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When Recorded Return to:  
**THUNDER RIDGE**  
c/o Reginald W. Owens  
140 Sin Salida  
Sedona, Arizona 86351

**AMENDED DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR THUNDER RIDGE  
PHASES I, II, III, IV, V & VI**

**Dated: June 13, 2005**

A DEVELOPMENT BY

**AMERICA WEST CAPITAL ONE, L.L.C.**  
an Arizona Limited Liability Company



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REVISED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR THUNDER RIDGE PHASES I - VI

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**PREAMBLE:**

In order to provide for a common plan of development for the Thunder Ridge subdivision, a Declaration of Covenants, Conditions and Restrictions for Thunder Ridge was initially recorded in the Official Records of Yavapai County on August 7, 1997 at Book 3456, Pages 381-413. The document has been revised and restated of record on various occasions previous to this current version.

This current revised and restated Declaration supercedes all previous Declarations of Covenants, Conditions and Restrictions for Thunder Ridge and provides for an extensive degree of control in the Declarant, including, but not limited to (i) control of the Association, the type and design of improvements which may be built upon Lots with fines for non-compliance, and the use, and limitations upon use, of the Common Areas; (ii) the right to amend this Declaration; and (iii) substantial flexibility in developing the Project. This control may, under the terms of this Declaration, possibly extend until the sale of the last Lot. This Declaration contains a limitation on the liability of the Declarant, and provides for numerous special rights and privileges of the Declarant, including exemptions from the payment of assessments.

Each Owner, by accepting title to a Lot, and each Member, by accepting a membership, acknowledges, agrees to, and accepts the Declarant's control of the Project and the limited liability of the Declarant as provided in this Declaration. Such control is an integral part of this Declaration and the general scheme of development and operation of the Project. Capitalized terms used in this Preamble are defined in this Declaration.



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**RECITALS:**

Thunder Ridge Phases I-VI consists of plats of record in Book 35 of Maps, pages 40-42, Book 40 of Maps, pages 58 and 59, Book 47 of Maps, pages 60-62, and Book 52 of Maps, pages 27-29, records of Yavapai County, Arizona.

Declarant hereby declares that all of the real property described on the Plats shall be held, sold and conveyed subject to the following covenants, conditions, charges, liens, restrictions, easements and reservations (hereinafter collectively sometimes called "restrictions" or referred to as this "Amended Declaration"), all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property, and all of which are hereby declared to be for the benefit of and binding upon all of the real property described herein and the Owners thereof, their heirs, successors, grantees and assigns. These restrictions shall run with the title to such real property, and each and every part and parcel thereof, shall be binding on all parties having or acquiring any right, title and interest in the described real properties or any part thereof, and shall inure to the benefit of each Owner thereof.

This Amended Declaration hereby establishes a general plan for the development of such real properties, the individual Ownership of real property estates consisting of a single family dwellings on Lots. Every conveyance of any single family dwelling, Lot or other portion of the subject real property shall be and is subject to these covenants, conditions, charges, liens, restrictions, easements and reservations.

ARTICLE I

DEFINITIONS

As used herein, unless context otherwise requires:

Section 1. "Articles" shall mean the Articles of Incorporation for the Association, which are to be filed in the office of the Corporation Commission of the State of Arizona, as the same may be amended from time to time.

Section 2. "Assessments" shall mean the Regular, Special and Individual Assessments levied and assessed pursuant to this Amended Declaration.

Section 3. "Assessment Lien" shall mean the lien imposed against any Lot for collection of the sums described in Article VII of this Amended Declaration.



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Section 4. "Association" shall mean and refer to Thunder Ridge Property Owners' Association, an Arizona non-profit corporation, and its successors and assigns.

Section 5. "Association Rules" shall mean the rules and regulations adopted by the Association pursuant to the provisions of this Amended Declaration, as such rules and regulations may be amended from time to time.

Section 6. "Board" shall mean and refer to the Board of Directors of the Association.

Section 7. "Building Envelope" shall mean that part of the Lot within which all Dwelling Units and Improvements must be placed.

Section 8. "Bylaws" shall mean the Bylaws of the Association, as the same may be amended from time to time.

Section 9. "Design Guidelines" shall mean the rules and building guidelines adopted by the Design Review Committee, as the same may be amended from time to time.

Section 10. "Common Areas" shall mean all Tracts as shown on the Plats, and all real property and Improvements located thereon, and all other real property now or hereafter owned by the Association or existing for the common use and enjoyment of the Members of the Association. Common Areas include: clubhouse, pool, central mailbox facility, entranceway, pavements, pipes, wires, conduits and other common recreation facilities and public utility lines within the Properties and including, in particular, all easement areas, streets and roads providing legal access to each Lot. Streets and roads within the definition of Common Areas do not include those dedicated and accepted by Yavapai County as public until or unless subsequently abandoned.

Section 11. "Common Expenses" shall mean the actual and estimated costs of:

(a) Maintenance, management, operation, repair and replacement of the Common Areas and the Improvements thereon.

(b) Costs of management and administration of the Association including, but not limited to, compensation paid by the Association to managers and other employees, accountants, attorneys and agents.





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(c) The costs of utilities, trash, pickup and disposal, gardening, landscaping, costs of security guards, if any, and the operation of the gates and/or key gates at the entrances of the Property, and any other security systems, including without limitation, perimeter fences or any other security fences installed by the Declarant or by the Association for the benefit of the Property and other services benefiting the Property.

(d) The cost of fire, casualty, liability, workers compensation and other insurance covering the Common Areas and other insurance costs authorized herein.

(e) Reasonable reserves as deemed appropriate by the Board.

(f) The costs of insurance binders for the members of the Board, Officers of the Association and members of any committee established by the Board pursuant to the terms hereof.

(g) Taxes paid by the Association.

(h) Amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Areas or portions thereof by reason of any action or actions of the Association.

(i) The costs of any other item or items designated by, or incidental to, other expenses incurred by the Association for any reason whatsoever which in the good faith judgment of the Board are incurred in connection with the Common Areas, pursuant to the Articles or the Bylaws, in the furtherance of the purposes of the Association, or in the discharge of any obligations imposed on the Association by this Amended Declaration.

Section 12. "Declarant" shall mean AMERICA WEST CAPITAL ONE, L.L.C., an Arizona limited liability company (the "Declarant") and its successors or assigns to whom all or a portion of the rights of Declarant are assigned by separate recorded instrument. The term "Declarant" shall also include any holder of a first mortgage who has succeeded by foreclosure or deed in lieu thereof to Declarant's rights.

Section 13. "Amended Declaration" shall mean this revised and restated Declaration of Covenants, Conditions and Restrictions for Thunder Ridge, as the same may be amended or supplemented from time to time.

Section 14. "Default Rate" shall mean an annual rate of interest equal to the prime rate as published by Wells Fargo Bank, a national banking association located in



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Phoenix, Arizona, from time to time while interest is accruing (with interest hereunder adjusted as and when such prime rate is adjusted) plus four (4) percentage points, but never less than eighteen percent (18%) per annum. Notwithstanding anything herein to the contrary, if, during any periods, the highest lawful rate of interest which may be paid by the person required to pay the Default Rate is less than the Default Rate, the interest payable by such person during such periods shall be the highest lawful rate. If Wells Fargo Bank, NA should cease doing business or no longer announces its prime rate as described above, the Board may specify the rate, in lieu of such prime rate, for the purposes of computing the Default Rate.

Section 15. "Design Review Committee" shall mean the committee to be established by the Board pursuant to the provisions hereof.

Section 16. "Dwelling Unit" shall mean any building or portion of a building situated upon a Lot and intended for use and occupancy as a single-family residence and/or unattached Casita.

Section 17. "Improvement" shall mean any Dwelling Unit, building, patio, deck, pool, awning, coping, sunshade, walkway, driveway, roadways, parking area, sign, street address sign, fence, wall, satellite dish or antenna, sanitation and sewage facilities, pipes, wires, conduits and other public utility lines within the Project, and any hedge, planting, tree, shrub or other structure or landscaping improvement of any kind or type.

Section 18. "Individual Assessment" shall mean any assessment levied against an individual Owner pursuant to the provisions hereof, and any other charges, fines, penalties, costs or other amounts assessed against an individual Owner pursuant to the terms of this Amended Declaration, the Association Rules or the Thunder Ridge Design Guidelines, except for Regular Assessments and Special Assessments.

Section 19. "Lot" shall mean each separate parcel of real property designated as a Lot on the Plat and, where the context requires, the Dwelling Unit and all other Improvements situated thereon.

Section 20. "Member" shall mean and refer to every person or entity who holds membership interest in the Association.

Section 21. "Owner" shall mean the record holder of legal title to the fee interest in any Lot regardless of whether such Owner actually resides therein, or the equitable Owner of record under a contract of sale. "Owner" shall also include each person who owns title to a Lot in joint tenancy, tenancy in common, as community property or any



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other form of joint Ownership. "Owner" is not intended to include persons who hold an interest in any Lot merely as a security for the performance of an obligation, the seller under a contract of sale of a Dwelling Unit. "Owner" shall include Declarant so long as Declarant owns any Lots within the Properties.

Section 22. "Plat" or "Plats" shall mean those certain Plats of The Thunder Ridge Subdivision Phases I-VI according to the official records of Yavapai County, Arizona.

Section 23. "Private Area" shall mean that part of the Dwelling Unit that is, for the most part, not openly visible from adjacent Lots or Common Areas because it is situated behind walls or structures, such as patios and enclosed yards.

Section 24. "Project", "Properties", "Property" or "Premises" shall mean Thunder Ridge Phases I-VI, referred to as Thunder Ridge, including all Improvements thereon and all detached single-family dwellings which have been or will be developed therein.

Section 25. "Regular Assessment" shall mean the charge levied and assessed each year against each Lot pursuant to Article VII, Section 3 of this Amended Declaration .

Section 26. "Restrictions" shall mean the covenants, conditions, restrictions, assessments, easements and liens set forth in this Amended Declaration.

Section 27. "Special Assessment" shall mean any assessment levied and assessed pursuant to Article VII, Section 4 of this Amended Declaration.

Section 28. "Turnover Date" shall be the first to occur of (i) the day on which title to the last residential Lot in the Properties owned by Declarant is conveyed to a third party purchaser for value, other than as security for performance of an obligation (and other than a sale to an assignee of Declarant, or to an affiliate or partner of Declarant, or to an entity in which Declarant or its members or partners are affiliated as partners, shareholders or members, and other than a sale of all or substantially all of the Properties then owned by Declarant to a person or entity to whom Declarant has, in writing, assigned its rights as Declarant hereunder) or (ii) such date as Declarant allows the Class A members to cast votes. Declarant shall have the right, however, to allow the Class A members to cast votes while at the same time reserving unto itself the rights as Declarant, so long as it owns a single Lot, the exclusive right to appoint or remove the Board of the Association and the Design Review Committee, and may further reserve the right to amend this Amended Declaration regardless of whether Declarant has allowed the Class A members to cast votes, so long as Declarant owns a



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single Lot. Declarant shall continue to have and may enjoy all other rights and privileges of the Declarant hereunder.

Section 29. "Visible From Neighboring Lots" means, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of such neighboring Lot at an elevation no greater than the elevation of the base of the object being viewed.

## ARTICLE II

### ASSOCIATION

Section 1. General. The Association is a non-profit corporation organized under the laws of the State of Arizona for the general welfare and benefit of the Owners. The Association, through its Board, officers and committees, shall take the appropriate action to manage, maintain, repair, replace and improve the Common Areas, together with all improvements located thereon (except as otherwise provided herein), to perform related activities, and to perform all other functions and duties assigned to the Association by this Amended Declaration, by the Articles or Bylaws, or properly delegated to it by its Members.

Section 2. Membership. Membership in the Association, except for membership of the incorporators, the Declarant and any Board members elected prior to the Turnover Date, shall be limited to the Owners of Lots within the Property. Such membership shall be subject to all the provisions of this revised and restated Declaration, the Articles, and Bylaws. Each grantee of Declarant, by the acceptance of a deed of conveyance, or each purchaser under any agreement of sale, or each person at any time owning or acquiring any interest in any Lot, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Amended Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed, and shall be a member of the Association subject to the Articles, Bylaws, Association Rules and the Thunder Ridge Design Guidelines, and any other rules and regulations adopted by the Association.

Every Owner of a Lot, including Declarant, shall automatically, upon becoming the Owner of the Lot, be a Member of the Association, and shall remain a Member of the Association until such time as his Ownership for any reason ceases, at which time his membership in the Association shall automatically cease. Membership shall be



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appurtenant to and may not be separated from Ownership of any Lot. A membership in the Association shall not be transferred, pledged or alienated in any way except on the sale of such Lot and then only to such purchaser, or by intestate succession, testamentary disposition, foreclosure or mortgage of record, or other legal process. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association.

The record Owner of a Lot shall be entitled to one membership in the Association, and there shall be no more than one membership for each Lot. In the event any Lot is owned by two or more persons or entities, the single membership for that Lot shall be joint and shall be issued in the names of all Owners. The Owners shall designate to the Association, in writing, the Owner who shall have the power to vote the membership, and in the absence of such designation, the Board may designate the Owner who shall have the power to vote the membership.

In the event any Owner casts a ballot representing a certain Lot, it will be conclusively presumed for all purposes that such Owner was acting with the authority and consent of all other Owners of the same Lot. In the event more than one ballot is cast for a particular Lot, none of the votes shall be counted. The votes shall be deemed void, and such Lot will not be counted for purposes of determining whether the voting requirements hereunder have been met.

At the discretion of the Board, certificates of membership may be issued, but if certificates are not issued, membership shall be evidenced solely by an official list of Members kept by the Secretary of the Association or such other person designated by the Board.

In the event of any conflict between the provisions hereof and the provisions of the Articles or Bylaws, the provisions of this Amended Declaration shall always control.

Section 3. Voting Rights. The Association shall have two classes of voting membership.

**Class A.** Class A Members shall be all Owners of Lots, other than Declarant. Each Class A Member shall be entitled to one (1) vote for each Lot owned, except that notwithstanding any other provision hereof, no Class A member shall have any votes or be entitled to exercise any voting rights until the Turnover Date, and no meetings of Class A Members shall be required.



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**Class B.** The Class B Member shall be the Declarant, who shall hold one Class B membership for each Lot owned and shall be entitled to three (3) votes for each such Class B membership. The Declarant may cast such votes in such proportions on any matter as Declarant determines. Notwithstanding the occurrence of the Turnover Date, Declarant shall continue to have three (3) votes for each Lot owned

In addition, notwithstanding the occurrence of the Turnover Date, so long as Declarant owns a single Lot, Declarant shall have the right to maintain absolute control over the Association by, without limitation, appointing or removing the Board without the necessity of a vote or meeting of members, appointing or removing the officers of the Association, appointing or removing the members of the Design Review Committee and amending this Amended Declaration subject to the provisions hereof.

**Section 4. Board of Directors.** The affairs of the Association shall be conducted by the Board and such officers and committees as the Board may elect or appoint in accordance with this Amended Declaration or the Articles and Bylaws. The Board shall consist of not less than three (3) members and not more than five (5) members, but never an even number, who shall be elected at each annual meeting of the Members of the Association or at any special meeting of the Members of the Association called for such purpose, all as more particularly set forth in the Articles and Bylaws.

Prior to the Turnover Date, members of the Board have to be Owners; however, all members of the Board elected after the Turnover Date shall be Owners (or the spouses of Owners, or if an Owner is a corporation, partnership or trust, an officer, director, partner, agent, trustee or beneficiary) unless a sufficient number of Owners (or related persons as described in the foregoing parenthetical) are unable or unwilling to serve as directors, in which event individuals who are not Owners (or related persons) may be elected as members of the Board.

Prior to the Turnover Date (and afterwards if Declarant has reserved such right while the Owner of at least one Lot), the Declarant may appoint the members of the Board of the Association without the necessity of a meeting of Members.

**Section 5. Suspension of Voting Rights.** In the event any Owner shall be in arrears in the payment of any amount due under any of the provisions of this Amended Declaration for a period of fifteen (15) days after the date specified on the billing therefor, or shall be in default in the performance of any of the terms of the Amended Declaration for a period of fifteen (15) days after notice served pursuant to the terms and conditions of Article XII, Section 17, Page



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50, from the Association thereof, such Owner's right to vote as a Member of the Association, if any such right exists, shall be automatically suspended and shall remain suspended until all payments are brought current and all defaults cured.

**Section 6. Association Rules.** Subject to the provision of this revised and restated Declaration, the Board may adopt, amend and repeal rules and regulations (as amended from time to time, the "Association Rules").

Without limiting the generality of the foregoing, the Association Rules may establish and fix fines to be levied for failure to comply with this revised and restated Declaration or the Association Rules, and any fines so levied shall constitute Individual Assessments hereunder subject to the Assessment Lien. Any such fine shall only be imposed after the offending Owner has been given written notice of the default in question, and has further been given an opportunity to meet with the Board, or its representative, to discuss the matter in question. No fine shall exceed \$500.00 for any single infraction, except that a continuing violation shall be subject to additional incremental fines of \$500.00 to \$1,000.00 (depending upon the Board's evaluation of the seriousness of the violation) for each thirty (30) days the violation continues, and interest at the Default Rate shall accrue thereon.

A copy of the Association Rules, as they may from time to time be adopted, amended or repealed, shall be available for inspection by the Members at reasonable times. Upon adoption, the Association Rules shall have the same force and effect as if they were set forth in and were a part of this Amended Declaration.

In no case may the Design Guidelines be amended by the Board or without the Declarant's consent while Declarant has retained the right to appoint the members of the Design Review Committee.

**Section 7. Availability of Property Documents.** The Association shall maintain current copies of this Amended Declaration, the Articles, Bylaws, Association Rules, Thunder Ridge Design Guidelines, the Association's own books, records and income and expense reports available for inspection during normal business hours by an Owner or any holder of a first mortgage or deed of trust on any Lot.



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ARTICLE III

COMMON AREA PROPERTY RIGHTS

Section 1. Perpetual Easement. Declarant hereby grants to the Association, and to each and every Member thereof, a nonexclusive perpetual easement of use to the Common Areas, which easement is appurtenant to and shall run with the title to each and every Lot for the mutual benefit and protection of all Owners of the Lots. Such right and easement of use and enjoyment shall nevertheless be subject to the Association Rules.

Except as otherwise provided herein, no use or disturbance of any of the Common Areas shall be made, other than for common recreation facilities and associated common purpose uses such as tennis courts, hiking trails, dog park, associated utilities, and ingress and egress to certain lots and over streets and roads constructed within the Properties and approved by the Association or Design Review Committee.

Section 2. Delegated Use. Each Owner shall notify the Association in writing of the names of any tenants who have leased the Owner's Dwelling Unit. Each Owner or tenant also shall notify the Association, in writing, of the names of all persons to whom such Owner or tenant has delegated any rights of use and the relationship that each such person bears to the Owner or tenant. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are the rights of Owners. No such delegation shall relieve an Owner from liability to the Association or to other Owners for payment of Assessments or performance of the provisions contained in this Amended Declaration.

Section 3. Title to Common Areas. At such time as improvements to the Common Areas have been completed and the Association has been formed and is able to operate and maintain the Common Areas, Declarant shall convey title to the Common Areas to the Association. The method of conveyance shall be by Deed, and Declarant shall not be required to purchase a title insurance policy upon transfer.

Section 4. Rights of the Association and Declarant Relating to Common Areas. The Common Areas and the rights of the Members therein shall at all times be subject to:

- (a) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and, with





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written consent of the Members entitled to vote two-thirds (2/3) of the votes of each class of Membership, to mortgage the property as security for any such loan.

(b) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure.

(c) The right of the Association to promulgate and publish rules and regulations with which each Member shall strictly comply.

(d) The right of the Association, as provided herein or in its Articles and Bylaws, to levy reasonable monetary fines and to suspend a Member's voting rights and the right to the use of recreational facilities within the Common Areas for any period during which any assessment against such Member's Lot remains unpaid; and, for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(e) The right of the Association, with the written consent of the Declarant, to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as it may determine, provided that after the occurrence of the Turnover Date, any such dedication must be approved with the written consent of the Members entitled to vote two-thirds (2/3) of the votes of each class of Membership.

Notwithstanding the foregoing, the granting of permits, licenses, and easements for roads, ingress and egress for public utilities and/or for other purposes, including purposes deemed proper by the Board, shall not be deemed a transfer within the meaning of this subsection (e) and, provided further, that this provision in no way limits Declarant's reserved rights hereunder.

(f) The right of the Association, without any abatement of assessments, to close or limit the use of the Common Areas while maintaining, repairing, and making replacements in the Common Areas.

(g) Easements for ingress, egress and utilities reserved hereby, and including any easements necessary to be granted to Owners of Lots having access across Common Areas.

Notwithstanding the foregoing, and without limitation, the Association may transfer or quit-claim minor or insignificant portions of the Common Areas necessitated by incidental construction encroachments or scrivener's error without any vote or consent of the Members.



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ARTICLE IV

RESIDENTIAL CONSTRUCTION, ARCHITECTURAL CONTROL  
AND SWIMMING POOLS

Section 1. Residential Construction. All Dwelling Units and Improvements shall be consistent in quality of design and construction with the Thunder Ridge Design Guidelines, as from time to time amended, and with the provisions thereof. It is expressly understood that no contractor, in its capacity as a contractor constructing Improvements or Dwelling Units within the Properties, shall in any way be deemed an agent, partner, or representative of Declarant. Each Owner, by acceptance of a deed to any Lot, acknowledges and agrees that neither Declarant nor its members, agents, partners, representatives nor employees shall have any responsibility, obligation or liability whatsoever relating in any way to or arising out of the construction of Improvements or Dwelling Units upon the Properties or upon any Lot. Such matters, and any liability relating thereto, shall be solely between the Owner and the contractor.

Each Owner shall be required to use competent licensed contractors and subcontractors for the construction of improvements upon any Lot, and shall also employ the services of an architect or other qualified professional designer or draftsman authorized to prepare plans and architectural renderings necessary for submittal to the Design Review Committee. The Design Review Committee may, in its discretion, refuse to approve construction proposed by a licensed contractor who has demonstrated poor quality work and substandard performance, and may also disapprove of plans prepared by an architect or designer in cases where such architect or designer has similarly performed in a substandard manner.

Section 2. Architectural Control. No improvements, alterations, repairs, excavations, grading, landscaping or other work, which in any way alters the exterior appearance of the Property or a Lot or the Improvements thereon from its natural or improved state, shall be made or done without the prior approval, in writing, of the Design Review Committee. No building, wall, yard, ornament or decoration or other structure of any nature whatsoever shall be commenced, erected, maintained, improved, altered, placed or made on the Property or any Lot without prior written consent of the Design Review Committee.

In connection therewith, any Owner requesting such approval shall follow the submittal and approval process outlined in Thunder Ridge Design Guidelines, as from time to time amended, including, without limitation, detailed plans and specifications showing all construction details, including the nature, shape, height, color, materials,



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floor plans, location, and approximate cost thereof, and such other matters as may be requested by the Design Review Committee. The entire scope, nature and character of all construction, landscaping, alteration, modification, repainting, rebuilding, repairing, and all other Improvements shall be evidenced by the plans submitted. All subsequent additions to or changes or alterations in any building, Dwelling Unit, fence, wall or other structure or Improvement shall be subject to the submittal and approval process outlined in the Thunder Ridge Design Guidelines, as from time to time amended, including, without limitation, the exterior color scheme and all changes in the grade of Lots. No changes or deviations in or from the plans and specifications, once approved by the Design Review Committee, may be made without the prior written approval of the Design Review Committee, and all construction must be completed in accordance with the approved plans and specifications.

The Design Review Committee shall have the right from time to time to enter upon a Lot and may, without obligation, suspend or revoke approval if the Improvements are not in conformance with the approved plans, in which case all construction shall cease until such non-complying items have been corrected or remedied by the Owner or his contractors and agents. The Association may bring an action at law or in equity to enjoin the erection or installation of non-complying Improvements, and all costs and attorney fees incurred shall be paid by the Owner to the Association, and the Association shall have a lien therefor upon the Lot in question.

Notwithstanding the foregoing, Declarant shall not be required to obtain Design Review Committee approval with respect to the building of homes, or any improvements, alterations, repairs, excavations, grading, landscaping, additions or changes installed or made by Declarant with respect to the Property.

As more particularly set out in the Thunder Ridge Design Guidelines, incorporated herein by reference and as from time to time amended, the Design Review Committee shall have the right to deny approval of any plans or specifications which are not, in its opinion, suitable or desirable for aesthetic or any other reasons, and shall have the right to take into consideration the harmony and conformity of the proposed improvements with the surrounding buildings, the materials to be used and the compatibility of the same with the surrounding area, and the effect of such proposed Improvements as seen from adjacent or neighboring properties. All decisions of the Design Review Committee shall be final, and no Owner or other parties shall have recourse against the Design Review Committee or its members for its refusal to approve any such plans and specifications. All structural Improvements must also be in conformance with County Building Code requirements as per approved plans and an issued building permit. All construction shall be prosecuted diligently from commencement until completion. The construction period shall in no case be longer



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than twelve (12) months unless authorized and approved in writing by the Board and construction to commence within ninety (90) days from the date that the Design Review Committee approves the plans.

Approval of the plans and specifications shall be evidenced, if at all, by the written endorsement of the Design Review Committee made on the plans and specifications. No changes or deviations in or from the plans and specifications shall be made without the approval of the Committee. After construction is completed, no further change, including any change of exterior color, shall be made without the written permission of the Design Review Committee.

Section 3. Alterations and Modifications-Discretion of Design Review Committee. In reviewing plans for alterations, modifications, additions or other changes to a structure upon a Lot, the Design Review Committee shall exercise its discretion in deciding whether or not an alteration or modification is in harmony with the overall scheme of the subdivision development. The Design Review Committee shall have the right to deny alterations or modifications for aesthetic reasons if the Design Review Committee considers the alteration or modification to be unattractive in relation to the overall scheme of development, or if the Committee considers the alteration or modification to be a nuisance or upset of design, or if the Design Review Committee considers the alteration or modification to be in contrast to or out of harmony with the style of existing structures, or if the physical views of the Properties will be disrupted by the alteration or modification.

Section 4. Swimming Pool Option. Subject to the limitations set forth hereinafter and in the Thunder Ridge Design Guidelines, the Owner of any Lot may make application to the Board for the right, in accordance with the provisions of this Section, to construct, within the Owner's Lot, a swimming pool or spa (collectively Pool) for the exclusive use and benefit of such Owner. The Owner shall submit to the Design Review Committee such plans and specifications for the construction of the Pool as deemed necessary by the Design Review Committee to enable it to determine whether to allow construction of the Pool. The Design Review Committee, may disapprove the proposed Pool if, because of the size, location, visibility or any other factor, the construction of that particular Pool would have an adverse impact on the Properties or upon the Association, any other Owner, or the general plan of development for Thunder Ridge.

If the Design Review Committee authorizes construction of the Pool, the Owner shall submit to the Design Review Committee a completed set of all working drawings, plans and specifications prior to obtaining a permit from any governmental authority. The construction of the Pool shall comply with all applicable governmental regulations.



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Upon receiving approval and after submitting all required materials to the Design Review Committee, the Owner shall diligently proceed with the construction of the Pool. If construction is not completed within twelve (12) months after commencement of construction, the Board may elect to either cause the Pool to be completed or cause the property to be restored to its former condition. The owner then shall have no right to proceed with the construction. Any costs incurred by the Association in connection therewith, including court costs and attorney fees, shall be immediately due and payable from such Owner to the Association and may be assessed by the Association against such Owner as an Individual Assessment hereunder subject to the Assessment Lien.

In the event that the Owner fails to maintain the Pool in a safe and sanitary condition and in accordance with such rules and regulations as may be adopted by the Board, the Board may elect to maintain the Pool and assess the costs thereof against the Owner as an Individual Assessment subject to the Assessment Lien.

Each Owner shall indemnify and save Declarant and the Association harmless for, from and against any claim arising out of any act, omission or negligence of an Owner or Owner's agents or employees with respect to the Pool, or arising from any accident injury or damage to any person or property occurring in, on or about the Pool and against all costs, including attorney fees, expenses and liabilities incurred in connection with any such proceeding.

Section 5. Organization, Power of Appointment and Removal of Design Review Committee Members. The Association shall establish a Design Review Committee to perform the functions set forth in this Amended Declaration with respect to architectural control and other controls contained in Thunder Ridge Design Guidelines. The Design Review Committee shall be organized as follows:

(a) Design Review Committee Composition. The Design Review Committee shall consist initially of two (2) members. No such members shall be required to be an architect or to meet any other particular qualifications for membership. The Design Review Committee may employ a consulting architect initially designated by Declarant. A member need not be, but may be, a member of the Board or an Officer of the Association. The consulting architect shall have no voting rights on the committee, and the members of the committee (but not the consulting architect) shall serve without compensation. An alternative consulting architect may be appointed by Declarant (or by the Design Review Committee after Declarant no longer possesses its right of appointment of the members of the committee) in the event the consulting architect is unavailable or should have a conflict of interest.



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(b) Initial Members. The initial members of the Design Review Committee shall be appointed by the Declarant.

(c) Terms of Office. The term of office for each Design Review Committee member shall be two (2) years, or until the appointment of a successor. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Any member who has resigned, been removed or whose term has expired may be reappointed if such member accepts reappointment.

(d) Appointment and Removal. The right to appoint and remove members of the Design Review Committee at any time so long as Declarant owns a single Lot shall be and is hereby vested solely in the Declarant or its nominee. Notwithstanding the foregoing, Declarant may at any time relinquish the right to appoint and remove members of the Design Review Committee by so notifying the Association in writing. Upon such early relinquishment by Declarant of its right to appoint the members of the Design Review Committee, the Board shall then have the power to appoint and remove Design Review Committee members, provided, however, that no member may be removed from the Design Review Committee by the Board except by a majority vote of all members of the Board. Appointments or removals of members of the Design Review Committee, as set forth herein, shall be evidenced on the books and records of the Association. It is understood that Declarant reserves the exclusive right to appoint or remove the members of the Design Review Committee until Declarant no longer owns a single Lot within the Properties.

(e) Resignations. Any member of the Design Review Committee may at any time resign from such committee by giving written notice to Declarant or to the Board, whichever then has the right to appoint Design Review Committee members.

Section 6. Design Review Committee Duties. It shall be the right and duty of the Design Review Committee (and not the Board) to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof and of the Thunder Ridge Design Guidelines, to adopt Design Review Committee Rules, to perform other duties delegated to it by the Board and to carry out all other duties imposed upon it by this Amended Declaration. Without in any way limiting the generality of the foregoing provisions of this Section, the Design Review Committee or any member thereof may, but is not required to, consult with or hear the view of the Association with respect to any plans, drawings, specifications or other proposals submitted to the Design Review Committee.



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Section 7. Design Review Committee Meetings. The Design Review Committee shall meet from time to time as necessary to perform its duties hereunder, shall appoint a committee chairman, and shall prepare minutes of meetings for inclusion in the Association Minute Book. The vote of any two members at a meeting shall constitute the act of the Design Review Committee unless the unanimous decision of the Design Review Committee is otherwise required.

Section 8. Design Review Committee Rules. The Design Review Committee may, from time to time adopt, amend, and repeal rules and regulations (as amended from time to time, the "Thunder Ridge Design Guidelines" or "Design Guidelines"). The Design Review Committee shall interpret and implement this Amended Declaration by setting forth the standards and procedures for design review and the guidelines for architectural design, landscaping, color schemes, exterior window coverings, exterior finishes and materials, and similar features which are recommended or required for use within the Property (the Thunder Ridge Design Guidelines). The Thunder Ridge Design Guidelines have established an 1,800 square footage minimum requirement for Dwelling Units, requirements for the establishment of parking spaces for residents and guests, as well as driveway construction standards, the fencing or other protection of landscaping, standards for roofs, chimneys and lighting equipment, standards for natural area or open spaces within each Lot, builder and contractor regulations and guidelines, height regulations, excavation, grading and clearing limitations, and other requirements or standards designed to protect and enhance the Properties.

The Thunder Ridge Design Guidelines shall at all times be a part of the Association's records, are hereby incorporated herein, and shall be deemed to be a part of this Amended Declaration, and shall be binding on all Owners, Members or other persons as if expressly set forth herein. The Design Guidelines may not conflict with the provisions hereof.

Section 9. Waiver. The approval by the Design Review Committee of any plans, drawings or specifications for any work done or proposed, or of any other matter requiring the approval of the Design Review Committee under this Amended Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

Section 10. Limitation on Design Review Committee Liability. Neither the Design Review Committee, nor Declarant, nor any member thereof shall be liable to the Association, any Owner or any other party, for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings or specifications, whether or not defective, or the inspection or failure thereof of any



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aspect of construction; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; (c) the development or non-development of any portion of the Property; or (d) the execution and filing of any estoppel certificate, whether or not the facts therein are correct. Each Owner acknowledges that no Member of the Association, nor any member of the Design Review Committee, shall have any liability for construction defects or failure to comply with applicable codes or law, arising out of approval of any plans, drawings or specifications.

**Section 11. Time for Approval.** Subject to the other provisions contained herein, in the event the Design Review Committee fails to approve or disapprove any design and location within fourteen (14) business days after such plans and specifications have been submitted to it (or within such later time as the Association may establish by the Design Guidelines), approval will not be required and the Owner will have been deemed to have complied with this Article. Notwithstanding the foregoing, in the event the Design Review Committee shall notify the requesting Owner within such time period that it is necessary to obtain independent advice from a licensed architect, professional designer, or other construction or engineering consultant, then the time period for approval or disapproval of such plans and specifications shall be extended to the date that is twenty (20) business days after the date that such advice is obtained following submittal of such plans and specifications.

**Section 12. Design Review Committee Indemnification.** To the fullest extent permitted by law, every director and officer of the Association, every member of the Design Review Committee, and the Declarant and its members, agents, employees, and representatives, 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, without limitation, attorney fees reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having served in such capacity on behalf of the Association (or in the case of Declarant by reason of having been appointed, removed or controlled or failed to control members of the Board or the Design Review Committee), or any settlement thereof, whether or not he or she is a director, officer or member of the Design Review Committee or serving in such other specified capacity at the time such expenses are incurred, provided that the Board shall determine, in good faith, that such officer, director or member of the Design Review Committee, or other person or Declarant, did not act, fail to act, or refused to act with gross negligence or fraudulent or criminal intent in the performance of his or her duties.

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





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Section 13. Non-Liability of Officials. To the fullest extent permitted by law, neither Declarant, the Board, the Design Review Committee or any other committees of the Association or any member thereof, nor any directors or officers of the Association or of the Declarant, 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 drawings or specifications (whether or not defective), course of action, act, inaction, omission, error, negligence of the like made in good faith and which Declarant, the President, the Board, or such committees or persons believed to be within the scope of their respective duties.

#### ARTICLE V

#### MAINTENANCE OF COMMON AREAS AND TRANSITIONAL AREAS

Section 1. Maintenance by Association. The Association, or its duly delegated representative, shall:

(a) Maintain and otherwise manage all Common Areas, including, but not limited to, the landscaping, clubhouse, pool, entranceway, mailbox facility, parking areas, streets, common open space and recreational facilities, if any, located thereon.

(b) Place and maintain upon Common Areas such signs and markers as the Board may deem appropriate for the proper identification, use and regulation thereof, subject to the approval of the Design Review Committee, except that all private address monuments and signs shall be maintained by the Owner thereof.

(c) Pay all Common Area electrical, gas and other utility charges or fees for services furnished to the Common Areas as the same become due and payable.

(d) Maintain and repair such easements as may exist outside the Properties which may be necessary for ingress, egress or utilities serving the Properties.

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

In addition, and without limitation, the Association shall be responsible for:



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(a) The maintenance of the sidewalks (if applicable) located within the Common Areas and entry way features and landscaping leading into the Properties, including decorative structures, walls, etc.

(b) The maintenance of the landscaped portions of the Common Areas and other areas to be maintained by the Association.

(c) The operation, maintenance (including insurance) and, if necessary, the replacement, restoration or reconstruction of walls, fences, and other improvements originally constructed by Declarant on the Common Areas.

(d) The payment of ad valorem real estate taxes, assessments and other charges on those portions of the Common Areas owned by the Association.

(e) The insurance of all improvements which the Association is obligated to maintain against damage by casualty with such companies and with such limits as the Association deems appropriate.

(f) The hiring, firing, supervision and paying of employees and independent contractors including, but not limited to, workmen, landscapers, attorneys, accountants, architects and contractors to carry out the obligations set forth herein.

(g) The maintenance of such liability insurance as the Association deems necessary to protect the Members and the Board of Directors of the Association from liability for conditions existing and events occurring on or about the Common Areas including, but not limited to, errors and omissions insurance for the Board of Directors of the Association and the members of the Committee for the performance of the obligations set forth herein.

(h) The enforcement, in its sole discretion, of the provisions of this Amended Declaration including, but not limited to, the Use Restrictions provided for herein.

(i) The establishment and maintenance of such cash reserves as the Board, in its sole discretion, deems reasonably necessary for the maintenance and repair of the improvements for which it is responsible and for unforeseen contingencies.

(j) Entering into of such agreements and the taking of such actions as are reasonably necessary and convenient for the accomplishment of the obligations set forth above, and the operation and maintenance of the Common Areas and facilities located thereon.



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(k) The maintenance upon any Common Areas of such signs and markers as the Board may deem appropriate for the proper identification, use and regulation thereof, subject to the approval of the Design Review Committee.

(l) Such other and further acts, which the Board deems necessary, to maintain and preserve the Common Areas and the beauty thereof, in accordance with the general purposes specified in this Amended Declaration .

The Board shall be the sole judge as to the appropriate landscape maintenance of all Common Areas. In the event that the need for maintenance or repair is caused through the willful or negligent act of an Owner, an Owner's family, guests, licensees, lessees or invitees, the cost of such maintenance or repair shall be paid by such Owner, upon demand, to the Association, and the Association may enforce collection of such amounts as provided hereinbelow for the collection of Individual Assessments.

Declarant, at its cost, will initially construct the Common Areas. Thereafter, Declarant shall in no way be required to establish or maintain any amount or level of reserves for the Association, nor shall Declarant be required to repair, refurbish, rebuild or improve any portion of the Common Areas following development thereof.

Section 2. Real Property Taxes. Real property taxes, assessments and other governmental charges which are attributable to the Common Areas shall be the responsibility of the Association and shall be deemed a Common Expense.

#### ARTICLE VI

#### OTHER MAINTENANCE

Section 1. Maintenance by Owners. Each Owner shall be responsible for the upkeep and maintenance of the exterior and interior of such Owner's Lot and for the upkeep of all other areas, features or parts of Owner's Lot, Dwelling, Unit and Improvements. Owner shall use a reasonably high standard of care in providing such maintenance and repair so that the Thunder Ridge estates will reflect a high pride of individual ownership. An Owner shall not permit any act or work to be performed that will impair the structural soundness or integrity of the Dwelling Unit or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Lots or their Owners.

Section 2. Termite and Insect Control. Termite and insect control shall be the responsibility of the Owner.



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Section 3. Right of Association to Enter Upon Lots. In the event that any Owner shall fail to maintain and repair Owner's Lot, Dwelling Unit, and Improvements as required by this Amended Declaration, the Association, following ten (10) days' notice to the Owner (except in emergency situations where such notice is not practical), in addition to all other remedies available to it hereunder by law or in equity, and without waiving any of its such alternative remedies, shall have the right, through its agents and employees, to enter upon the Lot, Dwelling Unit or Improvements at any reasonable time and in any reasonable manner, and to repair, maintain and restore the Lot, Dwelling Unit, and Improvements. Each Owner, by acceptance of a deed for Owner's Lot, hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the Association may enforce collection of such amount as provided herein below for the collection of Individual Assessments.

Section 4. Landscaping and Maintenance of Lots. Each Owner shall be solely responsible for the maintenance and landscaping of his or her Lot.

Section 5. Private Sewer System Maintenance. Each Owner shall be solely responsible for the repair and maintenance of the private sewer system (septic or otherwise) and lines installed within the boundaries of Owner's Lot, including payment for the cost of regular periodic pumping and cleaning of the system. Each Owner shall be solely responsible for maintaining and repairing the structural and mechanical aspects of such sewer system. It is specifically agreed and understood by all Owners that the sewer system used on each Lot shall in no way be altered or changed without the written consent of the Association and, if necessary, all governmental agencies having jurisdiction over any such alterations or changes.



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ARTICLE VII

COVENANT FOR ASSESSMENTS

Section 1. Authority to Levy and Purpose for Assessments. Except as otherwise provided herein, the Board shall levy assessments against each Lot to collect the funds necessary to cover the costs and expenses incurred by the Association together with the adequate reserve funds determined by the Board, in its sole and absolute discretion, to be appropriate. The assessments levied by the Association shall be used for the purpose of promoting the health, safety and welfare of the Owners within the Project, enhancing the quality of life within the Project and enhancing and protecting the value, desirability and attractiveness of the Project, including maintenance of the Common Areas and Lots, insurance, taxes on the Common Areas or the Association's property, expenses of operation and management, and the discharge of the Association's duties under this Amended Declaration and other agreements to which the Association is a party.

Section 2. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot within the Project (other than Declarant), by acceptance of a deed or other conveyance, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: Regular Assessments, Special Assessments and Individual Assessments (collectively, "Assessments"), such Assessments to be fixed, established and collected from time to time as hereinafter provided. All Assessments, together with interest thereon and costs of collection thereof, as hereinafter provided shall be a charge on the land and shall be a continuing lien (the "Assessment Lien") upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest, costs and reasonable attorney fees incurred in the collection thereof, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment fell due. The personal obligation and liability of the Owner shall not be deemed to limit or discharge the charge against the land and the continuing lien upon the Lot against which such Assessment is made. No Owner of a Lot may exempt themselves from liability for the Assessments by waiver of the use or enjoyment of the Common Areas or by the abandonment of his or her Lot.

Section 3. Regular Assessments. The amount and time of payment of Regular Assessments shall be determined by the Board after giving due consideration to the current maintenance costs and future needs of the Association. Not later than thirty (30) days prior to the beginning of each fiscal year, or as soon thereafter as the Board may determine, the Board shall prepare a budget containing an estimate of the total Common Expenses to be incurred for the forthcoming fiscal year and set the amount of



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the Regular Assessment for each Lot. The amount of the Regular Assessments, including reserves, if any, shall be in the sole discretion of the Board. Written notice of the Regular Assessments shall be sent to every Owner. Each Owner shall thereafter pay to the Association his or her Regular Assessment in such manner and such times or installments as is established by the Board. In the event the Board determines that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it shall immediately determine the approximate amount of such inadequacy, issue a supplemental estimate of the total Common Expenses and the revised Regular Assessments, and give written notice thereof to every Owner. If the Board determines that the amount collected or to be collected through Regular Assessments is in excess of the Association's needs for the current year and reserves appropriate for future needs, the Board, in its sole discretion, may refund to the Owners who paid such Assessments all or a portion of such excess, reduce the amount of the Regular Assessments or abate collection of Regular Assessments as it deems appropriate. In no event shall a reduction in the amount of or abatement in the collection of Regular Assessments pursuant to this Section result in a quality of services diminished from those upon which the Common Expense budget was based.

With the exception of such increases in the Regular Assessment as may be necessary to pay real property taxes, insurance and utilities, the Association may not increase the Regular Assessment by more than thirty-five percent (35%) above the amount the Regular Assessment levied for the previous fiscal year of the Association; provided, however, that the Board may so increase the Regular Assessment without regard to such limitation should the Owners of greater than sixty-seven percent (67%) of the Lots agree to such increase, in writing, or vote to approve such increase at a regular or special meeting of Members called for such purpose.

Section 4. Special Assessments. The Board shall have the right and power to levy a Special Assessment only for the purpose of defraying in whole or in part the cost of capital improvements to the Common Areas. Following the Turnover Date, any such Special Assessment the amount of which is equal to or greater than the amount of thirty percent (30%) of the total amount of the then current amount of the annual Regular Assessments for the Project shall require ratification and approval by the affirmative vote of at least sixty-seven percent (67%) of the members present at a duly called meeting at which a quorum is present (in person or by proxy). The provisions of this Section are not intended to preclude or limit the assessment, collection or use of Regular Assessments for such purposes.

Section 5. Individual Assessments.



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(a) If the need for maintenance or repair of any area of Association responsibility is caused through the willful or negligent act of any Owner, or Owner's family, guests, invitees, licensees or lessees, or is caused by special conditions of a Lot owned by a particular Owner, the cost of such maintenance or repairs shall be paid by such Owner upon demand and shall constitute an Individual Assessment against such Owner, and against each Lot owned by such Owner, and shall be secured by an Assessment Lien against each Lot owned by the Owner.

(b) In addition to the foregoing, in the event the Association undertakes to provide materials or services which benefit individual Lots and which can be accepted or not accepted by individual Owners, such Owners in accepting such materials or services shall be deemed to have agreed that the statements therefor from the Association shall be an Individual Assessment due upon presentation and, if not paid, shall bear interest at the Default Rate.

(c) If any portion of any Lot, Dwelling Unit or Improvement is maintained so as to present a public or private nuisance or to substantially detract from the appearance or quality of the surrounding Lots or Common Areas, or if any portion of a Lot is being used in a manner which violates this Amended Declaration, or if the Owner of any Lot is failing to perform any of its obligations under this Amended Declaration or to abide by any of the provisions of this Amended Declaration, the Board may, by resolution, make a finding to such effect. The resolution of the Board shall specify the particular condition or conditions which exist and shall fix a reasonable period of time within which the Owner shall have to correct such condition or conditions (which period shall be no less than three (3) days and no more than fourteen (14) days after the Owner receives notice of the Board's action). Notice shall be given to the Owner of the subject Lot that unless corrective action is taken within the time period fixed by the Board, the Board may cause such action to be taken at the Owner's cost, or the Board may commence appropriate legal action, whether at law or in equity, to compel compliance with this Amended Declaration. If at the expiration of such period the requisite corrective action has not been taken, the Board shall have the right to cause corrective action to be taken and/or to commence appropriate corrective legal action, and all costs thereof, including court costs and attorney fees from the date incurred until paid including interest at the Default Rate, shall be assessed as an Individual Assessment against the offending Owner and against each Lot owned by the offending Owner, and shall be secured by an Assessment Lien against each Lot of the offending Owner.

(d) Certificate of Payment. The Association shall, upon demand, furnish to any Member a certificate in writing, signed by an officer or authorized agent of the Association, stating whether the Assessments on such Owner's Lot have been paid,



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the amount of delinquency, if any, and whether any other violations pursuant to this Amended Declaration exist and the nature of such violations. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of the Assessment therein stated to have been paid.

Section 6. Date of Commencement of Regular Assessments. Except as otherwise provided herein, each Lot shall become subject to the assessment provisions of this Article VII as of the first day of the calendar month following the conveyance of the Lot by Declarant to purchaser, and until the first full fiscal year of the Association following the sale of the first Lot by Declarant, the Association may prepare an interim budget and estimate and levy the necessary Assessments required for the remainder of the year in question.

Section 7. No Offsets. Assessments shall be payable in the amount specified by the Notice of Assessment, and no offsets against such amount shall be permitted for any reasons including, without limitation, a claim that the Association is not properly exercising its duties and responsibilities under this Amended Declaration.

Section 8. Delinquency. Any Assessment provided for in this revised and restated Declaration which is not paid when due shall be delinquent. If any such Assessment is not paid within thirty (30) days after the delinquency date, a late charge of Twenty Dollars (\$20.00) per month, or such other amount as the Board shall from time to time determine, shall be levied, and the Assessment shall bear interest from the date of delinquency at the Default Rate. The Association may, at its option, bring an action at law against the Owner personally obligated to pay the same and/or foreclose the Assessment Lien against the Lot in accordance with the then prevailing law of the State of Arizona relating to the foreclosure of liens upon real property. There shall be added to the amount of such Assessment any late charges, interest, recording fees, expenses and costs incurred in filing an Assessment Lien and in collecting the amounts due and, in addition, the reasonable attorney fees incurred in connection with such collection efforts, regardless of whether or not a legal suit is commenced. Each Member vests in the Association or its agents the right and power to bring all actions at law or in equity or lien foreclosure remedies against such Member for the collection of such delinquent Assessments. The lien provided for in this section shall be in favor of the Association, and shall be for the benefit of all other Owners. Any action to foreclose the lien of any Assessment may be commenced and prosecuted in the same fashion as for the foreclosure of a mortgage pursuant to Arizona law. At any foreclosure sale of a Lot, the Association shall have the power to bid on such Lot at such foreclosure sale, using Association funds or funds borrowed for that purpose, and to acquire and hold, lease, mortgage and convey the same.





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Section 9. Recorded Assessment Liens. With respect to any delinquent Assessment, the Association is legally authorized and the Owners hereby are deemed to have granted the right and irrevocably given consent for the Association to record a Notice of Assessment Lien in the Office of the Yavapai County Recorder, appropriately describing the Lot and the amount of the delinquent Assessments and other charges, to impose a lien of record against the Lot for the amounts specified therein. A copy of the Notice of Assessment Lien may, at the sole election of the Board, be posted on the affected Lot. Upon payment of all amounts due, including interest, late fees, fines and attorney fees, the Association shall record an appropriate satisfaction and release of the Assessment Lien. Each Owner, other than Declarant, by acceptance of a deed to any Lot, agrees that the Association and its employees, officers, agents, directors and all affiliates shall be absolutely immune from any and all liability relating in any way to the recording of a Notice of Assessment.

Section 10. Cumulative Remedies. The Assessment Lien and the rights to foreclosure thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and at law or in equity, including a suit to recover a money judgment for unpaid Assessments.

Section 11. Exempt Property. The Common Areas and all property dedicated for public thoroughfares shall be exempt from the Assessments created herein.

Section 12. Declarant's Exemption. Anything in this Amended Declaration to the contrary notwithstanding, the Declarant shall not be liable for and shall not be required to pay Assessments of any nature upon Lots owned by Declarant, nor shall Declarant be obligated to pay or fund any reserves for the Association. Declarant shall not be liable for the payment of any assessments for any Lot that, having been previously sold to a purchaser, has been deeded back to the Declarant by foreclosure or deed in lieu of foreclosure. It is understood that at no time, either before or after the Turnover Date, shall any Lot owned by Declarant be subject to Regular Assessments, Special Assessments, or Individual Assessments, nor for any fines or other charges. Lots owned by Declarant are exempt from all assessments of any nature.

Section 13. Uniform Rate of Assessment. Except for Lots owned by Declarant, Regular and Special Assessments shall be fixed at a uniform rate for each Lot.

It is understood that Declarant in its sole discretion may employ contractors to maintain certain portions of the Properties or may contribute funds to the Association to help defray the Common Expenses of the Association during periods of initial development within the Properties. The amounts and levels of the initial assessments



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established by the Association may take into account such voluntary and discretionary contributions, but Declarant shall in no event be required to make or to continue such contributions, it being understood that the Association shall be required to pay all Common Expenses and to accomplish same from assessment revenues upon the individual Lots owned by third-party purchases from Declarant.

Section 14. Subordination of Assessment Lien to First Mortgage or Deed of Trust: Priority of Assessment Lien. Any Assessment Lien of any nature shall be subordinate to any first mortgage or deed of trust on the affected Lot. The Assessment Lien shall also be subordinate to liens for taxes and other public charges which by applicable law are expressly made superior. Except as above provided, the priority of any Assessment Lien relates back to the date of recordation of this Amended Declaration, and each Assessment Lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed on any Lot. Sale or transfer of any Lot shall not affect the Assessment Lien unless the sale or transfer is pursuant to foreclosure of a first mortgage or first deed of trust, or pursuant to any trustee's sale or any proceeding in lieu thereof. In that case, the purchaser at the mortgage foreclosure of deed of trust sale, or any grantee taking by deed in lieu of foreclosure, shall take the Lot and Improvements free of the Assessment Lien for all Assessments that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure. Such purchaser or grantee, however, shall be liable for all Assessments and associated Assessment Liens accruing subsequent to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure.

#### ARTICLE VIII

#### CONDEMNATION

Section 1. Taking Defined. The term "taking" as used in this Article, shall mean condemnation by eminent domain or sale under threat of condemnation.

Section 2. Taking of Common Areas. In the event of a threatened taking of all or any portion of the Common Areas, the Members hereby appoint the Board members and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board 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 condemner in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Association. In the event of a total taking, the Board may elect either to retain any award in the general funds of the Association for use in meeting the Common Expenses or to refund to the Owners of all of the Lots proportionately, including Declarant, all or a portion of such award.



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## ARTICLE IX

### INSURANCE

Section 1. Insurance Obtained by Association. The Association shall obtain property and casualty insurance to protect the Common Area improvements, and public liability insurance to protect itself, the Owner, Developer, and their respective members, officers, employees, agents and representatives from all damages or injury caused by their acts or omissions, with such limits and scope of coverage as the Association shall from time to time deem consistent with prudent business practices.

In the event the insurance proceeds, together with uncommitted capital reserves of the Association, are insufficient to pay all the costs of repairing and/or rebuilding such property, but equal to at least seventy-five percent (75%) of the cost thereof, the Association shall levy a Special Assessment against all Owners to reconstruct and restore the same.

In the event the insurance proceeds, together with uncommitted capital reserves of the Association, equal less than seventy-five percent (75%) of the cost of reconstruction, restoration and repair of the Common Areas, the Association shall levy a Special Assessment against all Owners to reconstruct and repair same unless the holders of seventy-five percent (75%) of the votes of each class of Members, at a special meeting called for such purpose, determine not to repair and reconstruct the Common Areas. Notwithstanding the foregoing, a Special Assessment shall be levied if the Common Areas are necessary for ingress or egress, or for the safety of the Properties, and in all other cases any unrestored Common Areas shall be restored to a safe and clean condition.

### Section 2. Insurance for Lots, Dwelling Units, and Improvements.

All Owners shall, at their own expense, obtain insurance for their Lots, Dwelling Units, and Improvements, insuring against fire, accident and casualty, which insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of any such loss or losses.

In the event of damage or destruction by fire or other casualty to any Lot, Dwelling Unit, or Improvement, or other property covered by insurance written in the name of an individual Owner, such Owner shall, upon receipt of the insurance proceeds, contract to repair or rebuild such damaged or destroyed portions in a good workmanlike manner in conformance with the original plans and specifications (except



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for changes thereto required by then current building codes). In the event such Owner refused or fails to so repair and rebuild any and all such damage within thirty (30) days or such longer time as may be permitted by the Association, then the Association, by and through its Board, may, and is hereby irrevocably authorized by such Owner to, repair and rebuild any such Lot, Dwelling Unit or Improvement in a good and workmanlike manner in conformance with the original plans and specifications. The Owner shall then, within ten (10) days following the Owner's receipt of a written statement of the costs incurred from the Association, repay the Association the amount actually expended for such repairs. Such amounts shall bear interest at the Default Rate from the date due until paid. If such amounts are not repaid as provided for herein, such amounts shall constitute an Individual Assessment against such Owner's Lot and shall constitute an Assessment Lien until fully paid.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AMENDED DECLARATION, PROPERTY DAMAGE INSURANCE COVERAGE ON INDIVIDUAL LOTS, DWELLING UNITS, AND IMPROVEMENTS THEREON, SHALL BE THE SOLE RESPONSIBILITY OF EACH OWNER. EACH OWNER SHALL BE PERSONALLY LIABLE TO REPAIR, REBUILD AND RESTORE THE IMPROVEMENTS ON TDS IF NECESSARY TO ACCOMPLISH SAME, AND THE ASSOCIATION SHALL HAVE A LIEN UPON THE LOT TO ASSURE COMPLIANCE WITH THE PROVISIONS HEREOF.

Section 3. Fidelity Insurance. The Association may obtain insurance protection to the extent the same is reasonably available, against dishonest acts on the part of directors, officers, managers, trustees, agents, employees or volunteers responsible for handling funds belonging to or administered by the Association. The insurance shall name the Association as the insured and shall be written to provide protection which is in no event less than the sum of three (3) months' assessments on all Lots then within the Project plus the reserve funds held by the Association. 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 should not otherwise cover volunteers.

Section 4. Arbitration. In the event of a dispute between Owner and the Association with respect to the cause of damage, the extent of repairs necessitated, the cost thereof or the responsibility for the repairs or replacements necessitated thereby, then upon written request of either party addressed to the other party, the matter shall be submitted to arbitration in the manner more particularly set forth in Article IX, Section 15.

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## ARTICLE X

### USE RESTRICTION

Section 1. Lot Restrictions, Lighting, Window Coverings, Roofline Restrictions, Dwelling Unit Size, Etc. Each separate Lot shall be limited in use to one single family Dwelling Unit, the height and size of which shall conform to the Thunder Ridge Design Guidelines incorporated herein by reference, as from time to time amended by the Design Review Committee. Without limitation, mobile homes, prefabricated and manufactured housing (manufactured housing shall not include concrete tilt up construction using forms on site to construct a single family residence) shall be strictly prohibited within the Properties.

All buildings or structures erected upon each Lot shall be of new construction and no buildings or structures shall be moved from other locations onto a Lot. There shall be low-key lighting at the entrance to the Project. All exterior residential lighting shall be shielded so as to prevent direct rays from shining onto adjacent dwellings and properties.

The placement of skylights and exterior windows and any exterior window coverings, including, without limitations, interior window coverings that are visible from the exterior of a Dwelling Unit, shall be compatible with the Design Guidelines for the Project and shall be subject to the prior approval of the Design Review Committee in accordance with the terms thereof. No utilities, solar improvements, air conditioning units or other improvements shall be placed above the roofline or shall be wall mounted.

Section 2. Temporary Structures. No structures of a temporary character, trailer, basement, tent, shack, barn or other outbuilding shall be constructed, erected, placed or used on any portion of the Property at any time for any purpose whatsoever, either temporarily or permanently. Notwithstanding the foregoing, an Owner may, subject to approval by Yavapai County, maintain a self contained motorized recreational vehicle (no mobile home) within their Building Envelope during the construction of a Dwelling Unit. Additionally, a contractor may, to the extent reasonably necessary, place and properly maintain a portable field office, temporary toilet facility, and a construction waste disposal container within any Building Envelope during the construction of a Dwelling Unit thereon; provided, however, that such facilities shall be placed in the least obtrusive locations on the respective Building Envelope, taking into account the grading of the Building Envelope and the visibility thereof to other Lots and other areas within the Project, and provided further that such facilities shall only be



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maintained on the respective Building Envelope for such time as is reasonably necessary to complete the construction of the Dwelling Unit and Improvements

Section 3. Declarant's Use of Lots and Common Areas. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the Declarant to maintain, during the period of sale of Lots, upon such portion of the Property as the Declarant or its duly authorized agents, successors or assigns may authorize, including, without limitation, upon any portion of the Common Areas or Lots owned by Declarant, one or more temporary offices, convenient or incidental to the construction and sale of the Lots, sales and administrative offices, parking areas and related improvements.

Section 4. Animals. No horses, cattle, sheep, goats, pigs, rabbits, poultry or other livestock shall be bred, raised or kept on or within any Lot or structure on a Lot, nor shall dogs, cats or other animals be kept in kennels or similar enclosures on a Lot. This restriction shall not be construed, however, as prohibiting the keeping of a reasonable number of ordinary household pets. The Board shall be the sole judge as to what constitutes an ordinary household pet and a reasonable number of ordinary household pets. These permitted types and number of pets shall be permitted for only so long as they are kept confined in the Dwelling Unit and Private Area and for only so long as they do not make an unreasonable amount of noise, and as long as they do not result in an annoyance or nuisance to other Owners of Lots. Upon the written request of any Owner or Resident, the Board shall conclusively determine, in its sole and absolute discretion, whether, for purposes of this Section, a particular dog, cat or any other permitted household pet is making an unreasonable amount of noise or is an annoyance or nuisance to Owners or Residents. Any decision rendered by the Board shall be final and enforceable as other restrictions contained herein. No permitted pets shall be permitted to move about unrestrained on the Owner's Lot or any other Lot, Common Area or streets within Thunder Ridge.

When household pets, which are allowed to be kept on the Lots, are taken out of the Dwelling Unit or Private Area, the pet(s) shall be on a leash and the Owner shall be required to pick up immediately any animal feces from the Owners Lot or any other Lot, Common Area or street. Owners shall be liable for all damages caused by their pets. The Board shall have the right and power to adopt additional restrictions and regulations governing dogs and other pets, including requiring the removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance as determined by the Board or its designee.



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Section 5. Exterior Storage and Trash. No equipment, service yards, woodpiles, other than orderly storage of wood for fireplaces, or storage piles are allowed on the Premises. Each Lot or Dwelling Unit shall have a sufficient number of lidded garbage containers in such size, shape and quantity as may be prescribed by the Board from time to time or as may be required by any governmental entity or private refuse company providing rubbish removal services. To the extent feasible, all rubbish, trash or garbage shall be kept in such containers and not allowed to accumulate on a Lot. All garbage containers shall be screened from view of all neighboring Lots, Common Areas, and Streets. Rubbish, garbage or trash not capable of being kept in such containers shall be kept in other appropriate containers and screened from view of neighboring Lots and streets until the date of pickup by a trash collection service. No rubbish, trash or garbage shall be burned on any Lot. Incinerators of every kind are prohibited. No containers shall be visible within the properties at any time except on trash pick up days, then a proper trash container, specified by the Board pursuant to this Amended Declaration, may be placed outside for pick up.

Section 6. Utilities. Gas, electric, power, telephone, water, sewer, cable television, propane tanks and other utility or service lines and storage tanks (used for the general benefit of the Dwelling Unit Owners) and other utility-type wires or lines now or hereafter invented or used shall be placed and kept underground up to the walls of the buildings on the Properties except to the extent, if any, such underground placement may be prohibited by law or, by the nature of the service to be rendered, such underground placement prevents the lines from being functional. However, no exceptions shall be made for the requirement to place all propane tanks underground. These restrictions shall apply to the service and utility lines for each and every Dwelling Unit, Lot and the Common Areas, as well as to the distribution lines located in the streets or elsewhere within the Properties. However, the foregoing shall not prohibit service pedestals and above ground switch cabinets and transformers, which may be required.

Section 7. Antennas. No satellite dish stations, or other devices for the transmission or reception of television or radio signals shall be erected or maintained on any Lot or Dwelling Unit (except as initially designed or installed by Declarant or its assigns), without prior written authorization of the Design Review Committee. The Design Review Committee will require screening and other measures to assure that the dish is concealed. No such equipment shall be located on any roof surface, or attached to any wall. The Design Review Committee may prohibit or limit the installation of such improvements based upon visibility, whether such improvements are visible from within or from without the Properties.



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Section 8. Signs. No sign of any nature whatsoever, whether permanent or temporary, shall be permitted on any Lot, with the exception of approved realty signs and contractor signs erected during the sale or construction of a Dwelling Unit/Lot. During the construction and sale of Lots, the Declarant may erect such signs as it deems appropriate in connection with such construction and sale. This restriction shall not apply to the activities of the Association in the furtherance of its powers and purposes as herein set forth. This restriction does not apply to the temporary placement upon any Lot or Dwelling Unit of building or other permits as may be required to be placed upon such Dwelling Unit or Lot during the period of construction of any improvements thereon by any applicable governmental agency or as otherwise provided for in the Design Guidelines. This paragraph shall not apply to Declarant, nor to any activity of Declarant incidental to the development or improvement of the Properties, nor to any activities of Declarant incidental to the marketing and sale of Lots, nor shall this provision prohibit street address signs and monuments approved by the Design Review Committee.

Section 9. Motor Vehicles and Parking. No motor vehicles shall be permitted to park on any street, Lot, Common Area, driveway or other portion of the Property other than in the course of making deliveries or for loading or unloading for a reasonable time.

(a) As used in Section 9, the term "Motor Vehicle" means a car, van, truck, bus, tent trailer, horse trailer, boat, shell, camper, mobile home, trailer, recreational vehicle, motor home, motorcycle, all terrain vehicle, pickup truck or other motor vehicle.

(b) No car, van, truck, bus, tent trailer, horse trailer, boat, shell, camper, mobile home, trailer, recreational vehicle, motor home, motorcycle, all terrain vehicle, pickup truck or other motor vehicle, may be parked on any street or Lot, unless such vehicle or vehicles are stored within a totally enclosed garage approved by the Design Review Committee.

(c) Private passenger motor vehicles owned or leased by an Owner or Resident of a Lot must be properly licensed and parked in the garage or garages of the Dwelling Unit unless there is insufficient space within the garage(s) for the parking of all such passenger motor vehicles, in which case such passenger motor vehicles may be parked in the driveway situated on the Lot provided such passenger motor vehicles are not used for commercial purposes and do not display any commercial name, phone number or message of any kind. The number of passenger motor vehicles parked on any driveway shall be limited to two (2) passenger vehicles and only if each vehicle is licensed and is being used on a continuous basis. Recreational vehicles, motor homes





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and similar vehicles containing living quarters owned or leased by an Owner or Resident may be parked in the driveway on a Lot for the purpose of loading or unloading, but in no event shall such a recreational vehicle, motor home or similar vehicle be parked in the driveway for more than twenty-four (24) consecutive hours.

(d) Motor Vehicles owned by guests of an Owner or Resident may be parked in the driveway or within the Building Envelope on the Lot for a period not to exceed seven (7) days.

(e) The Board shall have the right and power to adopt additional rules and regulations to govern the parking of Motor Vehicles on Lots and streets and implementing the provisions of this Section 11.

(f) No Motor Vehicle shall be constructed, reconstructed, or serviced or repaired on the streets in such a manner as to be visible from neighboring Lots, and no inoperable vehicle may be stored or parked on any Lot or street in such a manner as to be visible from neighboring Lots.

(g) The Board shall have the right to have any Motor Vehicle which is parked, kept, maintained, constructed, reconstructed, serviced or repaired in violation of this ordinance of this Amended Declaration or the Rules and Regulations adopted by the Board, towed away at the sole cost and expense of the owner of the Motor Vehicle. Any expense incurred by the Association in connection with the towing of any Motor Vehicle shall be paid to the Association upon demand by the owner of the Motor Vehicle. If the Motor Vehicle is owned by an Owner, any amounts payable to the Association shall be secured by the assessment lien granted to the Association by the Amended Declaration and the Association may enforce collection of suit amounts in the same manner provided for in this Amended Declaration for the collection of assessments.

(h) Garages may be used only for the parking of vehicles and for storage of materials, but the storage of materials shall not interfere with or prevent the garage from being used for the parking of the number of vehicles which the garage was designed to accommodate. Garage doors must be kept closed at all times.

Section 10. Conformity to Building Codes. All structural and design work shall be accomplished in accordance with the most recent form of the Uniform Building Code as may be adopted by governmental entities or other competent jurisdictions. To the extent applicable, electrical and mechanical work shall conform to all applicable local and national codes. All Improvements or appurtenances or other structures of any nature shall be in compliance with the setback requirements of Yavapai County or other



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competent jurisdiction, including but not limited to, the front, side and rear setbacks and building envelopes; the same must be approved by the Design Review Committee before the commencement of any construction.

Section 11. Screening. Mechanical and electrical equipment to be installed by an Owner shall be concealed from the view of any adjoining street front or Lot, and no such equipment shall be placed on any roof surface or hung from any wall. Included within this restriction are air conditioning, evaporative coolers, pool pump or heating equipment, satellite dishes or antennas. No such equipment shall be permitted to remain exposed at the side or rear of any Lot unless concealed by walls as provided for in the Thunder Ridge Design Guidelines.

Section 12. No Business Use. No business use shall be made of any Lot, and no building or structure intended for or adapted to business purpose, and no apartment house, duplex, lodging house, rooming house, hospital, sanitarium or doctor's office, multiple family dwelling or other similar structure or use shall be erected, placed, permitted or maintained on Properties on any part thereof. No Lot may be rented for a hotel or transient purpose, which shall be construed to mean for a period of less than thirty (30) days, nor shall any lot be rented to other than a single family. The foregoing restrictions shall not apply to the business activities or the construction and maintenance of buildings by the Declarant, its agents, successors and assigns during the construction period and sale of Lots by the Declarant, and provided further that the foregoing restrictions shall not apply to any actions of the Association in furtherance of its powers and purposes as herein set forth.

Part-time, occasional home occupations shall be permitted only if there is no solicitation to or from any Dwelling Unit, no traffic to or from any Lot, and no interference with the peaceful enjoyment of the Properties, and only if there is no advertisement or solicitation in connection therewith, no parking in the private streets, and no noise, commotion, or external evidence of such activity. The Board shall be the sole judge of whether such activity poses a nuisance or creates a disturbance in violation of the provisions hereof.

Section 13. Accessory Buildings. No garage, work shop, guest house, ramada, or other accessory building or structure shall be erected, placed or maintained on any Lot until the construction and completion of the principal residence thereon, unless prior approval is obtained from the Design Review Committee and Yavapai County, except that these buildings relating to the principal residence may be simultaneously constructed, and nothing herein shall be construed to prevent the incorporation and construction of a garage in and as part of such residence. The Design Review Committee may require that any ancillary garages and other accessory buildings be



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incorporated as a part of and attached to the Dwelling Unit, in a manner approved by the Design Review Committee rather than located apart from the Dwelling Unit. All guest houses shall comply with the zoning requirements and other regulations of Yavapai County.

Section 14. Design Review Committee Approval. No building or landscaping of any nature shall be moved to or removed from the Properties or to any Lot within the Properties without the consent of the Design Review Committee.

Section 15. Nuisances, Rubbish, Etc. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any portion of the Lot nor shall the Lot be used in whole or in part for the storage of any property or thing that will cause the Lot or any part thereof to appear in any unclean or untidy condition or that will be unsightly, offensive, obnoxious or detrimental; nor shall any substance, thing or material be kept or used upon the Lot or any part thereof that will emit a foul, offensive or obnoxious odor or that will cause any noise that will or might disturb the peace, quiet, comfort, serenity or tranquility of the occupants of neighboring Lots. All fires shall be confined to interior household fireplaces and maintained pursuant to all applicable Building Codes and standards. No nuisance of whatever kind or description shall be permitted to exist or operate upon the Lot so as to be offensive, unsanitary, unsightly or detrimental to any other property in the vicinity thereof or to its occupants. Without limiting the generality of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any portion of the Lot. The display or firing of handguns, rifles or weapons is expressly prohibited. The Design Review Committee in the exercise of its sole discretion, shall have the right to determine the existence of any nuisance whether described herein or not. No Motor Vehicle, including any motorcycle or all terrain vehicle shall be operated on any undeveloped property owned by the Declarant, or within any portion of the owner's Lot lying outside of the Building Envelope. Noise caused by improperly muffled motor vehicles will not be permitted. Construction machinery and equipment must be operated within the manufacturers' recommendations and specifications and only during reasonable working hours.

Every act or omission whereby any provision of this Amended Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action. Any violation of any state, county, municipal or local law, ordinance or regulation pertaining to the Ownership, occupation or use of any portion of the Properties is hereby declared to be a violation of this Amended Declaration and subject to any or all of the endorsement procedures set forth herein.



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Section 16. Resubdividing. No Lot, nor any portion of the Common Area, shall be resubdivided except for the purpose of combining the resubdivided portions with another adjoining Lot and, in any case, all such resubdividing shall be approved both by Declarant and by the Design Review Committee (and by Yavapai County, if required). Provided, however, that Declarant does hereby reserve and shall have the power to resubdivide all or any portion of the Lots.

Section 17. Noise. No Owner shall engage in any activity or permit any activity to occur on the Properties which shall result in unusual, loud or obtrusive noise or sounds.

Section 18. Shrubs, Trees and Grasses. All trees and other vegetation planted in the Lot shall comply with local ordinances, shall have first been approved by the Design Review Committee, and shall be kept trimmed to a height which will not, in the sole judgment of the Design Review Committee, materially interfere with views from neighboring building sites. The Design Review Committee may forbid the planting or maintenance of certain plants, trees and shrubs or may restrict the propagation of such plants, trees or shrubs to native or indigenous species as provided in the Design Guidelines.

Section 19. Inoperable Vehicles and Commercial Vehicles. No inoperable, junk, or wrecked vehicles shall be placed on or stored on any Lot or Common Areas, nor shall any commercial, construction, or like vehicles (except those of the Declarant or its agents) be placed on or stored on any Lot or Common Areas, except as may be permitted by the Association, in writing, for limited periods of time.

Section 20. Drainage-Ways. No structure, planting or other material, except as installed by Declarant, shall be placed or permitted to remain within any drainage-way which may change the direction of flow or which may obstruct or retard the flow of water.

Section 21. Native Growth. The natural growth on the Properties shall not be destroyed or removed except by Declarant or as approved in writing by the Design Review Committee. In the event growth is removed, except as stated above, the Design Review Committee may require the replanting or replacement of same with the cost thereof to be borne by the Owner responsible for such removal.



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Section 22. Derricks, Tanks, Heating and Cooling.

(a) No structure designed for use in boring for water, oil or natural gas shall be erected, placed or permitted upon any part of the Properties, other than for the installation of wells and septic systems, nor shall any water, oil, natural gas, petroleum, asphaltum or hydrocarbon products or substances be produced or extracted therefrom.

(b) No elevated tanks of any kind shall be erected, placed or permitted upon any part of the Properties, and any tanks for use in connection with any Dwelling Unit on the Properties, including tanks for the storage of gas and fuel oil, propane, gasoline or oil, must be buried to conceal them from the neighborhood Lots, roads or streets.

Section 23. Clotheslines. No clotheslines shall be permitted within the Properties.

Section 24. Waivers. Any or all of the restrictions of this section are subject to waiver by the Design Review Committee, and any such waiver may apply at the option of the Design Review Committee to fewer than all of the Lots without waiver of such restriction as to any other Lot or Lots.

Section 25. Inspection. During reasonable hours, any member of the Board of Directors of the Association, or any authorized representative of any of them, shall have the right to enter upon and inspect any Lot within the subdivision (not including the interior of any Dwelling Units erected thereon) for the purpose of ascertaining whether or not the provisions of this Amended Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

Section 26. Pool. No child under the age of fourteen (14) is allowed in the pool of the Common Area without an adult present. Any child in diapers cannot go in the pool and any child that cannot swim must have some type of gear on that keeps the child afloat.

Section 27. Guns. No guns or weapons of any kind shall be fired within the boundaries of Thunder Ridge.

Section 28. Outside Fires. All outside fires must be within an outside fireplace or facility that has been approved by the Design Review Committee. That fireplace or facility should be one that will control the size of the fire and must have some type of cover that will control the height of the fire.



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Section 29. Exemption of Declarant. Nothing in this revised and restated Declaration shall limit the right of Declarant or its agents to complete excavation, grading and construction of improvements on any Lot or Common Areas within the Properties, or to alter the foregoing or to construct such additional improvements as Declarant deems advisable so long as any Lot therein remains unsold, or to use any structure in the subdivision as a model, home or real estate sales, administrative or leasing office. Declarant need not seek or obtain the approval of the Board or Design Review Committee for the installation of any improvements, including landscaping. The rights of Declarant hereunder or elsewhere in these Restrictions may be assigned. The Declarant may designate certain Lots owned by it as "Models" and sales or administrative offices. The Declarant shall have the right to transfer the designation of a "Model" or sales and administrative offices from one Lot to another within the Properties, and Declarant may designate and use any Lot as a parking area or parking lot.

## ARTICLE XI

### EASEMENTS

Section 1. Utility Easement. There is hereby created, ratified and affirmed a blanket easement upon, across, over and under the Properties, for ingress and egress, installation, replacing, repairing and maintaining all utility and service lines and systems including, but not limited to, water, sewers, gas, telephone, electricity, television cable or communication lines and systems. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on the Property and, subject to the requirements of Article X, to affix and maintain wires and conduits in and under the roofs and exterior walls of the Dwelling Units. Notwithstanding anything to the contrary contained in this section, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on the Properties except as approved by the Board.

Section 2. Encroachment Easement. There is hereby created, ratified and affirmed, and each Lot and the Common Areas shall be subject to, an easement for encroachments created by construction or placement of Improvements, including, without limitation, driveways and walkways, as designed or constructed by the Declarant or as constructed by or on behalf of any Owner as approved by the Board or the Design Review Committee. A valid easement for such encroachments and for the maintenance of the same is hereby created and shall continue, so long as such encroachments continue to exist.



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Section 3. Declarant Easement. There is hereby created, ratified and affirmed, an affirmative, nonexclusive easement in favor of Declarant, and appurtenant to portions of the Properties owned by Declarant for ingress and egress over all Common Areas, and for the right to go over, under and across, and to enter and remain upon all Common Areas for all purposes reasonably related to Declarant's rights and obligations hereunder and to the development, operation, maintenance, advertisement and sale or rental of the portions of the Properties owned by Declarant. The easement created in this Section shall continue until the day on which title to the last Lot in the Properties owned by Declarant is conveyed to a third party for value, other than as security for performance of an obligation.

Section 4. Miscellaneous Easements. In addition to the blanket easements granted herein, 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, security lines, 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, provided that any damage to a Lot resulting from such grant shall be repaired by the Association at its expense.

## ARTICLE XII

### GENERAL PROVISIONS

Section 1. Binding Effect and Enforcement. The covenants, conditions, charges, liens, reservations, easements, and restrictions contained herein shall run with the title to the land and shall be binding upon all persons purchasing, owning, or occupying or otherwise having any interest in any Lot, their heirs, personal representatives, administrators, successors, grantees and assigns. After the date on which this Revised and Restated Declaration has been recorded, these restrictions may be enforced by any one or more of the following: (a) the Association, (b) the Declarant (so long as such entity has an interest in any part of the Property), or (c) the Owner or Owners of any Lot. The terms and conditions of this Amended Declaration shall be binding upon all persons affected by its terms, regardless of whether any reference is made to this instrument in the deed or other instrument of conveyance. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any Restrictions either to restrain, enjoin, or abate the violation or to recover damages. In the event the Declarant or the Association employs an attorney or attorneys to enforce any lien or to collect any monies due pursuant to this Amended



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Declaration, or to enforce compliance with or specific performance of the terms and conditions of this Amended Declaration, or otherwise seeks to enforce these restrictions, the Declarant or Association, as the case may be, shall be reimbursed by the Owner or Owners whose actions have necessitated the enforcement proceeding for all costs, including attorney fees expended in such enforcement efforts, regardless of whether or not a civil action is actually commenced. The amount of such costs shall be assessed against such Owner or Owners as an Individual Assessment, and each such Owner's Lot shall be subject to an Assessment lien upon all of such Owner's Lots, subject to the provisions and restrictions otherwise set forth herein. Nothing herein shall be deemed to indicate that damages at law constitute an adequate remedy for violation of a Restriction herein. Notwithstanding the foregoing, the violation of these Restrictions shall not affect the mortgage or deed of trust now or hereafter placed of record.

Section 2. Waiver or Abandonment. The waiver of, or failure to enforce any breach or violation of any Restriction herein contained shall not be deemed to be a waiver or abandonment of such Restrictions, or a waiver of the right to enforce any subsequent breach or violation of such Restrictions. The foregoing shall apply regardless of whether any person affected hereby (or having the right to enforce these Restrictions) had knowledge of the breach or violation.

Section 3. Equal Treatment of Owners. Except as otherwise expressly provided herein with respect to the Declarant, these Restrictions shall be applied to all Owners, without discrimination.

Section 4. Severability. The invalidity of any one or more phrases, sentences, clauses, paragraphs, or sections hereof shall not affect the remaining portions of this instrument or any part thereof, and in the event that one or more of the phrases, sentences, clauses, paragraphs, or sections contained herein should be invalid or should operate to render this Amended Declaration invalid, this Amended Declaration shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, or section or sections had not been inserted.

Section 5. Gender. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations, partnerships or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 6. Topic Headings. The marginal or topical headings of the paragraphs contained in this Amended Declaration are for convenience only and do not define, limit or construe the contents of the sections of this Amended Declaration.





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Section 7. Amendment. Except to the extent this revised and restated Declaration may be amended or revoked by Declarant, at its sole option, as to all or any specifically designated portion of the Properties as more particularly set forth hereinafter, these restrictions shall remain in full force and effect for a period of twenty (20) years from the date hereof. Thereafter, they shall be deemed automatically extended and renewed for successive terms of ten (10) years each unless revoked by a written instrument signed and acknowledged by the then Owners of not less than two-thirds (2/3) of the Lots within the Properties, which instrument shall be recorded in the office of the Recorder of Yavapai County, Arizona, at any time after the expiration of the twenty (20) year period.

Amendment of this revised and restated Declaration shall require the written consent of the Declarant, if Declarant then holds any interest in any portion of the Properties. If Declarant no longer holds any interest in any portion of the Properties, then the written consent of not less than two-thirds (2/3) of the Lot Owners is required to amend this Amended Declaration. Any such amendment without the consent of Declarant shall be void. Any such amendment which requires the affirmative written consent or vote of the Owners as hereinabove provided shall be effective when executed by the President and Secretary of the Association who shall certify that the amendment has been so approved, and when the amendment has been recorded in the office of the County Recorder of Yavapai County, Arizona.

Notwithstanding anything to the contrary contained in this revised and restated Declaration, if Declarant shall determine that any changes hereunder or any amendments to the Articles of Incorporation or Bylaws of the Association shall be necessary in order for existing or future mortgages, deeds of trust or other security instruments to be acceptable to the Veterans Administration, the Federal Housing Administration of the U.S. Department of Housing and Urban Development, the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation, then Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendments without obtaining the approval of any Owners, first mortgagees, or any other person or entity.

In addition, Declarant shall have the right, without any vote or consent of members, to record such amendments to this revised and restated Declaration as may be necessary to conform to any resubdivision plat recorded with respect to the Properties, and shall further have the right to change the name of the subdivision.



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Section 8. Declarant's Right to Amend. The provisions of Section 7, Article XII notwithstanding, Declarant hereby reserves the right to amend this revised and restated Declaration as may be necessary or appropriate, in its sole discretion, at any time while Declarant owns one (1) or more Lot(s). Any amendment or revocation which only requires the execution of an instrument by Declarant as hereinabove provided shall be effective when executed by Declarant and when recorded in the office of the County Recorder of Yavapai County, Arizona. No amendment made by Declarant shall be deemed void or unenforceable merely because such amendment affected the Properties in a non-uniform manner. Declarant's right of amendment pursuant to this Section 8 (based upon Declarant's ownership of at least one (1) Lot) is intended to allow such amendments as may in Declarant's sole discretion be necessary to eliminate ambiguities, correct errors, clarify the scope and intent of the provisions hereof (including, but not limited to, the elimination of hazards and detriments to the Properties), avoid undue hardship caused by unforeseen topographical or soil problems, better enable the Association to administer the Properties, or to make the development and sale of the Lots more feasible for Declarant. Should Declarant determine that such amendments are necessary or advisable, then no other consent or approval shall be required.

Section 9. Personal Liability. No member of the Board, nor any committee of the Association, including the Design Review Committee, nor any officer of the Association, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, any manager or any other representative or employee of the Association, the Design Review Committee or any other committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

Section 10. Interpretation of the Covenants. Except for judicial construction or construction by an arbitration panel, if required hereunder, following the Turnover Date, the Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Amended Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction or construction by an arbitration panel, if required hereunder, the Association's construction or interpretation of the provisions of this Amended Declaration shall be final, conclusive and binding as to all persons and property benefitted or bound by the provisions of this Amended Declaration. Prior to the Turnover Date, Declarant shall exclusively determine such matters.

Section 11. Rule Against Perpetuities. If any interest purported to be created by this Amended Declaration is challenged under the rule against perpetuities or any



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related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest. The "lives in being" for computing the period of perpetuities shall be (a) those which would be used in determining the validity of the challenged interest, plus (b) those of the issue of the Board who are living at the time the period of perpetuities starts to run on the challenged interest.

Section 12. Change of Circumstances. Except as otherwise expressly provided in this Amended Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Amended Declaration.

Section 13. Limitation on Declarant's Liability. Notwithstanding anything to the contrary herein, it is expressly agreed that from and after the date of this revised and restated Declaration, neither Declarant, nor any of its partners, agents, employees, members, or officers shall have any personal liability to the Association, or to any Owner or other person, arising under, in connection with, or resulting herefrom.. Further, it is acknowledged that Declarant is not a builder or contractor, and neither Declarant nor any of its partners, agents, employees, members or officers shall have any liability or responsibility with respect to construction of improvements of any nature within the Properties.

Section 14. Exemption of Declarant from Restrictions. Notwithstanding anything to the contrary in this Amended Declaration, none of the covenants, conditions, restrictions, easements or other provisions herein shall be construed or deemed to limit or prohibit any act of Declarant of its employees, agents and contractors, or parties designated by them in connection with the sale or leasing of Lots.

Section 15. Arbitration. In the event of any dispute involving any Owner, the Association, the Declarant, or any of their officers, members, agents, employees, representatives, partners or affiliates, relating in any way to this revised and restated Declaration or, without limitation, to any right, obligation, or privilege hereunder, or relating in any way to the operation or management of the Association, the maintenance or use of Common Areas, or to the construction of improvements upon the Properties, or to any representations made or allegedly made by any person, each Owner and Member, the Association, and Declarant, for themselves and their agents and contractors, agree that such dispute shall not be litigated in any court or judicial tribunal, but rather shall be arbitrated in accordance with the applicable rules of the American Arbitration Association. At least three arbitrators shall preside in any case involving a claim in excess of \$100,000, unless otherwise agreed in writing by the parties. Any arbitration shall take place in Sedona, Arizona, and not elsewhere. Judgment upon a final award may be rendered by any court of competent jurisdiction.



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Notwithstanding the foregoing, the Association shall not be required to arbitrate any matter relating to the imposition of any fine, assessment, Assessment Lien, or the foreclosure of any Assessment Lien, nor shall the Association be precluded from seeking injunctive relief in court to enforce compliance with the provisions hereof.

Section 16. Rights of the Declarant. Any and all rights of the Declarant hereunder may be exercised by and shall be for the benefit of the Declarant and its successors and assigns.

Section 17. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Revised and Restated Declaration or the Articles or Bylaws may be delivered either personally or by mail. If by mail, such notice or documents shall be deemed to have been delivered forty-eight (48) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows:

(a) If to the Association or the Design Review Committee:

Thunder Ridge  
c/o Reginald W. Owens,  
140 Sin Salida  
Sedona, Arizona 86351

(b) If to Declarant:

Thunder Ridge  
c/o Dale A. Head, Esq.  
14648 North Scottsdale Road, Suite 125  
Scottsdale, AZ 85254

(c) If to an Owner, to the address of any Lot owned by Owner residing at Thunder Ridge, or to the last known address furnished by Owner or disclosed by the Association's records. Any such address may be changed at any time by the Association, Design Review Committee, or Declarant, by delivery of a written notice of change of address to the Association or by an Owner filing the correct mailing address of Owner with the Association. Each Owner shall promptly notify the Association, in writing, of any subsequent change of address.

