

THE BOULDERS HOMEOWNERS ASSOCIATION

DECLARATION (CC&Rs)

COMPILED DOCUMENTS

Amended and Restated, 2012

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**AMENDED AND CONSOLIDATED MASTER DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE BOULDERS**

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**AMENDED AND CONSOLIDATED MASTER DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE BOULDERS**

THIS AMENDED AND CONSOLIDATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made and entered into as of the day hereinafter set forth, by THE BOULDERS HOMEOWNERS ASSOCIATION (herein called "Association").

WITNESSETH:

WHEREAS, the real property situated in Maricopa County, Arizona, described on Exhibit "A" attached hereto and by reference made a part hereof, (the "Property") has been and is being developed in accordance with a master plan and general scheme of development as an attractive, exclusive number of residential developments,

WHEREAS, the Property has been developed in phases, with various covenants, conditions, and restrictions governing the multiple units of development;

WHEREAS, the Association, by and through its Members, wishes to completely amend and consolidate the covenants, conditions, and restrictions, described on Exhibit "B" attached hereto, governing the units of development within the Property;

NOW, THEREFORE, the Association hereby declares that the Property shall hereafter be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights hereinafter set forth, all of which shall run with the land and be binding upon the Property and all parties having or acquiring any right, title or interest in or to the Property, or any part thereof, irrespective of whether or not referenced in a deed or other applicable instrument of conveyance, and shall inure to the benefit of each owner thereof, the Association and each member of the Association.

ARTICLE 1

DEFINITIONS

Unless the context clearly requires otherwise, the following terms used in this Declaration are defined as follows. Defined terms appear throughout this Declaration with the initial letter of such term capitalized.

1.1 "Annexation Property" means any additional real property which is annexed to the Property, thereby becoming a part thereof and subject to this Declaration, in accordance with Article 13.

1.2 “Architectural Control Standards” means the rules, regulations, restrictions, architectural standards and design guidelines from time to time adopted by the Association pursuant to Section 11.2.

1.3 “Architectural Review and Control Committee” means the committee provided for in Article 11.

1.4 “Articles” means the Articles Of Incorporation of the Association, as such may be amended from time to time, or of any successor thereto.

1.5 “Assessments” shall include Regular Assessments, Individual Assessments, Special Assessments, Trash Collection Assessments, and Reconstruction Assessments, all as provided in this Declaration.

1.6 “Association” means THE BOULDERS HOMEOWNERS ASSOCIATION, an Arizona non-profit corporation, its successors and assigns.

1.7 “Association Rules” means the rules and regulations adopted by the Association pursuant to Section 4.5.

1.8 “Board” means the Board of Directors of the Association.

1.9 “Building Envelope” means that area which may be designated on each Lot to be used for custom homes by a recorded document or the Architectural Review and Control Committee within which the residential dwelling unit, garages, structures and other improvements may be constructed by an Owner.

1.10 “Bylaws” means the bylaws of the Association adopted in accordance with the Articles, as such Bylaws may be amended from time to time.

1.11 “Clubhouse Facilities” means the clubhouse and other related facilities which are privately owned and operated in conjunction with the Boulders Club and Golf Courses.

1.12 “Common Areas” means all real property, easements, licenses, leaseholds, rights, rights-of-way and other interests in real property, if any, and the improvements thereon, which may from time to time be owned or leased by the Association or made available expressly for the common use and enjoyment of the Members or Owners. The Common Areas include, but are not limited to, the Private Roads and the two entry gates off of Stagecoach Pass. Any real property and improvements or amenities thereon, which are described as "common areas" in a Supplemental Declaration shall be deemed to be "Common Areas" as that term is defined herein for the common use and enjoyment of the Members or Owners, as may be provided, and shall, for all purposes, be integrated into and be deemed to be a part of the Common Areas subject to this Declaration.

1.13 “Common Expenses” means the actual and estimated costs incurred by the Association in administering, maintaining and operating the Property, including, but not strictly

limited to, the following: maintenance, management, operation, repair and replacement of the Common Areas, including the Private Roads, and all other areas on the Property which are maintained by the Association; unpaid Assessments; costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees; the costs of utilities, including but not limited to water, electricity, gas, sewer, trash pick-up and disposal, landscaping maintenance, CATV and other services which generally benefit and enhance the value and desirability of the Property, not separately metered to the individual Lots and which are provided by the Association; the costs of fire, casualty, liability, workers' compensation and other insurance covering the Common Areas; the costs of fidelity insurance covering the acts of the members of the Board, the President, any professional managing agent or any other person handling the funds of the Association; the costs of any other insurance obtained by the Association; reasonable reserves for contingencies, replacements and other proper purposes as deemed appropriate by the Association to meet the costs and expenses of maintenance, repairs and replacement of those Common Areas which must be maintained, repaired, or replaced on a periodic basis; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Areas or portions thereof; costs incurred by the Architectural Review and Control Committee; costs incurred by committees established by the Board or the President; costs of security guards, and operation of guard gates and/or key gates at entrances to the Property and any other security systems or services installed, operated or contracted for by the Association; other expenses incurred by the Association for any reason whatsoever in connection with the Common Areas excepting reconstruction costs and capital improvements as otherwise provided herein, or the costs of any other item or items designated by, or to be provided or performed by the Association pursuant to this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards, or in furtherance of the purposes of the Association or in the discharge of any duties or powers of the Association, or to promote the health, safety, and welfare of the Owners and Occupants of the Property.

1.14 "Declarant" means the Boulders/Carefree Partners Limited Partnership, an Arizona limited partnership, its successors and assigns, or any person to whom the Declarant's rights hereunder are assigned by recorded instrument.

1.15 "Declaration" means this instrument, as from time to time amended.

1.16 "Default Rate of Interest" means an annual rate of interest equal to eighteen percent (18%) per annum.

1.17 "Golf Club Facilities" means the golf course and related facilities constructed abutting and/or adjacent to the Property, called the Boulders Club and Golf Courses, and all appurtenances thereto including the maintenance and other buildings, vehicles and equipment associated therewith (the "Golf Course"), together with the Clubhouse. The Golf Club Facilities are privately owned.

1.18 "Improvement" means buildings, roads, parking areas, lighting fixtures, fences, walls, fountains, sculptures, infrastructure, hedges, plantings, trees, shrubs, and all other structures or landscaping improvements of every type and kind.

1.19 “Lot” means a subdivided lot, a Condominium Unit, or a residential dwelling unit as shown on a Plat, including any portion of the Property not platted as lot or dwelling unit but contiguous to a Lot and owned by the Owner of a Lot. A "Lot" shall not include any Common Areas. A "Lot" includes a residential dwelling unit, garages, structures and other Improvements constructed thereon and, in the case of a Condominium Unit, includes the common elements of the Condominium Project appurtenant to the Condominium Unit.

1.20 “Majority of Members” means the Members holding more than fifty percent (50%) of the total votes entitled to be cast with respect to a given matter; and any specified fraction or percentage of the Members means the Members holding that fraction or percentage of the total votes entitled to be cast with respect to a given matter. A specified fraction or percentage “of all of the Members” means that fraction or percentage of the total votes of all Members. Unless otherwise specified, any provision herein requiring the approval of the Members means the approval of a Majority of Members.

1.21 “Member” means every Person who holds Membership in the Association pursuant to Article 3.

1.22 “Mortgage” means any recorded, filed or otherwise perfected instrument given in good faith and for valuable consideration which is not a fraudulent conveyance under Arizona law as security for the performance of an obligation, including without limitation a deed of trust, but shall not include any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code. "Mortgagee" means the holder of a note secured by a Mortgage, including the trustee and beneficiary under any deed of trust. "Mortgagor" means the party executing a Mortgage. "First Mortgage" means a Mortgage which is the first and most senior of all Mortgages upon the same property. "First Mortgagee" means the holder of a First Mortgage.

1.23 “Occupant” means any Person, other than an Owner, in rightful possession of a Lot, whether as a guest, tenant or otherwise.

1.24 “Owner” means one or more Persons, who are alone or collectively the record owner of a fee simple title, whether or not subject to any Mortgage, to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. In the case of Lots, the fee simple title to which is vested of record in a trustee pursuant to Arizona Revised Statutes § 33-801, et seq., legal title shall be deemed to be in the trustor.

1.25 “Person” means an individual, corporation, partnership, trustee or other entity capable of holding title to real property, and their respective heirs, successors and assigns.

1.26 “Plat” means the plat of a subdivision of any portion of the Property as may be recorded in the official records of Maricopa County, Arizona, and as thereafter from time to time amended or supplemented, together with all subsequent plats of subdivision for real property annexed to the Property.

1.27 “President” means the duly elected or appointed president of the Association.

1.28 “Private Roads” and “Private Streets” are synonymous and mean any street, roadway, drive, sidewalk, walkway, path or other right-of-way within the Project which has not expressly been dedicated to the public use, but excluding any such item which is a part of or appurtenant to, the Golf Club Facilities.

1.29 “Property” means the real property referred to in the recitals hereof and described in Exhibit "A" hereto and any additional real property made subject to this Declaration by annexation pursuant to Article 13, together with all buildings, Improvements and other permanent fixtures of whatever kind now or hereafter located thereon, and all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto.

1.30 “Record” or “Recording” means an instrument of record in, or the act of recording an instrument with, the office of the County Recorder for Maricopa County, Arizona.

1.31 “Single Family” means a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than three (3) persons not all so related, who maintain a common household.

1.32 “Supplemental Declaration” means a declaration of covenants, conditions and restrictions, or similar instrument, annexing additional real property to the Property and subjecting such real property to this Declaration as provided in Article 13.

ARTICLE 2

RIGHTS OF ENJOYMENT

2.1 Members' Right of Enjoyment. Every Member shall have a non-exclusive easement for use and enjoyment in and to the Common Areas, which right shall be appurtenant to and shall pass with such Member's membership as herein provided, and to all of the easements, covenants, conditions, restrictions and other provisions contained in this Declaration, including, without limitation, the following provisions:

2.1.1 The right of the Association to limit the number of guests of Members and to limit the use of the Common Areas by Persons who are not Members, but who are in possession of a Lot or own a portion of, or less than the entire ownership interest of, a Lot.

2.1.2 The right of the Association to establish reasonable rules and regulations pertaining to or restricting the use of the Common Areas by Members or other Persons.

2.1.3 The right of the Association to borrow money for the purpose of improving, replacing, restoring or expanding the Common Areas or adding new Common Areas and, in aid thereof, to mortgage said property, provided that the rights of the lender thereunder shall be subordinated to the rights of the Members.

2.1.4 The rights of the Association to suspend the right of a Member or any person to use the Common Areas or any designated portion thereof (including, but not limited to, access through the entry gates along Stagecoach Pass) during any time in which any Assessment respecting such Member remains unpaid and delinquent, or for a period not to exceed sixty (60) days for any single infraction of the Association Rules or breach of this Declaration by the Member or any person for whom the Member is responsible, and up to one (1) year for any subsequent violation of the same or similar provision of the Association Rules or this Declaration, and such suspension may remain in place for so long as the Member remains in violation of the Association Rules or this Declaration. Notwithstanding the foregoing, the Association shall not have the right hereunder to suspend any Member's right to use any portion of the Property or Private Roads necessary for such Member to gain access to his Lot.

2.2 Delegation of Use. Members may only delegate their right of use and enjoyment of the Common Areas to Occupants of their Lot, the members of their immediate family, and to their guests as permitted by the Association Rules.

2.3 Waiver of Use. No Member may exempt himself, and no Member shall be exempt, from personal liability for Assessments or release any Lot owned by him from the Assessment lien, and other provisions and obligations of this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards, by voluntary waiver of or suspension or restriction of such Member's right to the use and enjoyment of the Common Areas, or the abandonment of such Member's Lot or membership.

2.4 Exclusive Use Rights. Certain areas of the Common Areas may be reserved by the Board for the exclusive control, possession and use of the Owner of a Lot. If such an area serves as access to and from two Lots, the Owners of the two Lots shall have joint control, possession and use of such portion of said area as reasonably serves both Lots. The exclusive use rights created herein are subject to the blanket utility easement, maintenance and architectural and landscape control provisions contained in the Declaration and to such reasonable rules and regulations with respect to possession, control, use and maintenance as the Association may from time to time promulgate. Easements are hereby created in favor of and running with each Lot having such an area for the exclusive control and use of each such area. Each Owner, by accepting title to a Lot, and each Member shall be deemed to have further ratified the easements and rights to exclusive use created by this Section 2.4.

ARTICLE 3

MEMBERSHIP

3.1 Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Although all Persons who are Owners of a Lot shall be Members of the Association, only one (1) membership shall exist for a single Lot.

3.2 Transfer of Memberships. The rights and obligations of an Owner and a membership in the Association shall not be assigned, transferred, pledged or alienated in any way, except upon the transfer of the Lot to which it appertains (and then only to such transferee), whether by sale, intestate succession, testamentary disposition, foreclosure of a Mortgage or other legal process transferring fee simple title to such Lot. Any attempt to make a prohibited transfer shall be void.

3.3 Voting Rights. All Members shall be entitled to one (1) vote for each Lot owned. When more than one Person owns a portion of the interest required for membership, the vote for each Lot shall be exercised as they themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot and fractional votes shall not be permitted. If the Owners are unable to agree among themselves as to how their vote(s) shall be cast, they shall lose their right to cast their vote(s) on the matter in question. If any Member casts a vote representing a certain Lot, it will thereupon conclusively be presumed for all purposes that he or she was acting with the authority and consent of all other Owners of the same Lot unless objection thereto is made prior to the deadline for casting the vote. In the event that more than one vote is cast for a particular Lot, and one or more conflicting votes are cast, then none of the votes shall be counted and all of the votes for the Lot shall be deemed void.

3.4 Articles and Bylaws. Each Member shall have such other rights, duties, and obligations as are set forth in the Articles and Bylaws.

ARTICLE 4

ASSOCIATION

4.1 Purpose of Association. The Association has been incorporated as a non-profit corporation to serve as the governing body for all of the Members for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of the Property, the assessment of expenses, payment of losses, disposition of casualty insurance proceeds, and other matters as provided in this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards. The Association may transact any and all lawful business for which corporations may be incorporated under the laws of the State of Arizona. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the Owners and Members in accordance with the provisions of this Declaration, the Articles and the Bylaws.

4.2 Board of Directors. The affairs of the Association shall be conducted by the Board as herein provided and in accordance with the Articles and Bylaws. Each director shall be a Member or the spouse of a Member. If a director shall cease to meet such qualifications during his term, he will thereupon cease to be a director and his place on the Board shall be deemed vacant. Unless this Declaration, the Articles, Bylaws, or applicable law require approval or vote of the Members, any action take by the Association may be taken by the Board of Directors.

4.3 Interpretation of This Declaration. In the event of any question of interpretation or application of the provisions of this Declaration, the Articles or the Bylaws, the determination thereof by the Board shall be final and binding on each and all of such Owners except for judicial construction to the contrary.

4.4 Additional Provisions in Articles and Bylaws. The Articles and Bylaws may contain any provision relating to the conduct of the affairs of the Association and the rights and powers of its directors, officers, employees, agents and members not inconsistent with law or this Declaration.

4.5 Association Rules. The Board shall be empowered to adopt, amend or repeal such rules and regulations as it deems reasonable and appropriate (the "Association Rules"), binding upon all Persons subject to this Declaration and governing the use and/or occupancy of the Common Areas, Lots, or any other part of the Project. The Association Rules may include the establishment of a system of fines and penalties. The Association Rules shall govern such matters in furtherance of the purposes of the Association; provided, however, that the Association Rules may not discriminate among Owners and Members except as expressly provided or permitted herein, and shall not be inconsistent with this Declaration, the Articles, Bylaws or Architectural Control Standards. A copy of the Association Rules as they may from time to time be adopted, amended or repealed or a notice setting forth the adoption, amendment or repeal of specific portions of the Association Rules shall be delivered to each Owner and Member. After such delivery, the Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration and shall be binding on the Owners and Members, and all other Persons having any interest in, or making any use of, the Property, whether or not actually received thereby. The Association Rules, as adopted, amended or repealed, shall be available at the principal office of the Association to each Owner, Member or other Person reasonably entitled thereto, upon request. In the event of any conflict between any provision of the Association Rules and any provisions of this Declaration, or the Articles, Bylaws or Architectural Control Standards, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles, Bylaws or Architectural Control Standards to the extent of any such conflict.

4.6 Indemnification. To the fullest extent permitted by law, every director and every officer of the Association, and the members of the Architectural Review and Control Committee shall be indemnified by the Association, and every other person serving as an employee or direct agent of the Association, or on behalf of the Association as a member of a committee or otherwise, shall be indemnified by the Association, against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having served in such capacity on behalf of the Association, whether or not he is a director, officer or member of the Architectural Review and Control Committee or serving in such other specified capacity at the time such expenses are incurred. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law; provided, however, that the Association shall have the right to refuse indemnification if the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or

her in the action. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such persons may be entitled at law or otherwise.

4.7 Non-Liability of Officials. To the fullest extent permitted by the Nonprofit Corporation Act (set forth at A.R.S. § 10-3101 et seq., as may be amended from time to time), neither the Board, the Architectural Review and Control Committee nor any other committees of the Association nor any member thereof, nor any directors or officers of the Association, shall be liable to any Member, Owner, Occupant, the Association or any other Person for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, inaction, omission, error, negligence or the like made in good faith and which the Board, or such committees or persons reasonably believed to be within the scope of their respective duties (which is any decision, act, or event undertaken by the Association in furtherance of the purpose or purposes for which it is organized) unless such damage or injury was caused by willful and wanton or grossly negligent conduct of the person covered hereunder.

4.8 Easements. In addition to the blanket easements granted in Section 5.1, the Association is authorized and empowered to grant upon, across or under real property owned or controlled by the Association such permits, licenses, easements and rights-of-way for sewer lines, water lines, underground conduits, storm drains, television cable and other similar public or private utility purposes, communications systems, roadways or other purposes as may be reasonably necessary and appropriate for the orderly maintenance, preservation and enjoyment of the Common Areas or for the preservation of the health, safety, convenience and welfare of the Owners and Members, provided that any damage to a Lot resulting from such grant shall be repaired by the Association at its expense.

4.9 Accounting. The Association, at all times, shall keep, or cause to be kept, true and correct records of account in accordance with generally accepted accounting principles, specifying in reasonable detail all expenses incurred and funds accumulated from assessments or otherwise.

4.10 Records. The Association shall, upon reasonable written request and during reasonable business hours within ten (10) business days of such request (or within other longer period allowed by law), make available for inspection by each Owner and Member or any person designated by the Member in writing as the member's representative the books, records and financial statements of the Association together with current copies, as amended from time to time, of this Declaration and the Articles, Bylaws, Association Rules and Architectural Control Standards. Each Owner and Member may also purchase copies of the Association records within ten (10) business days of such request for a reasonable price, as permitted by law. Notwithstanding the foregoing, the Association reserves its right, pursuant to A.R.S. 33-1805, as may be amended from time to time, to withhold certain Association records from inspection and copying by Members and Owners.

4.11 Managing Agent. All powers, duties and rights of the Association or the Board, as provided by law and herein, may be delegated to a managing agent to the extent permitted by

law; however, no such delegation shall relieve the Association of its obligation to perform any such delegated duty.

4.12 Pledge of Assessment Rights as Security. The Association shall have the power to pledge the right to exercise its assessment powers and rights provided for in this Declaration as security for any obligation of the Association; provided, however, that any such pledge shall require the prior affirmative vote or written assent of a Majority of the Members. The Association's power to pledge its assessment powers shall include, but not be limited to, the ability to make an assignment of Assessments which are then payable to, or which will become payable to, the Association, which assignment may then be immediately effective but shall allow said Assessments to continue to be paid to the Association and used by the Association as set forth in this Declaration, unless and until the Association shall default on its obligations secured by said assignment.

ARTICLE 5

EASEMENTS

5.1 Blanket Easements. There is hereby created a blanket easement upon, across, over and under the Property (except for any Building Envelope) for ingress and egress (over existing roadways), installing, constructing, replacing, repairing, maintaining and operating all utilities, including but not limited to water, sewer, gas, telephone, electricity, television cable, security systems, and communication lines and systems, and in addition thereto for the use of emergency vehicles of all types. By virtue of the easement, it shall be expressly permissible for the providing utility or communications company to erect (including without limitation underground installation) and maintain the necessary facilities, wires, circuits, conduits, cables and related appurtenances, facilities and equipment on the Property. Notwithstanding anything to the contrary contained in this Section 5, no easements shall be created nor shall any sewers, electrical lines, water lines or other facilities for utilities be installed or relocated except as initially created and approved by the Declarant or thereafter created or approved by the Association. This provision shall in no way affect any other recorded easements on the Property.

5.2 Maintenance Easement. There is hereby reserved a blanket easement upon, over across and under all Common Areas for the purpose of access, ingress to and egress from any portion of the Property for the purpose of performing any maintenance or other function which the Association is empowered and obligated to perform under this Declaration.

5.3 Golf Course Easement. There is hereby created an easement in favor of all Owners, invitees and social guests of Owners, upon, over, across, and through the Common Areas to the extent necessary for ingress and egress to the Golf Course Facilities and upon, over, across and through all Lots bordering on the Golf Course Facilities for the limited purposes of retrieving golf balls and otherwise playing golf on the Golf Course Facilities. There is hereby reserved a further easement in favor of the owner of the Golf Course Facilities, upon, over, across and through the Common Areas for the purpose of operating, maintaining, planting, replanting and repairing the Golf Course Facilities.

5.4 Entrance Gates and Private Roads. Access through the entrance gates to the Property and access to and use of the Private Roads shall be governed by the Declaration of Easement recorded on December 8, 1994 at Recording No. 1994-0860062, official records of Maricopa County, Arizona Recorder and the Amended and Restated Boulders Main Gate Security Services Agreement recorded on March 25, 2011 at Recording No. 2011-0254189, official records of Maricopa County, Arizona Recorder, as the same may be amended from time to time.

ARTICLE 6

ASSESSMENTS

6.1 Creation of Lien and Personal Obligation. Each Owner and Member, by acceptance of a deed or other conveyance of an interest in a Lot or by acceptance of his membership, is deemed to covenant and agree to pay to the Association: Regular Assessments, Special Assessments, Individual Assessments Trash Collection Assessments, if applicable, and Reconstruction Assessments, if applicable, (collectively and individually, "Assessments"). Such Assessments will be established and collected from time to time as provided in this Declaration. The Assessments, together with interest thereon, late charges, attorneys' fees and court costs, and other costs of collection thereof, as hereinafter provided, shall be a continuing lien upon such Owner or Member's Lot against which the Assessments are made. Each Assessment, together with such interest and other costs, shall also be the personal obligation of the Member and/or Owner to whom such Assessment relates. The personal obligation for delinquent payments shall not pass to an Owner's or Member's successor in title unless expressly assumed by him. The obligation of a Member and the Owner of the Lot to which such membership appertains for the payment of Assessments shall be joint and several.

6.2 Purpose of Assessments. The Assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the Owners and Members, to enhance the quality of life within the Property, to preserve the value of the Property, to pay the costs of administration of the Association and all other Common Expenses, or to otherwise further the interests of the Association.

6.3 Regular Assessments.

6.3.1 Not later than thirty (30) days prior to the beginning of each fiscal year of the Association, the Association shall make available for review by each Owner and Member a budget for the upcoming fiscal year which shall, among other things, estimate the total Common Expenses to be incurred for such fiscal year. The Association shall at that time determine the amount of the Regular Assessment to be paid by each Member and notify the Member thereof. In the event the Board fails to adopt a budget for any fiscal year prior to commencement of such fiscal year, then until and unless such budget is adopted, the budget (and the amount of the Regular Assessments provided for therein) for the year immediately preceding shall remain in effect.

6.3.2 If the Association determines that the total Regular Assessments for the current year are, or will become, inadequate to meet all Common Expenses for whatever reason, including Common Expenses in excess of the estimated Common Expenses used in preparation of the Association's budget for that year, the Board shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of Regular Assessments to be paid by each Member for the balance of the year, and the date or dates when due. If the estimated total Regular Assessments for the current year proves to be excessive in light of the actual Common Expenses, the Association may, at the discretion of the Board, retain such excess as additional working capital or reserves, reduce the amount of the Regular Assessments for the succeeding year, or abate collection of Regular Assessments for such period as it deems appropriate. No reduction or abatement of Regular Assessments because of any such anticipated surplus may diminish the quantity or quality of services upon which the Common Expenses for the year in question are based.

6.3.3 Notwithstanding the foregoing, in no event shall the Board increase Regular Assessments payable by Lots by more than twenty percent (20%) from one fiscal year to the next without the affirmative vote, or written consent, or any combination thereof, of a majority of all of the Members.

6.4 Individual Assessments. Individual Assessments shall be levied by the Association against a Member and/or an Owner and his Lot to reimburse the Association for:

6.4.1 Costs incurred in bringing a Member or an Owner and his Lot into compliance with or enforcing the provisions of this Declaration, or the Articles, Bylaws, Association Rules or Architectural Control Standards, including, but not limited to, attorneys' fees incurred by the Association in the compliance matter, regardless of whether suit is filed;

6.4.2 Any other charge designated as an Individual Assessment in this Declaration, the Articles, Bylaws or Association Rules;

6.4.3 Attorneys' fees, interest and other costs or charges provided to be paid as, or which are incurred in connection with, an Individual Assessment in accordance with this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards.

6.4.4 In the event the Association undertakes to provide materials or services which benefit individual Members or Lots and which can be accepted or not by individual Members, such Members, in accepting such materials or services agree that the costs thereof shall be an Individual Assessment.

6.5 Special Assessments. In addition to the Regular Assessments, the Association may levy a Special Assessment for any proper Association purpose, provided, however, that such Special Assessment must be approved by at least a majority of the Members who are voting in person or by absentee ballot at a meeting of the Association duly called for such purpose where quorum is present. Special Assessments shall be levied at a uniform rate for all Lots.

6.6 Trash Collection Assessment. If a Lot is located in a municipality that does not provide trash collection services, the Association shall subscribe to a garbage collection service selected by the Board of Directors for all such Owners of Lots and the cost of such garbage collection service shall be paid for by only such Owners of Lots located in such municipality that does not provide trash collection services.

6.7 Exempt Property. All properties dedicated to and accepted by, or otherwise owned or acquired by, a public authority shall be exempt from the Assessments created herein.

6.8 Rate of Regular Assessment. Pursuant to the original covenants, conditions, and restrictions governing the multiple units of development within the Property:

6.8.1 The Regular Assessments will be levied at a uniform rate for all Lots located within the portion of the Property described on Exhibit "C"; and

6.8.2 The Regular Assessments shall be levied against the portion of the Property on Exhibit "D" as follows: Lots with a completed residence will be levied at a uniform rate and Lots without a completed residence will be levied at a rate of one-half (1/2) of the uniform assessment of the rest of the Lots within the Property. For purposes of this subsection, a Lot will be deemed to have a completed residence thereon when a certificate of occupancy is issued or the deadline imposed by the Architectural Committee for the completion of the residence has passed, whichever occurs first.

6.9 Date of Commencement of Regular Assessments. The Regular Assessments shall commence as to each Member on the date of conveyance to the Owner of the Lot to which the Membership appertains.

6.10 Time and Manner of Payment; Late Charges and Interest. Assessments shall be due and payable by the Members in such manner and at such times as the Association shall designate. If not paid within thirty (30) days after its due date, each such Assessment shall have added to it a late charge of up to fifteen dollars (\$15) or ten percent (10%) of the amount of Assessment, whichever is greater, and thereafter bear interest at the Default Rate of Interest until paid. The Association may, in its discretion and without waiving the imposition of a late charge for interest in any other instance, waive the late charge and/or interest in any particular instance.

6.11 No Offsets. All Assessments shall be payable in the amount specified in the Assessment or notice of Assessment and no offsets against such amount shall be permitted for any reason, including without limitation, a claim that (a) the Association, the Board or a committee is not properly exercising its duties and powers as provided in this Declaration; (b) Assessments for any period exceed Common Expenses; or (c) a Member has made, and elects to make, no use of the Common Areas.

6.12 Homestead Waiver. Each Owner and Member, to the extent permitted by law, hereby waives, to the extent of any liens created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Arizona now in effect, or in effect from time to time hereafter.

6.13 Subordination of Lien. Any Assessment lien is subordinate to the lien of a First Mortgage on the Lot, acquired in good faith and for value. If a First Mortgagee becomes the Owner of a Lot pursuant to the foreclosure of a First Mortgage or any proceeding in lieu thereof, the Assessment lien existing prior to such sale or transfer shall be extinguished, except for any amount of unpaid Assessments which accrue from and after the date on which a First Mortgagee becomes the Owner of a Lot (together with any interest, costs, reasonable attorneys' fees and any late charges related thereto). Any unpaid Assessments which are extinguished by a superior lien holder shall continue to be the personal obligation of the delinquent Owner and Member and may also be re-allocated by the Association among all Members as part of the Common Expenses.

6.14 Certificate of Payment. Upon receipt of a written request, the Association shall furnish to a person acquiring an interest in any Lot and a lienholder, escrow agent, Owner or person designated by an Owner a certificate from the Association setting forth the amount of due but unpaid Assessments relating to such Lot, if any. Such statement will be provided within the time period required by law. Any such person receiving a statement shall not be liable for, nor shall any lien attach to the Lot in excess of the amount set forth in the certificate, except for Assessments which occur or become due after the date thereof and any interest, costs, attorneys' fees and any late charges related to such Assessments.

6.15 Remedies for Nonpayment of Assessments. The Association shall have the right, at its option, to enforce collection of any delinquent Assessments together with interest thereon, late charges, attorneys' fees, court costs, and other costs of collection thereof in any manner allowed by law including, but not limited to, (a) bringing an action at law against the Owner personally obligated to pay the delinquent Assessments and such action may be brought without waiving the Assessment lien against the Lot or (b) bringing an action to foreclose its Assessment lien against the Lot in the manner provided by law for the foreclosure of a realty mortgage. Pursuing one enforcement remedy shall in no way limit any and/or all other legal remedies that the Master Association may pursue. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Lots purchased at such sale. Nothing herein shall be construed as requiring that the Association take any action described hereunder in any particular instance, and the failure of the Association to take such action at any time shall not constitute a waiver of the right to take such action at a later time or in a different instance.

ARTICLE 7

INSURANCE

7.1 Authority to Purchase. The Association shall purchase and maintain certain insurance upon the Common Areas including but not limited to the insurance described in Section 7.3. Such policies, and endorsements thereon, or copies thereof shall be deposited with the Association. The Association shall advise the Owners and Members of the coverage of said policies in order to permit the Owners and Members to determine which particular items are

included within the coverage so that the Owners and Members may insure themselves as they see fit if certain items are not insured by the Association.

7.2 Member's Responsibility. It shall be each Owner's or Member's responsibility to provide for himself insurance on his own Lot, if any, his additions and Improvements thereto, furnishings and personal property therein, his personal property stored elsewhere within the Project, his personal liability to the extent not covered by the public liability insurance obtained by the Association and such other insurance which is not carried by the Association as the Owner or Member desires. No Owner or Member shall maintain any insurance, whether on his Lot or otherwise, which would limit or reduce the insurance proceeds payable under the casualty insurance maintained by the Association in the event of damage to the Improvements or fixtures on the Common Areas.

7.3 Coverage. The Association shall maintain and pay for policies of insurance as follows:

7.3.1 A multi-peril type policy covering all of the Common Areas providing, as a minimum, fire and extended coverage, and all other coverage in kinds and amounts customarily acquired or required for projects similar in construction, location, and use, including, without limitation, perils normally covered by an "all-risk" policy, in an amount determined by the Association;

7.3.2 A policy of comprehensive public liability insurance covering all of the Common Areas in an amount determined by the Association but not less than Two Million Dollars (\$2,000,000.00) per occurrence, and umbrella coverage of at least Five Million Dollars (\$5,000,000) for personal injury or death and/or property damage. The scope of such coverage shall include all other coverage in the kinds and amounts customarily acquired or required for projects similar in construction, location and use, including without limitation, liability for non-owned and hired automobiles, liability for property of others, liability arising in connection with the operation, maintenance or use of the Common Areas, liability assumed by contract or contractual liability, and liability arising out of any employment contracts of the Association;

7.3.3 The Association shall obtain fidelity insurance covering against dishonest acts on the part of directors, officers, managers, trustee, agents, employees or volunteers responsible for handling funds belonging to or administered by the Association. If funds of the Association are handled by a management agent, then fidelity insurance coverage shall also be obtained for the officers, employees or agents thereof handling or responsible for Association funds. The fidelity bond or insurance must name the Association as the named insured and shall be written to provide protection in an amount not less than the lesser of (a) one-half (1/2) times the Association's estimated annual operating expenses and reserves, (b) a sum equal to three (3) months' aggregate Regular Assessments plus reserves, or (c) the estimated maximum amount of funds, including reserves, in the custody of the Association (and its management agent) at any one time. In connection with such coverage, an appropriate endorsement to the policy to cover any person who serves without compensation shall be added if the policy would not otherwise cover volunteers. Such coverage must name the Association as an obligee;

7.3.4 A workers' compensation policy, if necessary to meet the requirements of law;

7.3.5 A policy of "directors and officers" liability insurance; and,

7.3.6 Such other insurance, and in such amounts, as the Association shall determine from time to time to be desirable.

7.4 Required Provisions. The insurance policies purchased by the Association shall, to the extent reasonable and available, contain the following provisions:

7.4.1 The coverage afforded by such policies shall not be brought into contribution or proration with any insurance which may be purchased by any Owner, Member or First Mortgagee.

7.4.2 The conduct of any one or more Owners or Members shall not constitute grounds for avoiding liability on any such policies.

7.4.3 There shall be no subrogation with respect to the Association, its agents or employees, Owners, Members, or members of their households or families and employees, and each Mortgagee of all or any part of the Property or of any Lot, or the policy(ies) should name said persons as additional insureds; and, each policy must contain a waiver of any defenses based on co-insurance or on invalidity arising from the acts of the insured.

7.4.4 A "severability of interest" endorsement shall be obtained which shall preclude the insurer from denying the claim of an Owner or Member because of the conduct or negligent acts of the Association and its agents or other Owners or Members.

7.4.5 Any "no other insurance" clause shall exclude insurance purchased by Owners, Members or First Mortgagees.

7.4.6 Coverage must not be prejudiced by (a) any act or neglect of Owners or Members when such act or neglect is not within the control of the Association or (b) any failure of the Association to comply with any warranty or condition regarding any portion of the Project over which the Association has no control.

7.4.7 Coverage may not be cancelled or substantially modified without at least thirty (30) days' (or such lesser period as the Association may reasonably deem appropriate) prior written notice to the Association.

7.4.8 Any policy of property insurance which gives the carrier the right to elect to restore damage in lieu of a cash settlement must provide that such election is not exercisable without the prior written approval of the Association, or when in conflict with the insurance trust provisions contained herein, or any requirement of law.

7.4.9 A recognition of any insurance trust agreement entered into by the Association.

7.4.10 Each hazard insurance policy shall be written by a hazard insurance carrier admitted in the State of Arizona which has a financial rating as designated in A.M. Best's as "A" or better and Class X or better, or if such rating service be discontinued, an equivalent rating by a successor thereto or a similar such rating service. Each insurance carrier must be specifically licensed or authorized by law to transact business within the State of Arizona.

7.4.11 Policies shall not be utilized where, under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against the Owners, Members or the Association or loss payments are contingent upon action by the carrier's board of directors, policyholders, or members.

7.5 Non-Liability of Association/Board/President. Notwithstanding the duty of the Association to obtain insurance coverage as stated herein, neither the Association nor any Board member shall be liable to any Owner, Member, Mortgagee or other Person if any risks or hazards are not covered by insurance or if the amount of insurance is not adequate, and it shall be the responsibility of each Owner and Member to ascertain the coverage and protection afforded by the Association's insurance and to procure and pay for such additional insurance coverage and protection as the Owner or Member may desire.

7.6 Premiums and Deductibles. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense, except that the amount of increase over any annual or other premium occasioned by the use, misuse, occupancy or abandonment of a Lot or its appurtenances, or of the Common Areas, by an Owner or Member, shall be assessed against that particular Owner or Member. The deductible on any insurance maintained by the Association shall be paid by the Association as a Common Expense except the deductible amount on the insurance maintained by the Association if the claim occasioned by the negligent or willful act or inaction of an Owner or Member may, in the discretion of the Board, be an Individual Assessment.

7.7 Insurance Claims. The Association is hereby irrevocably appointed and authorized, subject to the provisions contained herein, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims, and to do all other acts reasonably necessary to accomplish any of the foregoing.

7.8 Benefit. Except as otherwise provided herein, all insurance policies purchased by the Association shall be for the benefit of, and any proceeds of insurance received by the Association or any insurance trustee shall be held or disposed of in trust for, the Association, the Owners or the Members, as their interests may appear.

ARTICLE 8

DAMAGE AND DESTRUCTION OF COMMON AREAS

8.1 Duty of Association. In the event of partial or total destruction of the Common Areas, or any Improvements thereon, the Association may restore and repair the same, pursuant to this Article 8. The proceeds of any casualty insurance maintained by the Association may be used to the extent available for such purpose.

8.2 Payment of Insurance Proceeds. With respect to any loss to any Common Area covered by property insurance obtained by the Association in accordance with this Article, the loss shall be adjusted with the Association, and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. Subject to the provisions of Section 8.3, the proceeds shall be disbursed for the repair or restoration of the damage to the Common Area.

8.3 Vote of Members. If the amount available from the proceeds of any insurance policies for such restoration and repair (less the applicable insurance deductible), together with any uncommitted or unreserved capital of the Association, is less than the estimated cost of restoration and repair, the Association will notify Members that the Association intends to replace and restore the Common Areas unless, (a) within thirty (30) days of the date of the notice, the Members petition for a special meeting as provided in the Bylaws and (b) a Majority of Members, at such special meeting held for this purpose, disapprove of the replacement or restoration. If the Members do not disapprove the proposed replacement or restoration, the Board may levy a Reconstruction Assessment against each Owner and their Lot, and cause the damaged or destroyed Common Areas to be repaired or restored. The total Reconstruction Assessment shall be allocated among Memberships attributable to Lots that are then subject to Assessments in the same manner as Regular Assessments. Any Reconstruction Assessment shall be secured by the Assessment Lien. If the Members disapprove of the repair or restoration of the damaged or destroyed Improvements on the Common Areas as provided above, the Common Areas so damaged or destroyed shall be cleared and restored to a safe and presentable condition for the Common Area use or other use determined by the Board.

8.4 Excess Insurance Proceeds. If any excess insurance proceeds remain after any reconstruction by the Association pursuant to this Article 8, the Board, in its sole discretion, may retain the excess in the general funds of the Association or may issue credits for all or any portion thereof to the Owners' Assessment accounts in the ratio that they would pay Regular Assessments, subject to the requirements of applicable law.

8.5 Use of Reconstruction Assessments. All amounts collected as Reconstruction Assessments shall only be used for the purposes set forth in this Article 8.

ARTICLE 9

EMINENT DOMAIN

9.1 Definition of Taking. The term "taking" as used in this Section 9 shall mean condemnation by eminent domain or sale under threat of condemnation of all or any portion of the Common Areas.

9.2 Representation in Condemnation Proceedings. In the event of a threatened taking of all or any portion of the Common Areas, the Owners and Members hereby appoint the Association through such persons as the Board may delegate to represent all of the Owners and Members in connection therewith. The Association shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action.

9.3 Award for Common Areas. Any awards received by the Association on account of the taking of Common Areas shall be paid to the Association, The Association may, in its sole discretion, retain any award in the general funds of the Association or distribute all or any portion thereof to the Owners or Members as their interests may appear, subject to the requirements of applicable law.

ARTICLE 10

MAINTENANCE, REPAIRS AND REPLACEMENTS

10.1 Owner's Responsibility. Each Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Lot, including all Improvements located on the Lot and including installing and maintaining landscaping at a level of excellence at least equal to the standard prevailing with respect to areas of a similar nature located in residential communities commonly and generally deemed to be of the highest quality. Each Owner shall also be responsible for keeping his Lot, prior to completion of any Improvements thereon, free of all debris, weeds and other fire hazards of any kind. Maintenance of water and sewer lines serving a single Lot, wherever located, shall be the responsibility of the Owner of the Lot.

10.2 Maintenance by Association. Except as otherwise provided herein, the Association shall maintain the Common Areas at a level of general maintenance and landscaping excellence at least equal to the standard prevailing with respect to areas of a similar nature located in residential communities commonly and generally deemed to be of the highest quality.

10.3 Improper Maintenance and Use of Lots and Common Area. In the event that any Owner fails to maintain his Lot, including all Improvements and landscaping thereon in accordance with the standards set forth in Section 10.1 herein, then the Association may, at its option, cause such maintenance to be accomplished and charge such Owner for the complete cost thereof. Furthermore, if any Lot is so maintained as to present a public or private nuisance or an

unreasonable condition, or as to substantially detract from the appearance or quality of the surrounding Lots or other areas of the Property, or in the event any portion of a Lot is being used in a manner which violates the Governing Documents, then the Association may, at its option, cause corrective action to be taken and charge such Owner for the complete cost thereof. If, due to the willful or negligent act of any Owner or Member, or a member of his family, invitee, guest or other person for whom such Owner may be responsible, or household pet, damage shall be caused to the Common Areas or to a Lot or Lots owned by others, or maintenance, repairs or replacements shall be required which would otherwise be Common Expense, then such Owner shall pay for such damage and for such maintenance, repairs and replacements as may be determined necessary or appropriate by the Association, to the extent not covered by the Association's insurance. The obligations set forth herein shall be an Individual Assessment secured by the lien provided for in Section 6. The Association will not be liable for trespass for entering on to a Lot to exercise its rights under this Section.

10.4 Right of Access. An authorized representative of the Association, and all contractors, repairmen or other agents employed or engaged by the Association, shall be entitled to reasonable access to each of the Lots as may be required in connection with maintenance, repairs or replacements of or to the Common Areas or any equipment, facilities or fixtures affecting or serving other Lots and the Common Areas, or to perform any of the Association's duties or responsibilities hereunder.

ARTICLE 11

ARCHITECTURAL AND LANDSCAPE CONTROL

11.1 Appointment of Architectural Review and Control Committee. The Association shall have an Architectural Review and Control Committee consisting of not less than three (3) nor more than seven (7) persons, as specified from time to time by resolution of the Board. Members of the Architectural Review and Control Committee shall be appointed by the Board. At least a majority of the persons appointed to the Architectural Review and Control Committee must be Members and the Board may, in its absolute discretion, impose qualifications for persons serving on the Architectural Review and Control Committee.

11.2 Architectural Control Standards. The Architectural Review and Control Committee, subject to approval by the Board in its sole discretion, shall establish reasonable procedural rules, regulations, restrictions, architectural standards and design guidelines (the "Architectural Control Standards") which may, from time to time, be amended, repealed or augmented. The Architectural Control Standards may establish different restrictions, architectural standards and design guidelines for different units which reflect the different character of such Units. The Architectural Control Standards are hereby incorporated herein and shall be deemed to be a part of this Declaration and shall be binding on all Owners, Members or other Persons as if expressly set forth herein. A copy of the current Architectural Control Standards shall at all times be a part of the Association's records. The Architectural Control Standards may include, among other things, those restrictions and limitations set forth below:

11.2.1 Time limitations for the completion, within specified periods after approval, of the Improvements for which approval is required pursuant to the Architectural Control Standards.

11.2.2 Designation of a Building Envelope within a Lot, thereby establishing the maximum developable area of the Lot.

11.2.3 Conformity of completed Improvements to plans and specifications approved by the Architectural Review and Control Committee.

11.2.4 Such other limitations and restrictions as the Board or Architectural Review and Control Committee in its reasonable discretion shall adopt, including, without limitation, compliance with all applicable laws and governmental regulations regarding the Improvements, the construction of uniform mailboxes for all Lots, the regulation of all landscaping (including without limitation absolute prohibitions of certain types of landscaping, trees and plants), and regulation of all construction, reconstruction, exterior addition, change or alteration to or maintenance of any building, structure, wall or fence, including, without limitation, the nature, kind, shape, height, materials, exterior color, surface texture, and location of any such Improvement.

11.3 General Provisions.

11.3.1 The Association may assess reasonable fees in connection with its review of plans and specifications. The amount of the fee shall be determined from time to time by the Board of Directors and may be set forth in the Architectural Control Standards. Such fees shall be payable at the time the applications for approval are submitted to the Architectural Review and Control Committee.

11.3.2 The Association may require a fully-refundable construction deposit or bond in connection with construction of all Improvements on a Lot, to ensure compliance with the Declaration, compliance with the approved plans, and to protect the Association against damage to the Common Area. The amount of the deposit shall be determined from time to time by the Board of Directors as set forth in the Architectural Control Standards. Such deposit shall be payable at the time the applications and submittals for approval are submitted to the Architectural Review and Control Committee, as provided in the Architectural Control Standards. When the Improvements are complete, the Owner may be eligible for refund of all or a portion of the deposit, without any interest thereon, upon written request to the Architectural Review and Control Committee and once the Architectural Review and Control Committee has confirmed that all Improvements have been completed in accordance with the plans and specifications approved by the Architectural Review and Control Committee. The Owner shall have no right to demand return of the deposit and the Association shall have no obligation to pay over the deposit until thirty (30) days after the Architectural Review and Control Committee has issued its final construction approval in writing. All or a portion of the deposit may be withheld for any of the following purposes: (i) to repair any Common Area damaged or destroyed by the Owner, its agents, or contractors, (ii) for additional costs and fees incurred by the Architectural Review and Control Committee due to incomplete or non-compliant Improvements (including,

but not limited to, follow-up inspections), (iii) to pay for fines levied for violations related to the Improvements covered by the deposit, (iv) to pay for fines levied for violations committed by vendors or contractors providing goods or services during the course of construction of the Improvement, and (v) to reimburse the Association for any delinquent Assessments owed by the Owner. The Association's costs of repairing any Common Areas beyond the construction deposit or bond shall be paid by the Owner upon demand from the Association, and any sum not paid by an Owner may be treated as an Individual Assessment, subject to lien, and collected in like manner as Assessments levied pursuant to this Declaration. The construction deposit may also be subject to forfeiture pursuant to guidelines set forth in the Architectural Control Standards.

11.3.3 The Architectural Review and Control Committee may delegate its plan review responsibilities, except final review and approval as may be required by the Architectural Control Standards, to one or more of its members or architectural consultants retained by the Architectural Review and Control Committee. Upon such delegation, the approval or disapproval of plans and specifications by such member or consultants shall be equivalent to approval or disapproval by the entire Architectural Review and Control Committee.

11.3.4 The address of the Architectural Review and Control Committee shall be the address established for giving notice to the Association, unless otherwise specified in the Architectural Control Standards. Such address shall be the place for the submittal of plans and specifications and the place where the current Architectural Control Standards shall be kept.

11.3.5 The establishment of the Architectural Review and Control Committee and the procedures herein for architectural approval shall not be construed as changing any rights or restrictions upon Owners to maintain or repair their Lots as may otherwise be specified in this Declaration, the Bylaws or Association Rules.

11.3.6 The Architectural Review and Control Committee shall approve or disapprove any plans and specifications submitted to it in accordance with the Architectural Control Standards within such period as may be specified in the Architectural Control Standards.

11.4 Approval and Conformity of Plans. No excavation, fill or other alteration of the topography or drainage of any Lot shall be begun and no building, fence, wall or other structure or Improvement of whatever type shall be commenced, erected or maintained upon a Lot, nor shall there be any addition to or change to the exterior of any residence or other structure or Improvement upon a Lot or the landscaping, grading or drainage thereof, including, without limitation, the painting (other than painting with the same color of paint as previously existed) of exterior walls, patio covers and fences, except in compliance with plans and specifications therefor which have been submitted to and approved by the Architectural Review and Control Committee.

The Architectural Review and Control Committee shall have the right to refuse to approve any grading plans or plans and specifications which are not suitable or desirable, in its sole opinion, for aesthetic or other reasons, and in passing upon such grading plans, plans and specifications, and without any limitation of the foregoing, it shall have the right to take into

consideration the suitability of the proposed building, structure or other Improvement or landscaping, within the Property as an exclusive residential development of southwestern architectural design, the color, texture and materials, the harmony of external design and location in relation to surrounding structures and topography and the effect of the Improvements as planned on the outlook from adjacent or neighboring Lots. No changes or deviations in or from such grading plans and plans and specifications once approved shall be made without the prior written approval of the Architectural Review and Control Committee.

WITHOUT LIMITING THE GENERALITY OF THE PROVISIONS OF THIS DECLARATION AND ARIZONA LAW, THE BOARD MAY FIX A FINE OF UP TO TEN THOUSAND DOLLARS (\$10,000.00) FOR FAILURE TO OBTAIN REQUIRED APPROVAL FROM THE ARCHITECTURAL REVIEW AND CONTROL COMMITTEE.

11.5 Non-Liability for Approval of Plans. Plans and specifications shall be approved by the Architectural Review and Control Committee as to style, exterior design, appearance and location, and are not approved for engineering design or for compliance with zoning and building ordinances, and by approving such plans and specifications neither the Architectural Review and Control Committee, the members thereof, the Association, any Member, or the Board assumes any liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications. Neither the Architectural Review and Control Committee, any member thereof, the Association, or the Board shall be liable to any Owner or other Person for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings and 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 or manner of development of the Property or (d) the execution and filing of an estoppel certificate pursuant to the Architectural Control Standards, whether or not the facts therein are correct; provided, however, that such action, with the actual knowledge possessed by him, was taken in good faith. Approval of plans and specifications by the Architectural Review and Control Committee is not, and shall not be deemed to be, a representation or warranty that said plans or specifications comply with applicable governmental ordinances or regulations including, but not limited to, zoning ordinances and building codes.

11.6 Inspection of Improvements. Any member or authorized consultant of the Architectural Review and Control Committee, or any authorized officer, director, employee or agent of the Association, may at any reasonable time enter, without being deemed guilty of trespass, upon any Lot after reasonable notice as provided herein to the Owner in order to inspect Improvements constructed or being constructed on such Lot to ascertain that such Improvements have been or are being built in compliance with the Architectural Control Standards and this Declaration.

11.7 Varying Standards. The provisions of the Architectural Control Standards may vary and differ among the various units within the Property for reasons including, but not limited to, the different municipalities where the various units are located and the differing architect types and aesthetic design of buildings in the various units.

ARTICLE 12

USE AND OCCUPANCY RESTRICTIONS

12.1 Residential Use. Each Lot shall be used, improved and devoted exclusively for Single Family residential use and none other. No business or commercial building may be erected on any Lot and no gainful occupation, profession, trade or commercial enterprise or other non-residential use may be conducted on any part of a Lot provided that an Owner or any Resident may conduct limited business activities in the residence on a Lot so long as (a) the existence or operation of the business activity is not apparent or detectible by sight, sound or smell from outside the Lot, (b) the business activity conforms to all applicable zoning requirements, (c) the business activity does not involve door-to-door solicitation of other Owners or Residents, (d) the business activity does not generate drive-up traffic or customer or client parking, and (e) the business activity is consistent with the residential character of the Property, does not constitute a nuisance or a hazardous or offensive use, and does not threaten the security or safety of other Owners or Residents, as may be determined in the sole discretion of the Board.

12.2 Violation of Law or Insurance. No Owner or Member shall permit anything to be done or kept in or on his Lot or in or upon any Common Areas which will result in the cancellation of insurance thereon or which would be in violation of any applicable law.

12.3 Signs. No sign of any kind shall be displayed to the public view or from any Lot or any Common Areas without the approval of the Board (as to signs on the Common Area) or the Architectural Review and Control Committee (as to signs on the Lot), except (a) such signs as may be required by legal proceedings or the prohibition of which is precluded by law; (b) nNo more than two (2) identification signs for individual residences, each with a face area of seventy-two square inches (72") or less; (c) signs and notices erected or posted in connection with the provision of building security with a face area of seventy-two square inches (72") or less or (d) such signs as may be required for traffic control and regulation of Common Areas.

12.4 Animals. No animals, birds, fowl, poultry, livestock or reptiles of any kind may be kept, bred or maintained in any Lot or in or upon any Common Area, except a reasonable number of commonly accepted household pets in accordance with the Association Rules. No animals shall be kept, bred or raised within the Property for commercial purposes. In no event shall any domestic pet be allowed to run free away from its Owner's Lot without a leash, make an unreasonable amount of noise, or create a nuisance. No structure for the care, housing or confinement of any animal, bird, poultry or livestock shall be maintained on the exterior of a Lot. An Owner shall be liable for any and all damage to property and injury to persons and other animals caused by his household pets. Upon written request of any Owner, the Association may conclusively determine, in its sole and absolute discretion, whether any animal as described herein is commonly accepted household pet, whether the number of pets on the Lot is reasonable, and whether one or more pets constitutes a nuisance. The Board may require the removal of any animal that does not meet the qualifications of this Section. Any decision rendered by the Association shall be enforceable as are other restrictions contained herein.

12.5 Nuisances. No Owner or Member shall permit or suffer anything to be done or kept about or within his Lot, or on or about the Property, which will obstruct or interfere with the rights of other Owners, Members, Occupants or Persons authorized to the use and enjoyment of the Common Areas, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance or commit or suffer any illegal act to be committed therein. No Owner shall permit any thing or condition to exist upon the Property which shall induce, breed or harbor infectious plant disease or noxious insects. Each Owner or Member shall comply with the Association Rules, the requirements of all health authorities and other governmental authorities having jurisdiction over the Property.

12.6 Temporary Occupancy. No boat, truck, mobile home, trailer, camper, recreational vehicle, tent, shack, barn or similar thing and no temporary building or structure of any kind may be erected, placed or maintained on any Lot or used at any time for a residence, whether temporarily or permanently, on any portion of the Property except as expressly permitted by, and in compliance with, the Association Rules or Architectural Control Standards.

12.7 Boats and Motor Vehicles. Except as specifically permitted by the Association Rules, no boats, trailers, buses, motor homes, campers or other vehicles shall be (a) parked or stored in or upon the Common Areas or upon a Lot except within a garage or carport constructed as permitted by the Architectural Control Standards; (b) repaired or rebuilt in any Lot or upon the Common Areas; or, (c) parked on the Private Streets except in such parking areas as may be designated by the Association. The Association may remove, or cause to be removed, any unauthorized vehicle, boat, trailer, or equipment at the expense of the owner thereof in any manner consistent with law.

12.8 Lights. No spotlights, flood lights or other high intensity lights shall be placed or utilized on any Lot which in any manner will allow light to be directed or reflected on the Common Areas, or any part thereof, or any other Lots, except as may be expressly permitted by the Association Rules or the Architectural Control Standards.

12.9 Antennas. No radio, television or other antennas of any kind or nature, or device for the reception or transmission of television, radio, microwave or other similar signals, shall be placed or maintained upon any Lot except as may be expressly authorized by the Association Rules and except those devices covered by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, will be permitted. Any such device 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 other Lots, Common Area, or the street. The devices governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule) as of the date of the recording of this Declaration are as follows: (i) Direct Broadcast Satellite (“DBS”) antennas one meter in diameter or less, and designed to receive direct broadcast satellite service, including direct-to-home satellite service, or receive or transmit fixed wireless signals via satellite; (ii) Multi-point Distribution Service (“MDS”) antennas one meter or less in diameter or diagonal measurement, designed to receive video programming services (wireless cable) or to receive or transmit fixed wireless signals other than via satellite; (iii) Antennas designed to receive local television broadcast signals (“TVBS”); and (iv) Antennas designed to receive

and/or transmit data services, including Internet access. If the FCC expands the types of antennas that fall under the FCC Rule, this Section 12.9 shall encompass those antennas as well.

12.10 Garbage. No garbage, trash or debris shall be kept, maintained or contained in any Lot so as to be visible from another Lot or the Common Areas except temporarily within time frames established by the Board for pickup, in containers approved by Association Rules. No incinerators shall be kept or maintained on any Lot and no trash, garbage or debris shall be burned by open fire or otherwise on any portion of the Property. No refuse pile, garbage or unsightly objects shall be allowed to be placed, accumulated or suffered to remain anywhere on a Lot.

12.11 Exterior Coverings. No exterior screening or shade materials of any type including, but not limited to, awnings, shutters, screens and coverings affecting the exterior appearance of any Lot shall be permitted except as expressly authorized by the Association Rules or the Architectural Control Standards, or as may be permitted by the Architectural Review and Control Committee. Only materials intended and designed as window coverings (such as drapes, curtains, blinds, and shutters) may be placed over windows so as to be visible from other Lots, Common Area, or the street and no reflective materials (including, but without limitation, aluminum foil, reflective films, screens, glass, or mirrors), paper, cardboard, or sheets may be placed over windows so as to be visible from other Lots, Common Area, or the street except as expressly authorized by the Association Rules or the Architectural Control Standards, or as may be permitted by the Architectural Review and Control Committee.

12.12 Mining. No portion of the Property shall be used in any manner to explore for or remove any waste, oil or other hydrocarbons or minerals of any kind or earth substance of any kind.

12.13 Safe Condition. Without limiting any other provision in this Article 12, each Owner shall maintain and keep his Lot at all times in a safe, sound and sanitary condition and repair and shall correct any condition or refrain from any activity which might interfere with the reasonable enjoyment by other Owners or Members of their respective Lots or the Common Areas.

12.14 Fires. Other than barbeques in properly constructed barbeque pits or grills, and fire pits in compliance with the Association Rules and the Architectural Control Standards, or as otherwise expressly permitted in the Association Rules, no open fires shall be permitted on the Lots nor shall any other similar activity or condition be permitted which would tend to increase the insurance rates for the Common Areas or for other Owners.

12.15 Clothes Drying Area. No portion of any Lot shall be used as a drying or hanging area for laundry of any kind, it being the intention hereof that all such facilities shall be provided within the buildings to be constructed on each Lot.

12.16 No Further Subdivision. No Lot shall be divided or subdivided by any Owner, and no portion less than all of any Lot nor any easement or other interest therein, shall be conveyed or transferred by any Owner without the prior written approval of the Association.

12.17 No Obstructions to Drainage. No Owner shall erect, construct, maintain, permit or allow any fence or other Improvement or other obstruction which would interrupt the normal drainage of the land or within any area designated on a Plat, or other binding document, outside the Building Envelope except that, with the prior consent of Maricopa County and the Architectural Review and Control Committee, non-permanent structures, including fences, may be erected in those areas which contain only underground closed conduit storm drainage facilities.

12.18 Rental of Lots. No Owner shall lease his Lot except in accordance with the following terms and conditions: (a) The entire Lot must be leased (i.e., a guest house may not be leased separately from the main residential dwelling); (b) A Lot may be leased only to a Single Family; (c) All leases must be in writing for a minimum duration of thirty (30) days; (d) All leases shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and Association Rules, and any failure by the lessee to comply with the terms of the Declaration and Association Rules shall be a default under the lease and grounds for eviction. Furthermore, the lease must specify that the Owner assigns its rights, in part, to the Association, as the agent of the landlord, to enforce the terms of the lease and that, if the Owner fails to enforce the terms of the lease after being provided with notice from the Association to do so, the Association may exercise the rights of enforcement under the lease and under the law, including, but not limited to, the right of eviction as provided in the Arizona Residential Landlord and Tenant A.R.S. § 33-1301, et seq. In order to carry out this requirement, the Board may adopt specific language or an addendum that must be incorporated into every lease; and, (e) A copy of the lease, along with any rental registration forms adopted by the Board, must be delivered to the Association within ten (10) days of the commencement of the lease term or renewal term. An Owner who leases his Lot to any Person shall be responsible for assuring compliance by his lessee with all of the provisions of this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards, all as amended and supplemented from time to time, and shall be jointly and severally responsible for any violations by his lessee thereof. Any continuing or repeated violations of the Declaration or the Association Rules or any single violation of the Declaration or the Association Rules of a serious or grievous nature (as determined in the sole and absolute discretion of the Board) shall be a default under the lease. If a tenant commits violations that are grounds for eviction, the Association may provide notice to the Owner of the tenant's violations, and require that the Owner evict the tenant for the violations. If the Owner fails to make a good faith effort to evict the tenant, the Association may take action to evict the tenant and may exercise any other remedies available under the Declaration and Arizona law.

12.19 Prohibiting Timesharing and other Fractional Interest Plans. No Lot or building constructed thereon may be used and/or occupied by any Person pursuant to any timesharing plan, fractional ownership interest plan, fractional private residence club plan, membership residential privilege plan, or any other similar type of plan (such prohibited plans shall be collectively referred to herein as a "Timesharing Plan"). For purposes of this Section, "Timesharing Plan" means the joint or common ownership, use and/or occupancy of a Lot or building constructed thereon by three (3) or more Unrelated Persons during any 365 day period for the primary purpose of allocating periodic use or occupancy of such Lot among Unrelated Persons or their lessees, sublessees, assignees, or permittees on an ongoing basis over time

pursuant to a timesharing plan, fractional ownership interest plan, membership plan, or similar arrangement, regardless of whether such arrangement constitutes a timesharing plan or timeshare interests under Arizona law or under the laws of any other particular state. Any type of joint use or occupancy plan that allows the use and/or occupancy of the Lot on an ongoing basis over time by three (3) or more Unrelated Persons during any 365 day period, whether or not the Lot is only owned by one Person, and whether or not currency or other form of compensation, trade, or barter is provided in exchange for the use of the Lot, is prohibited. For purposes of this Section, "Unrelated Persons" means purchasers or holders of such rights of use or occupancy, whether by owning a fee title interest, or by holding some other right or interest, or some other right of occupancy, whether or not any interest in the Lot is connected to said right, directly or indirectly, individually or through a corporation, partnership, limited liability company, trust or other entity, who are not related by blood, adoption or marriage. In calculating three (3) or more Unrelated Persons, a husband and wife and their children (including the children of either spouse), or a family trust or any other entity comprised exclusively of the same people, shall collectively constitute only one Unrelated Person.

12.20 Security and Safety Systems. Each Owner may install a medical-fire alarm system and may utilize and subscribe to a security system, subject to all registrations required by applicable law.

12.21 Overhead Encroachments. No tree, shrub, or planting of any kind on any Lot shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way or other Common Area from ground level to a height of eight feet without the prior approval of the Architectural Review and Control Committee.

12.22 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot except 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 on the Lot.

12.23 Party Walls. The rights and duties of the Owners of Lots with respect to party walls shall be as follows:

12.23.1 Each wall, including patio, terrace or carport and garage walls, any part of which is placed on the dividing line between separate Lots, shall constitute a party wall. With respect to any such party wall, each of the adjoining Owners shall assume the burdens and be entitled to the benefits of these restrictive covenants. In addition, to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied.

12.23.2 In the event any party wall is damaged or destroyed through the act of the Owner of one adjoining Lot, or any of his guests, tenants, licensees, agents or members of his family or other person for whom such Owner is responsible (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Lot of the full use and enjoyment of such party wall, then the Owner responsible for such damage shall forthwith at his sole expense proceed to rebuild or repair the same in as good condition as formerly existed.

12.23.3 Any Owner who by his negligent or willful act or by the negligent or willful act of any guest, tenant, licensee, agent or member of his family or other persons for whom such Owner is responsible, causes any party wall to be exposed to the elements shall at his sole expense furnish the necessary protection against such elements.

12.23.4 The right of any Owner to contribution from any other Owner under this paragraph shall be appurtenant to the land and shall pass to the successors in title of each such Owner.

12.23.5 In addition to satisfying the other requirements of this Declaration, any Owner proposing to modify, rebuild, or make additions to his Lot in any manner which requires the extension or other alteration of any party wall, and any Owner proposing to create a party wall, shall first obtain the written consent of the Architectural Review and Control Committee and any adjoining Owner and shall complete such alterations in accordance with the provisions of any building code or similar regulations or ordinances.

12.23.6 These covenants shall be binding upon the heirs and assigns of any Owners, but no person shall be liable for any act or omission of a previous Owner except as herein expressly provided.

12.24 Modification. The Board may modify or waive the foregoing restrictions or otherwise restrict and regulate the use and occupancy of the Property and the Lots by reasonable rules and regulations of general application adopted by the Board from time to time which shall be incorporated into the Association Rules.

ARTICLE 13

ANNEXATION OF ADDITIONAL PROPERTY

13.1 Annexation of Additional Real Property. The Annexation Property may be annexed to and become subject to this Declaration and subject to the jurisdiction of the Association with the approval of the Board of Directors and the owner(s) of the Annexation Property and the approval, assent or vote of the Members or any other Person shall not be necessary. Annexation shall be evidenced by recording a Supplemental Declaration covering the Annexation Property. The recordation of said Supplemental Declaration shall constitute and effectuate the annexation of the Annexation Property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter said Annexation Property shall be part of the Property for all intents and purposes of this Declaration and all of the Owners of Lots in the Annexation Property shall automatically be Owners or Members in accordance with Article 3. Upon such recording of a Supplemental Declaration, the Board may record an amendment to this Declaration, solely for the purpose of updating the exhibits to this Declaration to reflect the inclusion of the Annexation Property, and a vote of the Members or any other Person shall not be required.

13.2 Supplemental Declarations. A Supplemental Declaration shall be a writing in recordable form which annexes additional real property (the "Annexation Property") to the plan of this Declaration and which incorporates by reference all of the covenants, conditions, restrictions, easements and other provisions of this Declaration and shall contain such other provisions as are set forth in this Declaration relating to Supplemental Declarations. Supplemental Declarations 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 Annexation Property and as are not inconsistent with the plan of this Declaration. In no event, however, shall any such Supplemental Declaration revoke, modify or add to the covenants established by this Declaration with respect to the Property already subject to this Declaration.

ARTICLE 14

GENERAL PROVISIONS

14.1 Enforcement.

14.1.1 Method of Enforcement. In the event of any default by any Owner, Member, Occupant or other Person under the provisions of this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards, the Association shall have each and all of the rights and remedies which may be provided for in this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards, or which may be available at law or equity, and may prosecute any action or other proceedings against such defaulting Owner, Member, Occupant or other Persons for an injunction, whether affirmative or negative, or for enforcement or foreclosure of the lien herein provided and the appointment of a receiver for the Lot, or for damages, or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Lot and to rent the Lot and apply the rents received to payment of unpaid Assessments and interest accrued thereon, and to sell the same or for any combination of remedies or for any other relief, all without notice and without regard to the value of the Lot or the solvency of such Owner or Member, and without waiving any rights that the Association may have. In addition, the Association shall be empowered to levy fines upon the Owner of such Lot for each such violation and during the continuance thereof. Each Owner shall also have the right to enforce the provisions of this Declaration, except that Owners shall not have the power to enforce the provisions regarding Assessments in Article 6 herein.

14.1.2 Notice of Violation. The Association shall have the right to record a written notice of a violation by any Owner or Resident of any restriction or other provision of this Declaration, the Association Rules, or the Architectural Control Standards. The notice shall be executed by an officer of the Association and shall contain substantially the following information: (i) the name of the Owner or Resident violating, or responsible for the violation of, this Declaration, the Association Rules, or the Architectural Control Standards; (ii) the legal description of the Lot against which the notice is being recorded; (iii) a brief description of the nature of the violation; (iv) a statement that the notice is being Recorded by the Association

pursuant to this Declaration; and (v) a statement of the specific steps which must be taken by the Owner or occupant to cure the violation. Recordation of a notice of violation shall serve as notice to the Owner and Resident, and any subsequent purchaser of the Lot, that there is such a violation. If, after the recordation of such notice, it is determined by the Association that the violation referred to in the notice does not exist or that the violation referred to in the notice has been cured, the Association shall record a notice of compliance which shall state the legal description of the Lot against which the notice of violation was recorded, and the recording data of the notice of violation, and shall state that the violation referred to in the notice of violation has been cured or that the violation did not exist.

14.1.3 Expenses of Enforcement. In the event the Association acts to enforce the provisions of this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards, 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 an Individual Assessment secured by the Assessment Lien against said Owner's Lot. 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 attorneys' fees, court costs, costs of investigation and other related expenses incurred therewith. If any lawsuit is filed by any Owner to enforce the provisions of the provisions of this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards, the prevailing party in such action shall be entitled to recover from the other party all attorneys' fees incurred by the prevailing party in the action.

14.2 Amendments. Amendments to this Declaration shall be made by an instrument in writing which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Members. Except as otherwise specifically provided for in this Declaration, amendments may be adopted at a meeting of the Association upon the approval thereof of a majority of Owners of all Lots or without any meeting if all Owners have been duly notified and if a majority of Owners of all Lots consent in writing to such amendment. In addition, the Board may amend this Declaration without the approval of the Members, solely for the purpose of complying with the law. In all events, the amendment when adopted shall bear the signature of the president of the Association and shall be attested to by the secretary, who shall certify that the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording of the amendment in the appropriate governmental offices. The Plat may be amended in the same way as an amendment to the Declaration.

14.3 Notices. Notices provided for in this Declaration, or the Bylaws or Association Rules, shall be in writing and shall be addressed to the Association at the address specified in the notice recorded from time to time in the official records of the Maricopa County, Arizona Recorder. The Association may designate a different address or addresses for notice by giving written notice of such change of address to all Owners and Members at such time. All notices to Owners shall be to their respective Lot(s) or to the last address shown on the records of the

Association and to other Members at the last address shown on the records of the Association. Any Member may designate a different address or addresses for notices to him by giving written notice of his change of address to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgment of the receipt thereof.

14.4 Captions and Exhibits; Construction. Captions given to various sections herein and the table of contents for this Declaration are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein are incorporated as though fully set forth where such reference is made. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property as hereinabove set forth.

14.5 Severability. If any provision of this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards, or any section, clause, sentence, phrase or word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards, and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances, shall not be affected thereby, and the remainder of this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards shall be construed as if such invalid part were never included therein.

14.6 Mortgage of Lots. Each Owner shall have the right, subject to the provisions hereof, to make separate Mortgages for his respective Lot. No Member shall have the right or authority to make or create or cause to be made or created any Mortgage, or other lien or security interest, on or affecting the Property or any part thereof, except only to the extent of his Lot. No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein, shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any such lien holder in possession of a Lot and any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Lot.

14.7 Power of Attorney. The Board of Directors may exercise all powers of the Association that are not required by this Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards or applicable law to be exercised by the Owners.

14.8 Laws, Ordinances and Regulations. Any violation of any state, municipal, or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

14.9 Gender. Masculine, feminine and neuter references herein each shall include the others as the context requires.

14.10 References to Declaration in Deeds. Deeds to and instruments affecting any Lot or Parcel or any part of the Property may contain the provisions herein set forth by reference to

the Declaration; but regardless of whether any such reference is made in any deed or instrument, all of the provisions hereof shall be binding upon the grantee-Owner or other person claiming through any instrument and his heirs, executors, administrators, successors and assigns as though set forth at length in such instrument.

14.11 Arizona Law. The Declaration, the Articles, Bylaws, Association Rules and Architectural Control Standards shall be subject to, and construed in accordance with, Arizona law.

14.12 Responsibility for Others. Owners hereby acknowledge and agree that they are fully responsible for the actions and inactions of the Owner's family, Occupants, guests, licensees, invitees, vendors, tenants, and pets. If an Owner's family, Occupant, guest, licensee, invitee, vendor, tenant, or pet commits a violation of the Declaration, the Articles, Bylaws, Association Rules or Architectural Control Standards, the Owner will be responsible in the same manner as if the Owner had committed such violation.

14.13 Attorneys' Fees in Administrative Proceedings. In the event the Association incurs legal expenses and costs, including but not limited to, attorneys' 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, and any appeal thereof, the Association shall be entitled to recover its attorneys' fees and costs from the Owner involved in the administrative proceeding if the Association is the prevailing party.

14.14 Golf Course and Clubhouse Facilities. The Golf Course Facilities, together with the Clubhouse Facilities used in conjunction with the Golf Course Facilities, are privately owned. No Owner shall have any right to a membership in the Golf Course Facilities or Clubhouse Facilities by virtue of his ownership of a Lot; provided, however, that the right to use any such facility through purchase or payment of membership or user fees or other charges shall be available to all Owners on at least the same basis as is available to any other member of the public. ALL PRESENT AND FUTURE OWNERS, OCCUPANTS AND OTHER PERSONS AT ANY TIME PRESENT UPON OR HOLDING ANY INTEREST IN THE PROPERTY OR ANY PORTION THEREOF HEREBY ACKNOWLEDGE AND AGREE THAT THEY ARE FULLY AWARE OF THE FACT THAT THE ACQUISITION OF PROPERTY ADJACENT TO OR IN THE VICINITY OF A GOLF COURSE HAS CERTAIN RISKS, INCLUDING THE RISK THAT FROM TIME TO TIME GOLF BALLS FROM THE GOLF COURSE MAY ENTER UPON OTHER PORTIONS OF THE PROPERTY AND THERE DO DAMAGE TO PERSONS AND PROPERTY. ALL SUCH PERSONS ARE HEREBY ADVISED THAT THE GOLF COURSE HAS BEEN DESIGNED WITH LIMITED BUFFERS BETWEEN PLAYING AREAS AND ADJOINING ROADWAYS AND RESIDENTIAL PROPERTIES, AND ALL SUCH PERSONS HEREBY EXPRESSLY ASSUME SUCH RISK AND ACKNOWLEDGE AND AGREE THAT NO CLAIM FOR ANY HARM, DAMAGE OR INJURY OF ANY KIND CAUSED OR OCCASIONED BY GOLF BALLS OR ANY OTHER HAZARD ASSOCIATED WITH THE MAINTENANCE, OPERATION AND USE OF THE GOLF COURSE OR TO ENJOIN THE SAME SHALL BE MADE AGAINST THE DESIGNERS, THE OWNER OR OPERATOR OF SUCH GOLF COURSE, OR ANY PLAYERS THEREON OR MEMBERS THEREOF FOR THE ASSOCIATION OR ANY OTHER OWNER OR OTHER PERSON.

CERTIFICATION

IN WITNESS WHEREOF, the President of the Association hereby certifies that the provisions contained with this Amended and Consolidated Declaration have been approved by the Board of Directors and the required percentages of the Members in accordance with requirements of the original covenants, conditions, and restrictions listed on Exhibit "B", governing the various units of development.

DATED this 12 day of APRIL, 2012

THE BOULDERS HOMEOWNERS ASSOCIATION

By [Signature]
Its: President

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 12th day of APRIL, 2012, before me personally appeared THOMAS M. TULLY, whose identity 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 this document.

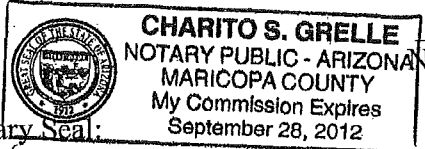
[Signature]
Notary Public

Notary Seal:

EXHIBIT "A"
PROPERTY DESCRIPTION

Boulders Carefree Unit One

Lots 1200 through 1212 inclusive, Lot 1215 and Lot 1216, Lots 1401 through 1433 inclusive, Tracts R-1 through R-5 inclusive, Tracts A and B, REPLAT OF BOULDER CAREFREE UNIT ONE, according to the Plat recorded in Book 138 of Maps, Page 22, records of Maricopa County, Arizona Recorder.

Those portions of Lots 1001 through 1005, inclusive, as per Replat of BOULDER CAREFREE UNIT ONE, in the TOWN OF CAREFREE, and said County, recorded in Book 138, page 22, in the office of the County Recorder of said County, Lying Northerly of the following described line:

BEGINNING at a point in the Easterly line of said Lot 1001, distant No degrees 43 minutes 12 seconds East thereon 120.95 feet from the Southeast corner of said Lot 1001; thence Westerly in a direct line to a point in the Easterly line of said Lot 1004, distance No degrees 43 minutes 12 seconds East thereon 160 feet from the Southeast corner of said Lot 1004; thence North 89 degrees 09 minutes 23 seconds West parallel with the Northerly lines of said Lots 1004 and 1005 to the Westerly line of said Lot 1005.

Boulders Carefree Unit Two

Lots 1 through 7 inclusive, and the private roadway, BOULDER CAREFREE UNIT TWO PHASE ONE, according to the Plat recorded in Book 140 of Maps, Page 12, records of Maricopa County, Arizona Recorder.

Lots 1 through 73 inclusive, Tracts R-1, R-3, R-4, R-5, R-6, R-7, R-8, R-10, R-11, R-12, R-13, R-14 and R-15, BOULDER CAREFREE UNIT TWO PHASE TWO, according to the Plat recorded in Book 147 of Maps, Page 46, records of Maricopa County, Arizona Recorder.

A parcel of land situated in Tract R-17 of the Boulders Carefree Unit Four Phase One, as recorded in Book 173 of Maps, page 38, records of Maricopa County, Arizona, and located in the northwest quarter of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the center of said section 2; thence 00 degrees 43 minutes 31 seconds east along the north south mid section line of said section 2, a distance of 230.00 feet to the southeast corner of said plat of Boulders Carefree Unit Four, Phase One; thence continuing along said north south mid section line and along the easterly boundary of said plat of the Boulders Carefree Unit Four Phase One, north 00 degrees 43 minutes 31 seconds east, a distance of 231.56 feet to the true point of beginning; thence continuing north 00 degrees 43 minutes 31 seconds east along said north south mid section line and along the easterly boundary of said plat of Boulders Carefree Unit Four Phase One, a distance of 49.15 feet to a point; thence continuing along the easterly boundary of said plat of the Boulders Carefree Unit Four Phase One, north 53 degrees 16 minutes 29 seconds west, a distance of 68.10 feet to a point; thence continuing along the easterly

boundary of said plat of the Boulders Carefree Unit Four Phase One, north 23 degrees 15 minutes 31 seconds east, a distance of 145.57 feet to a point; thence south 36 degrees 09 minutes 30 seconds west, a distance of 163.44 feet to a point; thence south 34 degrees 01 minutes 48 seconds east, a distance of 116.10 feet to a point; thence north 80 degrees 43 minutes 12 seconds east, a distance of 28.31 feet to the true point of beginning;
 Except an undivided 1/16th interest of all gas, oil, metals and mineral rights as reserved in the patent to said land.

A portion of land situated within the East half of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Meridian, County of Maricopa, State of Arizona, being more particularly described as follows:

Beginning at a point on the South line of the Northeast quarter of said Section 2, said point being the Southeast corner of Lot 44, as shown on the Replat of BOULDERS CAREFREE UNIT TWO PHASE TWO, as recorded in Book 147 of Maps, Page 46 of Maricopa County Records:
 Thence N 89° 09' 39" W along said South line, a distance of 101.46 feet;
 Thence leaving said South line, S 24° 19' 12" E a distance of 24.43 feet;
 Thence N 89° 05' 14" W a distance of 101.05 feet;
 Thence N 23° 29' 45" W a distance of 115.92 feet to a point on the South right of way line of Boulder Drive, as shown on the Replat of BOULDERS CAREFREE UNIT TWO PHASE TWO, as recorded in Book 147 of Maps, Page 46 of Maricopa County Records, the beginning of a non tangent curve to the left from which the radius point bears N 12 degrees 37' 51" W;
 Thence 184.75 feet along the arc of said non tangent curve to the left, having a radius of 575.00 feet, and a central angle of 18° 24' 35" to the POINT OF BEGINNING;
 Said Parcel of land containing 0.5824 acres, more or less.

Part of Tract G-1 of the Boulders Carefree Unit Two Phase Two plat recorded in the Maricopa County Recorder's office, book of Maps 147 Page 46, being in the northeast quarter of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at north quarter corner of said section which bears south 05 degrees 35 minutes 43 seconds east 19.74 feet from a found M.C.D.O.T. brass cap flush; thence north 89 degrees 48 minutes 24 seconds east 408.09 feet; thence south 24 degrees 11 minutes 35 seconds east 657.60 feet to the point of beginning of this description being a found half inch iron bar and survey cap LS 19857 accepted as the southwest corner of a parcel known as Parcel 31 and the north line of said Tract G-1, said north line, which is the basis of bearings for this description is identified by the terminus of said line being a found half inch iron bar and survey cap LS 19857, which bears north 89 degrees 45 minutes 59 seconds east (recorded south 89 degrees 17 minutes 33 seconds east) 1269.47 feet from said point of beginning;
 Thence along said north line north 89 degrees 45 minutes 59 seconds east 843.00 feet to a point which is 15 feet more or less from the westerly edge of an existing pond;
 Thence meandering along said pond to a point which bears south 54 degrees 48 minutes 37 seconds west 145.56 feet;
 Thence south 79 degrees 47 minutes 47 seconds west 62.89 feet;
 Thence south 60 degrees 41 minutes 43 seconds west 60.08 feet;
 Thence south 53 degrees 57 minutes 39 seconds west 32.48 feet;

Thence south 42 degrees 30 minutes 10 seconds west 70.28 feet, to a point on a line common to the southerly line of said Tract G-1 and a northerly line of Tract R-11 of said Boulders Carefree Unit Two Phase Two plat;

Thence along said southerly line north 31 degrees 18 minutes 17 seconds west 104.95 feet to a found iron bar;

Thence north 78 degrees 56 minutes 03 seconds west 309.63 feet to a found iron bar;

Thence south 89 degrees 45 minutes 59 seconds west 158.06 feet;

Thence leaving said southerly line north 24 degrees 11 minutes 50 seconds west 47.65 feet to the point of beginning of this description.

Said parcel contains 1.5046 acres.

Boulders Carefree Unit Three

Lots 1 through 23 inclusive, Tracts R-1 through R-5 inclusive, REPLAT OF THE BOULDERS CAREFREE UNIT III-B, according to the Plat recorded in Book 173 of Maps, Page 7, records of Maricopa County, Arizona Recorder.

Boulders Carefree Unit Four

Lots 100 through 160 inclusive, Lots 162 through 192 inclusive, Tracts R-1 through R-16 inclusive, and the private roadway, THE BOULDERS CAREFREE UNIT FOUR PHASE ONE, according to the Plat recorded in Book 173 of Maps, Page 38, records of Maricopa County, Arizona Recorder.

Assessor's Parcel #216-33-001H:

PT SW4 DAF BEG CEN SEC TH WLY ALG E-W MID-SEC LN SD SEC & S BDY BOULDERS CAREFREE UNIT 4 PHASE 1 TO A PT ON SELY LOT LN OF LOT 125 SD SUB SD PT BEING 120F PERPEND TO NWLY LOT LN SD LOT & ALSO BEING TPOB SWLY ON LN PAR WI NWLY LOT LN SD LOT 88.40F TO PT TH NWLY ON LN PAR WI NELY LOT LN SD LOT 94.33F TO PT OF INTERSEC WI E-W MIDSEC LN SD SEC TH E TO TPOB

Boulders Carefree Unit Five

Lots 1 through 36 inclusive, Lots 43 through 49 inclusive, Tracts R-1 through R-4 inclusive, and the private roadway, THE BOULDERS CAREFREE UNIT FIVE, according to the Plat recorded in Book 212 of Maps, Page 40, records of Maricopa County, Arizona Recorder.

That part of Lot 9, of Replat of Boulders Carefree Parcel "E", according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 346 of Maps, Page 17, more particularly described as follows:

COMMENCING at a boundary corner in the East line of said Lot 9, said corner also being the most Southerly corner of Lot 162, of The Boulders Carefree Unit Four, Phase One, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 173 of Maps, Page 38;

Thence North 23 degrees 17 minutes 10 seconds West along said East line of Lot 9, also being the Southwesterly line of said Lot 162, a distance of 5.29 feet to the TRUE POINT OF BEGINNING;

Thence North 67 degrees 48 minutes 08 seconds West leaving said East line, a distance of 26.10 feet;

Thence North 42 degrees 11 minutes 01 seconds West 16.74 feet;

Thence North 21 degrees 57 minutes 51 seconds West 30.76 feet;

Thence North 12 degrees 32 minutes 59 seconds East to a common line between said Lots 9 and 162;

Thence South 23 degrees 17 minutes 10 seconds East along said common line, a distance of 97.05 feet to the TRUE POINT OF BEGINNING.

Boulders Carefree Unit Six

Lots 2001 through 2028 inclusive, Tracts R-1 through R-6 inclusive, and Tract A, FINAL PLAT FOR THE BOULDERS CAREFREE UNIT SIX, according to the Plat recorded in Book 268 of Maps, Page 17, records of Maricopa County, Arizona Recorder.

Boulders Parcel 31

Lots 1 through 12 inclusive, and Tracts L and R, FINAL PLAT OF BOULDERS PARCEL 31, according to the Plat recorded in Book 629 of Maps, Page 28, records of Maricopa County, Arizona Recorder.

Additional Property owned by the Association

A strip of land, 50 feet wide, to be used for road purposes, over and across that portion of the north half of Section 2, T5N, R4E, G&SR B&M in said County, lying 25 feet on each side of the following described center line:

Beginning at the intersection of the center line of Boulder Drive, a private roadway 50 feet wide, with that portion of the easterly boundary of The Boulders Carefree Unit Four Phase One, as per map recorded in Book 173, Page 38 of Maps in the office of the County Recorder of said County shown as having a bearing of N38° 04' 45" E and a length of 288.43 feet; thence S68° 30' 56E, 75 feet to the beginning of a tangent curve concave northerly and having a radius of 120 feet; thence easterly along said curve through a central angle of 32° 32' 00", an arc distance of 68.14 feet, thence tangent to said curve N78° 57' 04" E, 174.48 feet to the beginning of a tangent curve concave southwesterly and having a radius of 120 feet; thence easterly along the last described curve through a central angle of 47° 32' 56", an arch distance of 99.59 feet; thence tangent to the last described curve S53° 30' 00" E, 100 feet to the beginning of a tangent curve concave northerly and having a radius of 120 feet; thence easterly along the last described curve through a central angle of 37° 00' 42", an arc distance of 77.52 feet to the beginning of a compound curve concave northwesterly and having a radius of 550 feet, said compound curve being the center line of a private roadway, 50 feet wide, shown as curve no. 21 on Replat of Boulder Carefree Unit Two Phase Two as per plat recorded in Book 147, Page 46 of Maps in said office of the County Recorder. The side lines of said strip are to be lengthened or shortened as required to

terminate westerly in said easterly boundary and easterly in the southerly prolongation of the southwest line of Lot 42 of said Unit Two.

That portion of the NE $\frac{1}{4}$ of Section 2, T5N, R4E, G&SR B&M, described in EASEMENT FOR HIGHWAY PURPOSES to Maricopa County as recorded in Docket 7607 Page 711 of Official Records in the office of the County Recorder of said county. EXCEPT therefrom the N. 40 feet.

That portion of said north half of Section 2 lying northerly of the northerly line of Parcel 1 hereof, lying southerly of the south line of Tract R-17 of said Unit Four, and lying westerly of a line that is at right angles to said south line and passes through the most southerly corner of Lot 167 of said Unit Four.

That portion of the Northeast quarter of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, in said County, described as follows:

BEGINNING at the Northeast corner of said Section 2;
 thence South 00 degrees 42 minutes 05 seconds West, 600.00 feet along the East line of said Section 2;
 thence North 89 degrees 17 minutes 33 seconds West, 103.50 feet to the Northeast corner of the REPLAT OF BOULDER CAREFREE UNIT TWO, PHASE TWO, as recorded in Book 147, page 46 of Maps, in the office of the County Recorder of said County;
 thence North 89 degrees 17 minutes 33 seconds West, 82.59 feet along the North line of said REPLAT;
 thence continuing North 50 degrees 53 minutes 28 seconds West, 93.37 feet;
 thence South 42 degrees 29 minutes 20 seconds West, 77.78 feet; the said North line;
 thence North 89 degrees 17 minutes 33 seconds West 56.06 feet along said North line to a point on a curve having a radius of 216.89 feet, a radial to said curve bears South 48 degrees 16 minutes 25 seconds East;
 thence Northeasterly along said curve through a central angle of 39 degrees 04 minutes 29 seconds an arc distance of 147.92 feet to the beginning of a reverse curve concave Southeasterly and having a radius of 95.00 feet;
 thence Northeasterly along said reverse curve through a central angle of 47 degrees 00 minutes 36 seconds an arc distance of 77.95 feet;
 thence tangent to said reverse curve North 49 degrees 39 minutes 42 seconds East, 219.77 feet to the beginning of a curve concave Northwesterly and having a radius of 334.50 feet;
 thence Northeasterly along the last described curve through a central angle of 48 degrees 57 minutes 15 seconds an arc distance of 285.80 feet to the point of beginning.

EXHIBIT "B"
CONSOLIDATED DECLARATIONS

The Declaration of Covenants, Assessments, Liens, Conditions and Restrictions, recorded on April 24, 1972, in Docket 9389, Page 263, Official Records, Maricopa County, Arizona Recorder;

The Amendment of Declaration of Covenants, Conditions and Restrictions and Supplemental Declaration, recorded on August 28, 1972, in Docket 9655, Page 966, Official Records, Maricopa County, Arizona Recorder;

The Supplemental Declaration recorded on June 4, 1974, in Docket 10682, Page 709, Official Records, Maricopa County, Arizona Recorder;

The Supplemental Declaration recorded on July 2, 1974, in Docket 10723, Page 642, Official Records, Maricopa County, Arizona Recorder;

The Amendment to Declaration of Covenants, Assessments, Liens, Conditions and Restrictions, recorded on February 20, 1981, in Docket 15038, Page 708, Official Records, Maricopa County, Arizona Recorder;

The Boulders Carefree Corporation Unit No. 5 Declaration of Covenants, Conditions and Restrictions, recorded on June 26, 1979, in Docket 13724, Page 354, Official Records, Maricopa County, Arizona Recorder;

The Master Declaration of Covenants, Conditions and Restrictions for Boulders Carefree, recorded on July 20, 1984, at Recording No. 1984-0317774, Official Records, Maricopa County, Arizona Recorder;

The Declaration of Covenants, Conditions and Restrictions for Unit 6, recorded on July 20, 1984, at Recording No. 1984-0317775, Official Records, Maricopa County, Arizona Recorder;

The First Amendment to Declaration of Covenants, Conditions and Restrictions for Unit Six, recorded on December 11, 1984, at Recording No. 1984-532932, Official Records, Maricopa County, Arizona Recorder; and

The First Amendment to Master Declaration of Covenants, Conditions and Restrictions for Boulders Carefree, recorded on December 11, 1984, at Recording No. 1984-532933, Official Records, Maricopa County, Arizona Recorder.

EXHIBIT "C"

UNITS 5-6

Boulders Carefree Unit Five

Lots 1 through 36 inclusive, Lots 43 through 49 inclusive, Tracts R-1 through R-4 inclusive, THE BOULDERS CAREFREE UNIT FIVE, according to the Plat recorded in Book 212 of Maps, Page 40, records of Maricopa County, Arizona Recorder.

That part of Lot 9, of Replat of Boulders Carefree Parcel "E", according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 346 of Maps, Page 17, more particularly described as follows:
COMMENCING at a boundary corner in the East line of said Lot 9, said corner also being the most Southerly corner of Lot 162, of The Boulders Carefree Unit Four, Phase One, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 173 of Maps, Page 38;

Thence North 23 degrees 17 minutes 10 seconds West along said East line of Lot 9, also being the Southwesterly line of said Lot 162, a distance of 5.29 feet to the TRUE POINT OF BEGINNING;

Thence North 67 degrees 48 minutes 08 seconds West leaving said East line, a distance of 26.10 feet;

Thence North 42 degrees 11 minutes 01 seconds West 16.74 feet;

Thence North 21 degrees 57 minutes 51 seconds West 30.76 feet;

Thence North 12 degrees 32 minutes 59 seconds East to a common line between said Lots 9 and 162;

Thence South 23 degrees 17 minutes 10 seconds East along said common line, a distance of 97.05 feet to the TRUE POINT OF BEGINNING.

Boulders Carefree Unit Six

Lots 2001 through 2028 inclusive, Tracts R-1 through R-6 inclusive, and Tract A, FINAL PLAT FOR THE BOULDERS CAREFREE UNIT SIX, according to the Plat recorded in Book 268 of Maps, Page 17, records of Maricopa County, Arizona Recorder.

EXHIBIT "D"**UNITS 1-4****Boulder Carefree Unit One**

Lots 1200 through 1212 inclusive, Lot 1215 and Lot 1216, Lots 1401 through 1433 inclusive, Tracts R-1 through R-5 inclusive, Tracts A and B, REPLAT OF BOULDER CAREFREE UNIT ONE, according to the Plat recorded in Book 138 of Maps, Page 22, records of Maricopa County, Arizona Recorder.

Those portions of Lots 1001 through 1005, inclusive, as per Replat of BOULDER CAREFREE UNIT ONE, in the TOWN OF CAREFREE, and said County, recorded in Book 138, page 22, in the office of the County Recorder of said County, Lying Northerly of the following described line:

BEGINNING at a point in the Easterly line of said Lot 1001, distant No degrees 43 minutes 12 seconds East thereon 120.95 feet from the Southeast corner of said Lot 1001; thence Westerly in a direct line to a point in the Easterly line of said Lot 1004, distance No degrees 43 minutes 12 seconds East thereon 160 feet from the Southeast corner of said Lot 1004; thence North 89 degrees 09 minutes 23 seconds West parallel with the Northerly lines of said Lots 1004 and 1005 to the Westerly line of said Lot 1005.

Boulder Carefree Unit Two

Lots 1 through 7 inclusive, and the private roadway, BOULDER CAREFREE UNIT TWO PHASE ONE, according to the Plat recorded in Book 140 of Maps, Page 12, records of Maricopa County, Arizona Recorder.

Lots 1 through 73 inclusive, Tracts R-1, R-3, R-4, R-5, R-6, R-7, R-8, R-10, R-11, R-12, R-13, R-14 and R-15, BOULDER CAREFREE UNIT TWO PHASE TWO, according to the Plat recorded in Book 147 of Maps, Page 46, records of Maricopa County, Arizona Recorder.

A parcel of land situated in Tract R-17 of the Boulders Carefree Unit Four Phase One, as recorded in Book 173 of Maps, page 38, records of Maricopa County, Arizona, and located in the northwest quarter of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:
Commencing at the center of said section 2; thence 00 degrees 43 minutes 31 seconds east along the north south mid section line of said section 2, a distance of 230.00 feet to the southeast corner of said plat of Boulders Carefree Unit Four, Phase One; thence continuing along said north south mid section line and along the easterly boundary of said plat of the Boulders Carefree Unit Four Phase One, north 00 degrees 43 minutes 31 seconds east, a distance of 231.56 feet to the true point of beginning; thence continuing north 00 degrees 43 minutes 31 seconds east along said north south mid section line and along the easterly boundary of said plat of Boulders Carefree Unit Four Phase One, a distance of 49.15 feet to a point; thence continuing along the easterly boundary of said plat of the Boulders Carefree Unit Four Phase One, north 53 degrees 16 minutes 29 seconds west, a distance of 68.10 feet to a point; thence continuing along the easterly

boundary of said plat of the Boulders Carefree Unit Four Phase One, north 23 degrees 15 minutes 31 seconds east, a distance of 145.57 feet to a point; thence south 36 degrees 09 minutes 30 seconds west, a distance of 163.44 feet to a point; thence south 34 degrees 01 minutes 48 seconds east, a distance of 116.10 feet to a point; thence north 80 degrees 43 minutes 12 seconds east, a distance of 28.31 feet to the true point of beginning;
 Except an undivided 1/16th interest of all gas, oil, metals and mineral rights as reserved in the patent to said land.

A portion of land situated within the East half of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Meridian, County of Maricopa, State of Arizona, being more particularly described as follows:

Beginning at a point on the South line of the Northeast quarter of said Section 2, said point being the Southeast corner of Lot 44, as shown on the Replat of BOULDERS CAREFREE UNIT TWO PHASE TWO, as recorded in Book 147 of Maps, Page 46 of Maricopa County Records:
 Thence N 89° 09' 39" W along said South line, a distance of 101.46 feet;
 Thence leaving said South line, S 24° 19' 12" E a distance of 24.43 feet;
 Thence N 89° 05' 14" W a distance of 101.05 feet;
 Thence N 23° 29' 45" W a distance of 115.92 feet to a point on the South right of way line of Boulder Drive, as shown on the Replat of BOULDERS CAREFREE UNIT TWO PHASE TWO, as recorded in Book 147 of Maps, Page 46 of Maricopa County Records, the beginning of a non tangent curve to the left from which the radius point bears N 12 degrees 37' 51" W;
 Thence 184.75 feet along the arc of said non tangent curve to the left, having a radius of 575.00 feet, and a central angle of 18° 24' 35" to the POINT OF BEGINNING;
 Said Parcel of land containing 0.5824 acres, more or less.

Part of Tract G-1 of the Boulders Carefree Unit Two Phase Two plat recorded in the Maricopa County Recorder's office, book of Maps 147 Page 46, being in the northeast quarter of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at north quarter corner of said section which bears south 05 degrees 35 minutes 43 seconds east 19.74 feet from a found M.C.D.O.T. brass cap flush; thence north 89 degrees 48 minutes 24 seconds east 408.09 feet; thence south 24 degrees 11 minutes 35 seconds east 657.60 feet to the point of beginning of this description being a found half inch iron bar and survey cap LS 19857 accepted as the southwest corner of a parcel known as Parcel 31 and the north line of said Tract G-1, said north line, which is the basis of bearings for this description is identified by the terminus of said line being a found half inch iron bar and survey cap LS 19857, which bears north 89 degrees 45 minutes 59 seconds east (recorded south 89 degrees 17 minutes 33 seconds east) 1269.47 feet from said point of beginning;
 Thence along said north line north 89 degrees 45 minutes 59 seconds east 843.00 feet to a point which is 15 feet more or less from the westerly edge of an existing pond;
 Thence meandering along said pond to a point which bears south 54 degrees 48 minutes 37 seconds west 145.56 feet;
 Thence south 79 degrees 47 minutes 47 seconds west 62.89 feet;
 Thence south 60 degrees 41 minutes 43 seconds west 60.08 feet;
 Thence south 53 degrees 57 minutes 39 seconds west 32.48 feet;

Thence south 42 degrees 30 minutes 10 seconds west 70.28 feet, to a point on a line common to the southerly line of said Tract G-1 and a northerly line of Tract R-11 of said Boulders Carefree Unit Two Phase Two plat;

Thence along said southerly line north 31 degrees 18 minutes 17 seconds west 104.95 feet to a found iron bar;

Thence north 78 degrees 56 minutes 03 seconds west 309.63 feet to a found iron bar;

Thence south 89 degrees 45 minutes 59 seconds west 158.06 feet;

Thence leaving said southerly line north 24 degrees 11 minutes 50 seconds west 47.65 feet to the point of beginning of this description.

Said parcel contains 1.5046 acres.

Boulders Carefree Unit Three

Lots 1 through 23 inclusive, Tracts R-1 through R-5 inclusive, REPLAT OF THE BOULDERS CAREFREE UNIT III-B, according to the Plat recorded in Book 173 of Maps, Page 7, records of Maricopa County, Arizona Recorder.

Boulders Carefree Unit Four

Lots 100 through 160 inclusive, Lots 162 through 192 inclusive, Tracts R-1 through R-16 inclusive, and the private roadway, THE BOULDERS CAREFREE UNIT FOUR PHASE ONE, according to the Plat recorded in Book 173 of Maps, Page 38, records of Maricopa County, Arizona Recorder.

Assessor's Parcel #216-33-001H:

PT SW4 DAF BEG CEN SEC TH WLY ALG E-W MID-SEC LN SD SEC & S BDY
BOULDERS CAREFREE UNIT 4 PHASE 1 TO A PT ON SELY LOT LN OF LOT 125 SD
SUB SD PT BEING 120F PERPEND TO NWLY LOT LN SD LOT & ALSO BEING TPOB
SWLY ON LN PAR WI NWLY LOT LN SD LOT 88.40F TO PT TH NWLY ON LN PAR WI
NELY LOT LN SD LOT 94.33F TO PT OF INTERSEC WI E-W MIDSEC LN SD SEC TH E
TO TPOB

Boulders Parcel 31

Lots 1 through 12 inclusive, and Tracts L and R, FINAL PLAT OF BOULDERS PARCEL 31, according to the Plat recorded in Book 629 of Maps, Page 28, records of Maricopa County, Arizona Recorder.

149AmendmentCCR-4-1-1--
perezn

WHEN RECORDED MAIL TO:

The Boulders HOA

3260 E Indian School Road

Phoenix, AZ 85018

The Boulders Homeowners Association
Amendment to
Amended and Consolidated Master Declaration
Of Covenants, Conditions and Restrictions
For
The Boulders

When recorded return to:

The Boulders Homeowners Association
 c/o Associated Property Management
 3260 E. Indian School Road
 Phoenix, Arizona 85018

**AMENDMENT TO
 AMENDED AND CONSOLIDATED MASTER DECLARATION
 OF COVENANTS, CONDITIONS AND RESTRICTIONS
 FOR
 THE BOULDERS**

This Amendment to the Amended and Consolidated Master Declaration of Covenants, Conditions and Restrictions for the Boulders is made and effective as of the date of its recording by the Boulders Homeowners Association, an Arizona non-profit corporation (the "Association").

RECITALS

A. The Amended and Consolidated Master Declaration of Covenants, Conditions and Restrictions for the Boulders was recorded on April 27, 2012 as Instrument Number 2012-0354235 (the "Declaration").

B. Pursuant to the Declaration at Article 14, Section 14.2, the Declaration may be amended by approval of a majority of Owners of all Lots, with the prior approval by a majority of the Board of Directors.

C. This Amendment has been approved by at least a majority of Owners of all Lots, with the prior approval by a majority of the Board of Directors.

AMENDMENT

NOW, THEREFORE, the Declaration is amended as follows:

Article 9, Section 9.2 shall be repealed and replaced in its entirety as follows:

9.2 Representation in Condemnation Proceedings. In the event of a threatened taking of all or any portion of the Common Areas, the Owners and Members hereby appoint the Association to represent all of the Owners and Members in connection therewith. The Association, acting through the Board, shall designate a partner (or person of equivalent status) of an independent law firm who is authorized to practice in the State of Arizona and who is generally recognized as a specialist in the area of real estate law (and eminent domain in particular) to represent the Association (and, thereby, all of the Owners and Members) in connection with such threatened taking; provided, however, that neither a voluntary sale of any portion of the Common Areas, nor any settlement of any eminent domain, condemnation

or similar action, shall be authorized, consummated, or valid without first having received the affirmative vote in favor thereof of a Majority of Members. For purposes hereof, a law firm shall be deemed "independent" only if it does not customarily represent the Association in connection with other matters.

Except as expressly amended by this Amendment, the Declaration shall remain in full force and effect. In the event of any conflict or inconsistency between this Amendment and the Declaration, this Amendment shall prevail. Unless otherwise defined herein, each capitalized term used in this Amendment shall have the meaning given to such term in the Declaration.

IN WITNESS WHEREOF, this Amendment is adopted by at least a majority of Owners of all Lots, with the prior approval by a majority of the Board of Directors, pursuant to the Declaration at Article 14, Section 14.2.

BOULDERS HOMEOWNERS ASSOCIATION
an Arizona nonprofit corporation

By: [Signature]
Bernardino Pistillo, President

Date: 23 April 2021

State of Arizona)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 23 day of April, 2021 by BERNADINO J. PISTILLO, the President of the Boulders Homeowners Association, an Arizona nonprofit corporation, for and on behalf of the corporation.

My Commission Expires: 05-18-2024

[Signature]
Notary Public



When recorded return to:

BOULDERS0001AMD2-2-1-1--
garciac

The Boulders Homeowners Association
c/o Associated Property Management
3260 E. Indian School Rd.
Phoenix, AZ 85018

**SECOND AMENDMENT
TO THE AMENDED AND CONSOLIDATED MASTER DECLARATION OF
CONVENANTS, CONDITIONS AND RESTRICTIONS FOR THE BOULDERS**

This SECOND AMENDMENT TO THE AMENDED AND CONSOLIDATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE BOULDERS (the "Second Amendment") is made this 13th day of JANUARY, 2026, by the Boulders Homeowners Association, an Arizona nonprofit corporation ("Association").

RECITALS

A. The *Amended and Consolidated Master Declaration of Covenants, Conditions and Restrictions for the Boulders* was recorded on April 27, 2012, as Document No. 20120354235, official records of the Maricopa County Recorder, State of Arizona and the first *Amendment to Amended and Consolidated Master Declaration of Covenants, Conditions and Restrictions for the Boulders* was recorded on May 7, 2021, as Document No. 20210514959, official records of the Maricopa County Recorder, State of Arizona (the "First Amendment"), collectively referred to herein as, the "Declaration;"

B. Article 14, Section 14.2 of the Declaration provides, "amendments may be adopted at a meeting of the Association upon the approval thereof of a majority of Owners of all Lots or without any meeting if all Owners have been duly notified and if a majority of Owners of all Lots consent in writing to such amendment;" and

C. This Second Amendment was adopted without any meeting by written consent of a majority of Owners of all Lots after all Owners were duly notified.

AMENDMENT

NOW THEREFORE, the Declaration is amended by the addition of the following new Section 6.16 to Article 6:

6.16 Capital Reserve Assessment. To aid the Association in maintaining adequate funds reserved for repair and replacement of the Common

Elements, each Person acquiring a Lot upon first sale and all subsequent resales, with or without a built home, shall pay to the Association immediately upon becoming the Owner of the Lot a Capital Reserve Assessment in the amount of 0.5% (one-half of one percent) of the final sale price of the Lot.

Funds paid to the Association pursuant to this section are to be used by the Association for establishing and maintaining reserves or to apply towards repair, upgrades and reconstruction of capital assets that the Association is required to maintain and/or replace. Payments made pursuant to this section shall be non-refundable and shall not be considered as an advance payment of any other assessments levied by the Association pursuant to the Declaration. For the purposes of this Section, a conveyance from an Owner to the Owner's Living Trust or similar estate planning transaction, from an Owner to an immediate family member, or to a current Member of The Boulders Homeowners Association purchasing another Lot within the Association, shall not be deemed a change in ownership sufficient to require payment of the Capital Reserve Assessment.

IN WITNESS WHEREOF, this Amendment is adopted by at least a majority of Owners of all Lots, with prior approval by a majority of the Board of Directors, pursuant to the Declaration at Article 14, Section 14.2.

THE BOULDERS HOMEOWNERS ASSOCIATION

An Arizona non-profit corporation

By David Levin, President

Date 1/13/2026

State of Arizona)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 12 day of January, 2026, by David Levin, President of the Boulders Homeowners Association, and Arizona non-profit corporation, for and on behalf of the corporation.

My commission expires: April 24, 2029

Amanda E Colville
Notary Public

