of any area by any Member or Resident, by the family of such Member, or by any invitee, licensee, tenant or other delegatee of such Member; provided, however, that the Sun Village Rules shall not discriminate among Members and shall not be inconsistent with this Declaration, the Articles or the Bylaws. In addition, from time to time and subject to the provisions of this Declaration, the Architectural Committee shall have the right to adopt, amend and repeal Architectural Guidelines concerning the development and use of any residential areas within Sun Village; provided, however, that such Architectural Guidelines shall be fair and reasonable and shall be consistent with the provisions of this Declaration, the Articles and Bylaws, and that such Architectural Guidelines shall be approved by the Board before they become effective. Upon adoption, the Sun Village Rules and the Architectural Guidelines shall have the same force and effect as if they were set forth in and were a part of this Declaration.

Section 4. Personal Liability. No member of the Board or of any committee of the Association (including but not limited to the Architectural Committee), and no officer of the Association shall be personally liable to any Member or to any other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, the Manager, any representative or employee of the Association or any committee, committee member or officer of the Association; provided, however, the limitations set forth in this Section 4 shall not apply to any person who has failed to act in good faith or has engaged in willful or intentional misconduct. The Association shall indemnify its committee members, directors and officers when acting on behalf of the Association, to the full extent permitted by law.

Section 5. Ancillary Associations. In the event an Ancillary Association is formed, the articles of incorporation and bylaws or other governing documents for such association shall not be effective unless the contents thereof have been approved by the Association and the governing documents specify that such association and the rights of its members are subject and subordinate to the provisions of this Declaration, the provisions of the Articles and Bylaws of the Association and the provisions of the Sun Village Rules and Architectural Guidelines.

ARTICLE VI

MEMBERSHIPS AND VOTING

Section 1. Owners of Lots and Parcels. Every Owner of a Lot or Parcel which is subject to assessment shall be a Member of the Association. Each such Owner shall have the following number of Memberships:

- (a) One Membership for each Lot owned by the Member;
- (b) One Membership for each acre (43,560 square feet) or fraction thereof in each Parcel owned by the Member;
- (c) One Membership for each residential condominium unit permitted by a recorded declaration of condominium.

Each such Membership shall be appurtenant to and may not be separated from Ownership of the Lot or Parcel to which the Membership is attributable. There shall be only one Membership for each Lot, for each Dwelling Unit, and for each acre (or fraction thereof) in a Parcel, which Memberships shall be shared by any joint owners of, or owners of undivided interests in, a Lot or Parcel. Notwithstanding the foregoing provisions of Section 1, in the event an Owner of two adjoining Lots, or an Owner of a Lot and a portion of an adjoining Lot, combines said areas for use as one residence, upon approval by the Board of Directors, the combined Lots or the combined Lot and adjoining property, as the case may be, shall be treated as one Lot hereunder and shall be entitled to one Membership and charged only one Annual Assessment.

Section 2. Voting. Each Owner shall be entitled to one vote for each Membership held by the Owner, subject to the authority of the Board to suspend the voting rights of the Owner for violations of this Declaration in accordance with the provisions hereof.

Section 3. Right to Vote. No change in the ownership of a Membership shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Membership must be cast as a unit; fractional votes shall not be allowed. In the event that a Membership is owned by more than one person or entity and such 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

Member casts a vote representing a certain Membership, 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 Membership unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast for a particular Membership, none of said votes shall be counted and all said votes shall be deemed void.

Section 4. Membership Rights. Each Member shall have the rights, duties and obligations set forth in this Declaration and such other rights, duties and obligations as are set forth in the Articles and Bylaws, as the same may be amended from time to time.

Section 5. Transfer of Membership. The rights and obligations of the Owner of a Membership in the Association shall not be assigned, transferred, pledged, designated, conveyed or alienated in any way except upon transfer of ownership to an Owner's Lot or Parcel and then only to the transferee of ownership to the Lot or Parcel. A transfer of ownership to a Lot or Parcel may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Lot or Parcel shall operate to transfer the Membership(s) appurtenant to said Lot or Parcel to the new Owner thereof.

ARTICLE VII

COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

Section 1. Creation of Lien and Personal Obligation of Assessments and Maintenance Charges. Each Owner by acceptance of a Deed therefor (whether or not it shall be so expressed in such Deed) is deemed to covenant and agree, to accept and be subject to mandatory Membership in the Association, and to pay to the Association the following assessments and charges: (1) Annual Assessments established by this Article VII, (2) Special Assessments for capital improvements or other extraordinary expenses or costs established by this Article VII, (3) Maintenance Charges established by Article X, Sections 2 and 3, and (4) Capital Preservation Assessment established by Article VII, Section 12. All such Assessments shall be established and collected as hereinafter provided. The Annual Assessments, Special Assessments, Maintenance Charges, and Capital Preservation Assessment, together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot or Parcel and shall be a continuing servitude and lien upon the Lot or Parcel against which each such Assessment is made. The Annual and Special Assessments against each Lot or Parcel shall be based on the number of Memberships appurtenant to the Lot or Parcel. Each such Annual and Special Assessment, Capital Preservation Assessment, and Maintenance Charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot or Parcel at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to the successors in title of the Owner unless expressly

assumed by them, however the Lot or Parcel shall remain subject to the lien of the delinquent assessment except as provided in Article VIII, Section 3 below.

Section 2. Annual Assessments. In order to provide for the uses and purposes specified in Article IX hereof, including the establishment of replacement and maintenance reserves, the Board in each year, shall assess against each Lot and Parcel an Annual Assessment. The amount of the Annual Assessment, subject to the provisions of Section 4 hereof, shall be in the sole discretion of the Board but shall be determined with the objective of fulfilling the Association's obligations under this Declaration and providing for the uses and purposes specified in Article IX. In any given year, the Annual Assessment levied by the Association may be less than the Maximum Annual Assessment of Section 4 of this Article VII.

Section 3. Uniform Rate of Assessment. The amount of any Annual or Special Assessment against each Lot or Parcel shall be fixed at a uniform rate per Membership.

Section 4. Maximum Annual Assessment. The Annual Assessment 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, 2008, the Maximum Annual Assessment against each Owner shall be One Thousand Four Hundred and Eighty-Three Dollars and Eight Cents (\$1,483.08) per each Membership, which is equivalent to One Hundred Twenty-Three Dollars and Fifty-Nine Cents (\$123.59) per month.

(b) From and after January 1, 2008, the Maximum Annual Assessment shall be automatically increased effective January 1 of each year without a vote of the Membership by an amount which is equal to the greater of:

(i) Five percent (5%) of the Maximum Annual Assessment for the year just ended; or

(ii) the increase during the preceding year of the Consumer Price Index published in the Monthly Labor Review by the United States Department of Labor, Bureau of Labor Statistics and designated "Consumer Price Index--U.S. City Average for All Urban Consumers, 1967 Equals 100, All Items".

In the event the Bureau of Labor Statistics shall cease to publish the Consumer Price Index and such information is not available from any other source, public or private, then a new formula for determining the Maximum Annual Assessment pursuant to subparagraph (b) (ii) shall be adopted by the Board.

(c) The Maximum Annual Assessment may be increased above the Maximum Annual Assessment otherwise determined under Subsection (b) above by a vote of two-thirds (2/3) of Members who are voting in person or by absentee ballot at a meeting duly called for such purpose. When an increase has thus been approved that same increase shall automatically be included in the Maximum Annual Assessment for any subsequent year as determined under (b) above.

(d) Notwithstanding the foregoing limitations described in (a), (b) and (c) above, the Maximum Annual Assessment may be increased above the amount specified herein solely for the purpose of covering increases in utilities that exceed the increase allowed in (b) above.

Section 5. Special Assessments for Capital Improvements and Extraordinary Expenses. In addition to the Annual Assessments authorized above, the Association may levy, in any Assessment Period, a Special Assessment for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon Association Land, including fixtures and personal property related thereto, or for the purpose of defraying other extraordinary expenses, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or by absentee ballot at a meeting duly called for such purpose. The provisions of this Section are not intended to preclude or limit the assessment, collection or use of Annual Assessments for the aforesaid purposes.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4 or 5 of this Article shall be sent to all Members no less than thirty (30) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Members or of absentee ballots entitled to cast sixty percent (60%) of all the votes (exclusive of suspended voting rights) of the 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 sixty (60) days following the preceding meeting.

Section 7. Establishment of Annual Assessment Period. The period for which the Annual Assessment is to be levied (the "Assessment Period") shall be the calendar year. The Board in its sole discretion from time to time may change the Assessment Period by recording with the County Recorder of Maricopa County, Arizona, an instrument specifying the new Assessment Period.

Section 8. Rules Regarding Billing and Collection Procedures. The Board shall have the right to adopt rules and regulations setting forth procedures for the purpose of making the Assessments provided herein and for the billing and collection of the Annual and Special Assessments, Maintenance Charges imposed pursuant to Article X, Section 2 and 3, and Capital

Preservation Assessment imposed pursuant to Article VII, Section 12, provided that said procedures are not inconsistent with the provisions hereof. The failure of the Association to send a bill to a Member shall not relieve any Member of his liability for any Assessment or charge under this Declaration, but the Assessment Lien therefor shall not be foreclosed or otherwise enforced until the Member has been given not less than thirty (30) days written notice prior to such foreclosure or enforcement, at the address of the Member on the records of the Association, that the Assessment or any installment thereof is or will be due and of the amount owing. Such notice may be given at any time prior to or after the delinquency of such payment. The Association is not obligated to refund any payments received by it even though the ownership of a Membership changes during an Assessment Period; successor Owners of Lots or Parcels shall be given credit for prepayments, on a prorated basis, made by prior Owners. Annual Assessments may be collected on a monthly, quarterly or annual basis as determined by the Board and Special Assessments may be collected as specified by the Board unless otherwise determined by the resolution of the Members of the Association approving the Special Assessment.

Section 9. Collection Costs and Interest on Delinquent Assessments. Any Assessment, Maintenance Charge, Capital Preservation Assessment, or installment thereof not paid when due shall be deemed delinquent and shall bear interest from fifteen (15) days after the due date until paid at a rate equal to the greater of (a) twelve percent (12%) per annum, (b) the then prevailing interest rate on new loans guaranteed by the Veterans Administration, or (c) the rate set by the Board, and the Member shall be liable for all costs, including attorneys' fees, which may be incurred by the Association in collecting the same. The applicable interest rate on delinquent Assessments and Maintenance Charges shall be determined on a daily basis or as otherwise provided by the Board. The Board may also record a Notice of Delinquent Assessment against any Lot or Parcel as to which an Assessment or Maintenance Charge is delinquent and constitutes a lien and may establish a fixed fee to reimburse the Association for the Association's cost in recording such Notice, processing the delinquency and recording a notice of payment, which fixed fee shall be treated as a collection cost of the Association secured by the Assessment Lien.

Section 10. Evidence of Payment of Assessments and Maintenance Charges. Upon receipt of a written request by a Member or any other person, the Association within a reasonable period of time thereafter shall issue to such Member or other person a written certificate stating (a) that all Annual and Special Assessments, Capital Preservation Assessment, and Maintenance Charges (including interest, costs and attorneys' fees, if any, as provided in Section 9 above) have been paid with respect to any specified Lot or Parcel as of the date of such certificate, or (b) if all Annual and Special Assessments, Capital Preservation Assessment, and Maintenance Charges have not been paid, the amount of such Annual and Special Assessments, Capital Preservation Assessment, and Maintenance Charges (including interest, costs and attorneys' fees, if any) due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, which charge must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser of, or lender on, the

Lot or Parcel in question.

Section 11. Property Exempted from the Annual and Special Assessments. Exempt Property shall be exempt from the assessment of the Annual and Special Assessments, but such property shall not be exempt from any utility costs charged to the Association with respect to such property or from the Maintenance Charges provided for in Article X, Sections 2 and 3; from attorneys' fees, costs and expenses as described in Article XII, Section 2; or from the Assessment Lien to secure said utility costs, Maintenance Charges, and attorneys' fees, costs and expenses; provided, however, that in the event any change of ownership of Exempt Property results in all or any part thereof becoming Assessable Property in any year, the same thereupon shall be subject to the assessment of the Annual and Special Assessments (prorated as of the date it became Assessable Property) and the Assessment Lien therefor.

Section 12. Capital Preservation Assessment. All buyers/new Owners who purchase a Lot shall pay a Capital Preservation Assessment to the Association at the time of purchasing the Lot. The Capital Preservation Assessment shall be collectible from the buyer/new Owners at the close of escrow. The Capital Preservation Fee shall be used to pay for capital improvements to the Common Area of the Association. When an existing Owner(s) within Sun Village purchases another Lot within Sun Village and if that second Lot is to replace the initial Lot as a primary residence within Sun Village, then that Capital Preservation Assessment may be reimbursed if it is established that the initial Lot has been sold within six (6) months of the purchase of the second Lot. Any purchase of a Lot within Sun Village by an existing Owner that is used for any other purpose than a primary personal residence shall be subject to the Capital Preservation Assessment. The Capital Preservation Assessment will not be assessed on a Lot that is either (1) transferred within a family or (2) transferred into a revocable living trust for the benefit of the trustor, where the owner(s) of the Lot becomes the trustor(s) of the trust. The initial Capital Preservation Assessment provided for herein shall not exceed One Thousand Five Hundred Dollars (\$1,500.00) per Lot. Thereafter, the Capital Preservation Assessment may be increased or decreased by the Board of Directors when it determines that it is in the best interest of the Association to do so.

ARTICLE VIII

ENFORCEMENT OF PAYMENT OF ASSESSMENTS AND MAINTENANCE CHARGES AND OF ASSESSMENT LIEN

Section 1. Association as Enforcing Body. As provided in Article XII, Section 2, the Association shall have the right to enforce the provisions of this Declaration.

Section 2. Association's Remedies to Enforce Payment Of Assessments and Maintenance Charges. If any Member fails to pay the Annual or Special Assessments or installments when due, or to pay Maintenance Charges assessed pursuant to Article X, Sections 2 and 3, or Capital Preservation Assessment, the Association may enforce the payment of any such

Assessments, Maintenance Charges and/or Assessment Lien by taking either or both of the following actions, concurrently or separately (and by exercising either of the remedies hereinafter set forth, the Association does not prejudice or waive its right to exercise the other remedy):

(a) Bring an action at law and recover judgment against the Member personally obligated to pay the Annual or Special Assessments, Capital Preservation Assessment or the Maintenance Charges;

(b) Foreclose the Assessment Lien against the Lot or Parcel in accordance with the then prevailing Arizona law relating to the foreclosure of realty mortgage (including the right to recover any deficiency), and the Lot or Parcel may be redeemed after foreclosure sale as provided by law.

Notwithstanding subordination of an Assessment Lien as described in Section 3 of this Article VIII, the delinquent Member shall remain personally liable for the Assessments and related costs after his Membership is terminated by foreclosure or deed in lieu of foreclosure or otherwise.

Section 3. Subordination of Assessment Lien to First Mortgage or Deed of Trust; Priority of Lien. The Assessment Lien provided for herein shall be subordinate to any first mortgage lien held by, or first deed of trust of which the beneficiary is, a lender who has lent funds with the Lot or Parcel as security, or held by the lender's successors and assigns, and shall also be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior. Except as above provided, the Assessment Lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon each Lot or Parcel. Sale or transfer of any Lot or Parcel shall not affect the Assessment Lien; provided, however, that if the sale or transfer is pursuant to foreclosure of a mortgage or a deed of trust to which the Assessment Lien is subordinate, or pursuant to any trustee's sale or proceeding in lieu thereof, the purchaser at the mortgage foreclosure or deed of trust of sale, or any grantee taking by deed in lieu of foreclosure, shall take the Lot or Parcel free of the Assessment Lien for all Assessments and Maintenance Charges that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure; provided, however, that such mortgage or deed of trust foreclosure sale purchaser or grantee shall take subject to all Annual and Special Assessments, Maintenance Charges and the Assessment Lien therefor accruing subsequent to the date of issuance of a sheriff's or trustee's deed or deed given in lieu of foreclosure.

Section 4. Costs to be Borne by Member in Connection with Enforcement of Payment of Assessments and Maintenance Charges. In any action taken pursuant to Section 2 of this Article, the Member shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Assessments, Capital Preservation Assessment, and Maintenance Charges together with interest and the Association's collection costs and attorneys' fees, including those costs and fees specified in Article VII, Section 9.

ARTICLE IX

USE OF FUNDS: BORROWING POWER

Section 1. Purposes for Which Association's Funds May Be Used. The Association shall apply all funds and property collected and received by it (including the Annual and Special Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of Sun Village and the Members and Residents by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any kind and all land, properties, improvements, facilities, services, projects, programs, studies and systems, within or without Sun Village, which may be necessary, desirable or beneficial to the general common interests of Sun Village, the Members and the Residents. The following are some, but not all, of the areas in which the Association may seek to aid, promote and provide for such common benefit: social interaction among Members and Residents, maintenance of landscaping on Common Area and public rights-of-way and drainage areas within and adjoining Sun Village, recreation, liability insurance, communications, ownership and operation of recreational and other facilities including but not limited to a recreation and commercial center and vehicle storage areas, transportation, health, utilities, public services, safety and indemnification of officers and directors of the Association. The Association also may expend its funds as permitted under the laws of the State of Arizona.

Section 2. Borrowing Power. The Association may borrow money in such amounts, at such rates, upon such terms and security, and for such periods of time as the Board deems necessary or appropriate.

Section 3. Association's Rights in Spending Funds From Year to Year. The Association shall not be obligated to spend in any year all the sums received by it in such year (whether by way of Annual or Special Assessments, fees or otherwise), and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of Annual Assessment in the succeeding year if a surplus exists from a prior year and the Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes.

Section 4. Administration of Special Use Fees. The Association is authorized to bill for, sue for, collect, administer and disburse all Special Use Fees and the payment thereof shall be secured by the Assessment Lien.

Section 5. Insurance. The Association shall maintain insurance against liability incurred as a result of death or injury to persons or damage to property on the Common Area or upon other areas maintained by the Association, in a total amount of not less than One Million

Dollars (\$1,000,000). The Association shall be responsible for the deductible on any such policy. If reasonably available, the Association shall obtain officers and directors liability insurance in an amount deemed prudent by the Board. In addition the Association may carry any other insurance coverage which the Board in its discretion deems necessary or desirable. The Association shall represent the Members in any proceedings, negotiations, settlements, or agreements pertaining to insurance proceeds resulting from damage to the Common Area. All such proceeds shall be payable to the Association and shall be applied by the Association for the repair of the damaged Common Area, unless otherwise agreed by a vote representing sixty-seven percent (67%) of all of the Members. Any excess proceeds may be retained by the Association to reduce future assessments or, if distributed to the Members, shall be distributed to the Members and their mortgagees as their interests may appear at a uniform rate per Membership.

Section 6. Reserve Fund. From the Annual Assessments received by the Association, the Board shall establish an adequate reserve fund for the maintenance, repair and replacement of the Common Area (including but not limited to the private streets).

Section 7. Financial Reports. Upon written request, the Association shall provide an audited financial statement for the preceding fiscal year to any requesting holder, insurer or guarantor of any first mortgage secured by any property within Sun Village Resort.

ARTICLE X

MAINTENANCE

Section 1. Common Area and Public Right-of-Way. The Association, or its duly delegated representative, shall maintain and otherwise manage all Common Area, including, but not limited to, the landscaping, walkways, roadways, parking areas, fences, walls, drives, recreational facilities and the roofs, interiors and exteriors of the buildings and structures located upon the Common Area; provided, however, the Association shall not be responsible for providing or maintaining the landscaping or structures on any Common Area which are part of Lots or Parcels unless (i) such landscaping or structures are available for use by all Owners and Residents or are within easements intended for the general benefit of Sun Village and (ii) the Association assumes in writing the responsibility as set forth in a recorded instrument as hereinafter provided. The Association shall also maintain any landscaping and other improvements not on Lots and Parcels which are within the exterior boundaries of Sun Village, which are within areas shown on a subdivision plat or other plat of dedication for Sun Village, or which are covered by a Tract Declaration and are intended for the general benefit of the Owners and Residents of Sun Village, except the Association shall not maintain areas which (i) the City of Surprise, an improvement district, or other governmental entity is maintaining, (ii) an Ancillary Association is required under a Tract Declaration to maintain or (iii) are to be maintained by the Owners of a Lot or Parcel pursuant to Article IV, Section 2(d) of this Declaration. Specific areas to be maintained by the Association may be identified on subdivision plats recorded or approved by the Declarant, in Tract Declarations, and/or in deeds from the

Declarant to a transferee of a Lot or Parcel, but the failure to so identify such areas shall not affect the Association's rights or responsibilities with respect to such Common Area and other areas intended for the general benefit of Sun Village. Notwithstanding anything to the contrary herein, the Board shall have discretion to enter into an agreement with the City of Surprise to permit the Association to upgrade and/or maintain landscaping on property owned by the City, whether or not such property is within Sun Village, if the Board determines such Agreement benefits the Association.

The Board shall use a reasonably high standard of care in providing for the repair, management and maintenance of said property so that the Sun Village development will reflect a high grade of ownership. In this connection the Association may, subject to any applicable provisions on Special Assessments for capital improvements, in the discretion of the Board:

(a) Reconstruct, repair, replace or refinish any improvement or portion thereof upon Association Land;

(b) Construct, reconstruct, repair, replace or refinish any road improvement or surface upon any portion of the Common Area used as a road, street, walk, driveway or parking area, except that no permanent improvements shall be made by the Association on any Common Area that is not Association Land and the Association shall provide only maintenance on Common Area which are not Association Land;

(c) Replace injured and diseased trees and other vegetation in any Common Area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes;

(d) Place and maintain upon any Common Area such signs as the Board may deem appropriate for the proper identification, use and regulation thereof; and

(e) Do all such other and further acts which the Board deems necessary to preserve and protect the Common Area and the beauty thereof, in accordance with the general purposes specified in this Declaration.

The Board shall be the sole judge as to the appropriate maintenance of all Common Area and other properties maintained by the Association. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of said properties shall be taken by the Board or by its duly delegated representative.

In the event any subdivision plat, Tract Declaration, deed restriction or this Declaration permits the Board to determine whether or not Owners of certain Lots or Parcels will be responsible for maintenance of certain Common Area or public right-of-way areas, the Board shall have the sole discretion to determine whether or not it would be in the best interest of the Owners and Residents of Sun Village for the Association or for an individual Owner or an

Ancillary Association to be responsible for such maintenance, considering cost, uniformity of appearance, location and other factors deemed relevant by the Board. The Board may cause the Association to contract with others for the performance of the maintenance and other obligations of the Association under this Article X and, in order to promote uniformity and harmony of appearance, the Board may also cause the Association to contract to provide maintenance services to Owners of Lots and Parcels having such responsibilities in exchange for the payment of such fees as the Association and Owner may agree upon.

Section 2. Assessment of Certain Costs of Maintenance and Repair of Common Area and Public Areas. In the event that the need for maintenance or repair of Common Area, structures and other property maintained by the Association is caused through the willful or negligent act of any Owner, Resident or Member, or any family, guests, invitees or tenants of such persons, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Owner and the Owner's Lot or Parcel is subject and shall be secured by the Assessment Lien. Any charges or fees to be paid by the Owner of a Lot or Parcel pursuant to Section 1 of this Article X in connection with a contract entered into by the Association with an Owner for the performance of an Owner's maintenance responsibilities shall also become a part of such Assessment and shall be secured by the Assessment Lien.

Section 3. Improper Maintenance and Use of Lots and Parcels. In the event any portion of any Lot or Parcel is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Lots and Parcels or other areas of Sun Village which are substantially affected thereby or related thereto, or in the event any portion of a Lot or Parcel is being used in a manner which violates this Declaration or any Tract Declaration applicable thereto, or in the event the Owner of any Lot or Parcel is failing to perform any of its obligations under this Declaration, any Tract Declaration, the Sun Village Rules or architectural guidelines, the Board (or its designated agent) may make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner that unless corrective action is taken within fourteen (14) days, the Board may cause such action to be taken at said Owner's cost. The Owner may, in writing, appeal such finding to the Board within such 14-day period. If at the expiration of said 14-day period of time the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be added to and become a part of the Assessment to which the offending Owner and the Owner's Lot or Parcel is subject and shall be secured by the Assessment Lien.

Section 4. Easement. The Association shall have an easement upon, across, over and under the Lots, Parcels and all other areas in Sun Village for the purpose of repairing, maintaining and replacing the Common Area, Common Area improvements, and other areas maintained by the Association and for the purpose of performing all of the Association's other rights, duties and obligations hereunder.

ARTICLE XI

ARCHITECTURAL COMMITTEE

Section 1. Establishment. An Architectural Committee shall be established to perform the functions of the Architectural Committee set forth in this Declaration. The Committee shall adopt Architectural Guidelines and rules and regulations governing the performance of its duties including procedures for the preparation, submission and determination of the application for any approvals required by this Declaration or any Tract Declaration, provided that such Architectural Guidelines and rules and regulations are approved by the Board. Such Architectural Guidelines may provide that certain types of modifications or alterations require the approval of the Board in addition to the Architectural Committee. The Architectural Committee shall consist of such number of regular members and alternate members as the Board may designate. The members of the Architectural Committee shall be appointed by the Board, and shall be Owners. Members of the Committee shall not be entitled to compensation for their services, unless otherwise approved by the Board.

Section 2. Meetings; Guidelines. The Architectural Committee shall keep a record of the minutes of all meetings. A quorum for any such meeting shall consist of a majority of the regular members of the Committee and the concurrence of a majority of the committee members present at any meeting shall be necessary for any decision of the Architectural Committee. Alternate member(s) may participate at any meeting at which there is not a quorum of regular members present, may constitute a quorum by their presence and shall have all of the authority of a regular member while so participating.

Section 3. Discretion of Committee; Liability. The Architectural Committee shall be under no duty or obligation to pass upon, approve or disapprove any structural stability matter or matters pertaining to the stability of footings or foundations or matters pertaining to geological conditions involved in any foundation or footings and may indicate on any plans or specifications or drawings or other materials or in any certificate that the Committee has not passed upon, approved or disapproved any such referred to matters. All actions of said Committee authorized under this Declaration, including without limitation the approval or disapproval of plans, specifications, drawings, plot plans, grading plans and height, as well as other matters in which the Committee is authorized hereunder to act, shall be in the sole and complete discretion of said Committee. Neither the Architectural Committee nor any member thereof shall be liable to any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of

(a) the 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 Sun Village; or

(d) the execution of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a Committee member, such member has acted in good faith on the basis of such information as may be possessed by him.

Section 4. Response Within Forty-Five (45) Days. Any approval required under this Declaration by the Architectural Committee shall not be withheld unreasonably. Failure by such Committee to approve or disapprove a request within forty-five (45) days after such request is filed with the Committee shall waive the approval requirement. However, the architectural request (and any modification or alteration made according to such request) must still comply with all requirements of the Declaration and Architectural Guidelines. Notice of disapproval shall be written and it shall set forth the reason or reasons for the disapproval. Notwithstanding Section 9 of Article XVI no request shall be deemed filed with a Committee until it is actually received, and all submissions to the Committee shall be made by hand delivery, fax, e-mail, or certified mail to the Association's address of record.

Section 5. Evidence of Committee's Approval. Any approval of any plans and specifications or other matter by an Architectural Committee given or made pursuant to the provisions of this Declaration which is evidenced by a certificate signed by at least a majority of the members of said Committee or by the minutes of an Architectural Committee meeting shall be irrevocable and not subject to change by such Committee. Any such certificate or minutes may be conclusively relied upon by all parties including but not limited to any Owner, lessee or purchaser of any Lot or Residence, or of any interest therein; by any lender taking any Lot as security; and by any title insurance company. Any such certificate may be recorded by said Committee in the office of the County Recorder of said Maricopa County.

Section 6. Appeal. Any Owner whose architectural submission has been denied may appeal the decision to the Board in accordance with procedures to be established by the Board. In the event the decision of the Architectural Committee is overruled by the Board on any issue or question, the decision of the Board shall govern.

Section 7. Fee. The Board may establish a reasonable processing fee to defer the costs of the Association and the Architectural Committee in reviewing any requests, and to cover the cost of an architect, in those situations where the Architectural Committee determines that a review by an architect is necessary, which fee shall be paid at the time the request for approval is submitted.

ARTICLE XII

RIGHTS AND POWERS OF ASSOCIATION

Section 1. Association's Rights and Powers As Set Forth in Articles and Bylaws. In addition to the rights and powers of the Association set forth in this Declaration, the Association shall have such rights and powers as are set forth in its Articles and Bylaws. Such rights and powers may encompass any and all things which a natural person could do or which now or hereafter may be authorized by law, provided such Articles and Bylaws are not inconsistent with the provisions of this Declaration and are necessary, desirable or convenient for effectuating the purposes set forth in this Declaration. A copy of the Articles and Bylaws of the Association shall be available for inspection at the office of the Association during reasonable business hours.

Section 2. Enforcement of Provisions of This and Other Instruments. The Association shall have the right to enforce, by any proceeding at law or in equity, the Covenants set forth in this Declaration and/or any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens or easements provided for in any contract, deed, declaration or other instrument which (a) shall have been executed pursuant to, or subject to, the provisions of this Declaration, or (b) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Association or by Declarant. In the event the Association acts to enforce the terms of this Declaration or other document as described in this Section 2, regardless of whether suit is filed, the Association shall be entitled to recover, in addition to any other remedy, reimbursement for attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith including but not limited to the Association's administrative costs and fees. Said attorneys' fees, costs and expenses shall be the personal liability of the breaching Owner and shall also be secured by the Assessment Lien against said Owner's Lot or Parcel. If, however, a lawsuit is filed, and the Owner is the prevailing party in such lawsuit, the Owner shall not be required to pay the Association's attorney's fees, court costs, costs of investigation and other related expenses incurred therewith. In addition to the Association's right to enforce, any Member may enforce the provisions of the Declaration at his own expense by any appropriate action, whether in law or in equity, but regardless of the outcome, no expenses of the action shall be paid for by the Association. In the event the Association fails to perform its obligations as provided herein or in its Articles or Bylaws, any Member at his own expense shall have the right to enforce the provisions of said documents by any proceeding at law or in equity; provided, however, that the foregoing provision shall not be construed to limit or restrict the Association's right to settle any claim.

Section 3. Contracts with Others for Performance of Association's Duties. Subject to the restrictions and limitations contained herein, the Association may enter into contracts and transactions with others for the performance of the Association's duties.

Section 4. Change of Use of Association Land and Procedure Therefor. Except as provided in Article IV, Section 2(aa) concerning the Golf Course, upon (a) adoption of a

resolution by the Board stating that in the Board's opinion the then present use of a designated part of the Association Land or of the Association's interest in other Common Area is no longer in the best interests of the Owners and Residents and (b) the approval of such resolution by a majority of the votes of the Members who are voting on the matter at a meeting duly called for such purpose, the Board shall have the power and right to change the use thereof (and in connection therewith, construct, reconstruct, alter or change the buildings, structures and improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided such new use (i) shall be for the benefit of the Owners and Residents, and (ii) shall be consistent with any deed restrictions (or zoning regulations) restricting or limiting the use of the Association Land.

Section 5. Condemnation. In the event any governmental authority elects to exercise its right of eminent domain over all or any portion of the Common Area, the Association is hereby appointed as an attorney-in-fact to represent the Members in any proceedings, negotiations, settlements, or agreements. Any and all proceeds from the settlement of any condemnation action shall be payable to the Association. The Board shall have the sole discretion in determining how the proceeds will be used by the Association.

ARTICLE XIII

TERM; AMENDMENTS; TERMINATION

Section 1. Term; Method of Termination. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect indefinitely. Subject to FHA and/or VA approval as provided in Section 2 below, this Declaration may be terminated at any time if Owners representing seventy-five percent (75%) of the authorized votes of the Members shall consent to termination. If the necessary consent is obtained, the Board shall cause to be recorded with the County Recorder of Maricopa County, Arizona, a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. Thereupon these Covenants shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles. Any funds in connection with such termination and dissolution shall be distributed to the Members and their mortgagees as their interests may appear at a uniform rate per Membership.

Section 2. Amendments by Owners. This Declaration may be amended by recording with the County Recorder of Maricopa County, Arizona, a Certificate of Amendment, duly signed and acknowledged as required for a Certificate of Termination in Section 1 of this Article. The Certificate of Amendment shall set forth in full the amendment adopted, and, except as provided hereafter, shall certify that at a meeting duly called and held for this purpose pursuant to the provisions of the Articles and Bylaws, the Members casting seventy-five percent (75%) of the votes at the meeting voted affirmatively for the adoption of the amendment. A Tract Declaration may be amended in the same manner as this Declaration, with the approval of sixty-seven percent

(67%) of the votes attributable to the Owners of all Lots and Parcels subject to the Tract Declaration.

Section 3. Amendments by Board. The Board may amend this Declaration without a vote of the Members for the sole purpose of complying with the law.

ARTICLE XIV

ANNEXATION OF ADDITIONAL PROPERTY

Section 1. Right of Annexation. The Association, upon the vote of Owners representing sixty-seven percent (67%) of the Members voting on the matter, may expand Sun Village. The annexation of any property shall be accomplished by the Association recording with the County Recorder of Maricopa County, Arizona, a Tract Declaration which subjects the annexed property to the Declaration, which establishes the Land Use Classification of the annexed property and which includes the legal description of the property being annexed. A Tract Declaration annexing property as permitted hereunder may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration. In no event however, shall any such document revoke, modify or add to the covenants established by this Declaration applicable to property previously covered by a Tract Declaration hereunder.

ARTICLE XV

WATER RIGHTS

Section 1. Association Use. To the extent at any time permitted by law, any and all water rights and/or water withdrawn pursuant thereto, whether as to surface water or groundwater, including rights existing by virtue of inclusion of the Lot or Parcel, or any portion thereof, within the Maricopa County Municipal Water Conservation District No. 1 (the "District"), that may be deemed to be appurtenant to a Lot or Parcel, or to the Common Area, located within Sun Village, shall be made available to the Association, or to an entity designated in writing by the Board, to be used for the benefit of the Owner of any such Lot or Parcel, all other Owners, the Association and Sun Village for the purposes of filling and maintaining the Water Features, watering the Common Area and for such other purposes as the Association deems appropriate, provided that such water and/or water rights shall only be used in connection with the real property constituting a part of the value, desirability and attractiveness of Sun Village. No Owner shall have any right to demand or receive water from the District or to pump any groundwater from a Lot or Parcel. Each grantee, by the acceptance of a deed of conveyance, each purchaser under any agreement of sale, each person acquiring a Membership in the Association, and the heirs, personal representatives, successors and assigns of the foregoing persons: (a) accept the same subject to the exclusive use of the water and/or water rights by the

Association, or its designee as hereinabove set forth, as a covenant running with the land and an equitable servitude; (b) agree to execute any and all documents that may be required in order to authorize the use of such water and/or water rights by the Association or its designee; and (c) hereby constitute and appoint the Association as its agent and attorney-in-fact to withdraw, contract for, receive, distribute, allocate, transport, and use such water, and to execute, acknowledge and deliver any instruments or documents necessary, appropriate or helpful for such purpose, which power of attorney and appointment of agency is irrevocable and coupled with an interest. Notwithstanding any provision to the contrary in this Section, each Owner remains responsible to the City of Surprise or any other government entity or water or sewer company which provides water to such Owner for his individual use in connection with his Lot or Parcel.

ARTICLE XVI

MISCELLANEOUS

Section 1. Interpretation of the Covenants. Except for judicial construction, the Association, by its Board and Architectural Committees, 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 construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by the Covenants hereof.

Section 2. Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

Section 3. Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

Section 4. Rules and Regulations. In addition to the right to adopt rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Association (through its Board and Committees) shall have the right to adopt rules and regulations with respect to all other aspects of the Association's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration.

Section 5. References to the Covenants in Deeds. Deeds or any instruments affecting any Lot or Parcel or any part of Sun Village 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.

Section 6. 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.

Section 7. Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

Section 8. Notices. Any notice permitted or required to be delivered as provided herein may be delivered personally, by mail, facsimile, e-mail, or other reasonably reliable method allowed by law. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to such person at the address given by that person to the Association for the purpose of service of such notice or to the address of the lot of such person if no address has been given. Such address may be changed from time to time by notice in writing received by the Association. Notice to the Board or to the Architectural Committee may be delivered or mailed to the office of the Association.

Section 9. Attorney's Fees. In the event the Association incurs legal expenses and costs, including but not limited to attorney's fees, in bringing claims against Owners or defending claims brought by Owners in an administrative action or proceeding, including but not limited to, proceedings before an Administrative Law Judge, the Association shall be entitled to recover its attorney fees and costs from the Owner involved in the administrative proceeding if the Association is the prevailing party.

IN WITNESS WHEREOF, the President of the Association hereby certifies that the provisions contained with this Amended and Restated Declaration have been approved by the required percentage of the Owners.

DATED this 28 day of JANUARY, 2008.

SUN VILLAGE COMMUNITY ASSOCIATION

By 
Its: President

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 28 day of JANUARY, 2008, before me personally appeared KENNETH N. JOHANSON, whose identify was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that he/she signed the above/attached document.

Barbara Matthews
Notary Public

Notary Seal:

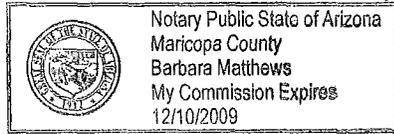


EXHIBIT A

LEGAL DESCRIPTION
FOR PARCEL 1
AT SUN VILLAGE

That part of Section 33, Township 4 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Southeast Corner of said Section 33;

Thence, North 89°23'46" West, along the South line of said Section 33, a distance of 1053.79 feet;

Thence, North 00°36'14" East, 65.00 feet to the True Point of Beginning, said point being on a line which is parallel with and lying 65.00 feet Northerly as measured at right angles from the south line of said Section 33;

Thence, North 89°23'46" West, along said parallel line, 3575.25 feet;

Thence, North 00°36'14" East, 50.00 feet;
Thence, North 44°23'46" West, 28.28 feet;
Thence, North 00°36'14" East, 565.00 feet;

Thence, North 89°23'46" West, 631.77 feet, to a point on the West line of said Section 33;

Thence, North 00°20'25" East, along said West line, 1726.41 feet;

Thence, South 89°25'10" East, 265.00 feet;

Thence, North 00°20'25" East, 210.00 feet, to a point on the East-West midsection line of said Section 33;

Thence, South 89°25'10" East, along said midsection line, 2365.84 feet;

Thence continuing, South 89°25'10" East, 25.00 feet;

Thence, North 00°09'44" East, 85.01 feet;
Thence, South 89°25'39" East, 198.57 feet;
Thence, North 00°34'19" East, 200.00 feet;
Thence, North 89°25'39" West, 200.00 feet;
Thence, North 00°09'44" East, 15.00 feet;

Thence, North $89^{\circ}25'37''$ West, 25.00 feet, to a point on the North-South midsection line of said Section 33;

Thence, North $00^{\circ}09'44''$ East, along said midsection line, 15.00 feet;

Thence, South $89^{\circ}25'39''$ East, 413.36 feet to the beginning of a 1055.00 foot radius non-tangent curve, whose center bears North $19^{\circ}09'17''$ East;

Thence, Easterly, along said curve, through a central angle of $18^{\circ}34'56''$, a distance of 342.16 feet;

Thence, South $89^{\circ}25'39''$ East, 170.79 feet;

Thence, South $00^{\circ}34'21''$ West, 611.20 feet to the beginning of a 917.63 foot radius non-tangent curve, whose center bears South $00^{\circ}10'29''$ West;

Thence, Southeasterly, along said curve, through a central angle of $33^{\circ}31'18''$, a distance of 536.87 feet;

Thence, South $56^{\circ}18'13''$ East, 174.49 feet to the beginning of a 430.00 foot radius non-tangent curve, whose center bears South $53^{\circ}56'35''$ East;

Thence, Northeasterly, along said curve, through a central angle of $50^{\circ}05'42''$, a distance of 375.96 feet to the beginning of a compound curve of 670.00 foot radius, concave Southerly;

Thence, Easterly, along said curve, through a central angle of $10^{\circ}18'35''$, a distance of 120.56 feet to the beginning of a compound curve of 270.00 foot radius, concave Southerly;

Thence, Easterly, along said curve, through a central angle of $13^{\circ}12'12''$, a distance of 62.22 feet to the beginning of a tangent reverse curve of 228.00 foot radius, concave Northerly;

Thence, Easterly, along said curve, through a central angle of $61^{\circ}44'26''$, a distance of 245.69 feet;

Thence, South $45^{\circ}12'22''$ East, 1.34 feet to the beginning of a tangent curve of 945.00 foot radius, concave Southwesterly;

Thence, Southeasterly, along said curve, through a central angle of $45^{\circ}10'52''$, a distance of 745.19 feet;

Thence, South $00^{\circ}01'29''$ East, 301.60 feet;

Thence, North $89^{\circ}23'46''$ West, 376.20 feet;

Thence, South $00^{\circ}01'29''$ East, 460.00 feet;

Thence, South 89°23'46" East, 306.19 feet;
Thence, South 00°01'29" East, 100.00 feet;
Thence, North 89°23'46" West, 740.19 feet;
Thence, South 42°49'28" West, 268.81 feet;

Thence, South 00°36'14" East, 461.19 feet to the True Point of Beginning.

Containing 265.980 Acres, more or less.

DESCRIPTION

KINGSWOOD PARKE
FENCE LINE LEGAL AROUND LAKE NO. 5

That part of the Southeast Quarter of Section 32, Township 4 North, Range 1 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Southeast Corner of said Section 32;

Thence, North 00°20'25" East, along the East line of said Section 32, a distance of 700.01 feet to the True Point of Beginning;

Thence, South 46°12'44" West, 4.10 feet to a point on a line which is parallel to and 3.00 feet Westerly, as measured at right angles, from the East line of said Section 32;

Thence, North 00°20'25" East, along said parallel line, a distance of 10.94 feet to the beginning of a tangent curve of 36.50 foot radius, concave Southwesterly;

Thence, Northwesterly, along said curve, through a central angle of 84°46'34", a distance of 54.01 feet to the beginning of a tangent reverse curve of 156.50 foot radius, concave Northeasterly;

Thence, Northwesterly, along said curve, through a central angle of 48°41'39", a distance of 133.01 feet to the beginning of a tangent compound curve of 104.00 foot radius, concave Easterly;

Thence, Northerly, along said curve, through a central angle of 75°28'12", a distance of 136.99 feet to the beginning of a tangent compound curve of 208.00 foot radius, concave Southeasterly;

Thence, Northeasterly, along said curve, through a central angle of 33°56'28", a distance of 123.22 feet to the beginning of a tangent reverse curve of 57.00 foot radius, concave Northwesterly;

Thence, Northeasterly, along said curve, through a central angle of 73°19'45", a distance of 72.95 feet to a point on a line which is parallel to and 3.00 feet Westerly, as measured at right angles, from the East line of said Section 32;

Thence, North 00°20'25" East, along said parallel line, a distance of 23.64 feet;

Thence, North 01°30'54" East, 3.04 feet to a point on the East line of said Section 32;

Thence, South $00^{\circ}20'25''$ West, along the East line of said Section 32, a distance of 389.27 feet to the True Point of Beginning.

Containing 0.826 Acres, more or less.