

When recorded, return to:

TATUM RANCH COMMUNITY ASSOCIATION  
29811 N. Tatum Boulevard  
Cave Creek, Arizona 85331  
Attention: Sean Bodkin

SEVENTH CERTIFICATE OF AMENDMENT TO  
AMENDED AND RESTATED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR TATUM RANCH

THIS SEVENTH CERTIFICATE OF AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TATUM RANCH (this "**Certificate of Amendment**") is made as of this fifth day of November, 2005, by TATUM RANCH COMMUNITY ASSOCIATION, an Arizona non-profit corporation (the "**Association**").

RECITALS:

(i) Suncor Development Partners, an Arizona general partnership, as Declarant, previously recorded that certain Declaration of Covenants, Conditions and Restrictions, dated February 19, 1988, and recorded as Instrument No. 88-090390, Official Records of Maricopa County, Arizona (the "**Original Declaration**"). Thereafter, Declarant amended the Original Declaration pursuant to the terms of a First Amendment to Declaration of Covenants, Conditions and Restrictions for Tatum Ranch, dated May 16, 1988, and recorded as Instrument No. 88-239882, Official Records of Maricopa County, Arizona (the "**First Amendment to Original Declaration**"). Thereafter, Declarant appointed Suncor Development Company as successor Declarant ("**Successor Declarant**") as set forth in the Designation of Successor Declarant for Tatum Ranch, dated November 10, 1988, and recorded as Instrument No. 88-602338, Official Records of Maricopa County, Arizona. Thereafter, Successor Declarant caused the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tatum Ranch, dated December 21, 1988, to be recorded as Instrument No. 88-625068, Official Records of Maricopa County, Arizona (the "**Amended and Restated Declaration**"). Thereafter, Successor Declarant amended the Amended and Restated Declaration pursuant to the terms of a First Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tatum Ranch, dated September 22, 1998, and recorded as Instrument No. 98-0845209 (the "**First Amendment to Amended and Restated Declaration**"). Thereafter, the Association amended the Amended and Restated Declaration, as previously amended by the First Amendment to Amended and Restated Declaration, pursuant to the terms of a Second Certificate of Amendment to Amended and Restated Declaration for Tatum Ranch, dated December 20, 2000, and recorded as Instrument No. 2001-005626 (the "**Second Amendment to Amended and Restated Declaration**"). Thereafter, Successor Declarant amended the Amended and Restated Declaration, as previously amended by the First Amendment to Amended and Restated

Declaration and Second Amendment to Amended and Restated Declaration, pursuant to the terms of a Third Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tatum Ranch, dated March 1, 2001, and recorded as Instrument No. 2001-0160158 (the "**Third Amendment to Amended and Restated Declaration**"). Thereafter, the Association amended the Amended and Restated Declaration, as previously amended by the First Amendment to Amended and Restated Declaration, the Second Amendment to Amended and Restated Declaration, and the Third Amendment to Amended and Restated Declaration, pursuant to the terms of a Fourth Certificate of Amendment to Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Tatum Ranch, dated November 14, 2000 and recorded as Instrument No. 2001-1139440 (the "**Fourth Amendment to Amended and Restated Declaration**"). Thereafter, the Association amended the Amended and Restated Declaration, as amended by the First Amendment to Amended and Restated Declaration, the Second Amendment to Amended and Restated Declaration, the Third Amendment to Amended and Restated Declaration, and the Fourth Amendment to Amended and Restated Declaration, pursuant to the terms of Fifth Certificate of Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tatum Ranch dated November 22, 2004, and recorded as Instrument Number 2002-1240651 (the "**Fifth Amendment to Amended and Restated Declaration**"). Thereafter, the Association amended the Amended and Restated Declaration, as amended by the First Amendment to Amended and Restated Declaration, the Second Amendment to Amended and Restated Declaration, the Third Amendment to Amended and Restated Declaration, and the Fifth Amendment to Amended and Restated Declaration, pursuant to the terms of the Sixth Certificate of Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tatum Ranch, dated August 27, 2003, and recorded as Instrument Number 2003-1192181 ("**Sixth Amendment to Amended and Restated Declaration**"). The Amended and Restated Declaration, as amended by the First Amendment to Amended and Restated Declaration, the Second Amendment to Amended and Restated Declaration, the Third Amendment to Amended and Restated Declaration, the Fourth Amendment to Amended and Restated Declaration, the Fifth Amendment to Amended and Restated Declaration, and the Sixth Amendment to Amended and Restated Declaration shall be collectively referred to herein as the "**Declaration.**"

(ii) Pursuant to the terms of Article XIII, Section 2 of the Declaration, the Declaration may be amended if Members casting seventy five percent (75%) of the authorized votes vote in favor of the amendment at an election held for such purpose.

(iii) Pursuant to the terms of Article XIII, Section 2 of the Declaration, if the necessary votes and approvals are obtained for the amendment to the Declaration, the Board of Directors of the Association may record with the County Recorder of Maricopa County, Arizona, a Certificate of Amendment, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. The Certificate of Amendment shall set forth in full the amendment adopted and shall certify that at an election duly called and held for such purpose pursuant to the Articles and Bylaws of the Association, the Members casting seventy-five percent (75%) of the votes cast at the election voted affirmatively for the adoption of the amendment.

(iv) The necessary votes for an amendment of the Declaration pursuant to the terms of this Certificate of Amendment have been obtained in accordance with the terms of

Article XIII, Section 2 of the Declaration and the Association desires to amend the Declaration pursuant to the terms and conditions of this Certificate of Amendment.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, the Declaration is hereby amended as follows:

1. Leases. Article IV, Section 2, subsection (ff) entitled "Leases" of the Declaration is hereby deleted in its entirety and replaced with the following:

(ff) **Leases**. An Owner may lease, rent, license or let (collectively referred to as "lease") a Lot or Parcel only on the following terms and conditions.

(i) **Community-Wide Lease Limitation**. At no time may more than twenty-five percent (25%) of the total number of Lots, or such lower number as may be required by any so-called secondary mortgage market source, be leased.

(ii) **Written Requests**. To ensure that the limitation of paragraph (i) above is not exceeded, any Owner who intends to lease his Lot shall submit a written request to lease to the Association along with payment of a \$75 administrative fee.

(iii) **Response Time**. Upon receiving a written request to lease, as referred in paragraph (ii) above, the Board of Directors or its appointed designee shall, within 30 days thereof, notify the Owner if the limitation set forth in paragraph (i) above has been met and, in either case, if the Owner's request has been accepted or declined. If such request is declined, payment of the administrative fee set forth in paragraph (ii) above shall be returned to the Owner.

(iv) **Written Consent**. No Owner may lease his Lot until he receives written consent to do so from the Association. As long as the limitation set forth in paragraph (i) above has not been met, permission shall not be unreasonably withheld. The Association shall attempt to ensure that all Owners who wish to lease their Lots are afforded an opportunity to do so. To accomplish this, and to otherwise ensure that the opportunity to lease Lots is provided in a fair and equitable way, the Board may, from time to time, establish rules and regulations as part of the Tatum Ranch Rules as it may see fit. Such rules and regulations may include, but are not limited to, a waiting list or a limitation on renewing or re-entering leases if other Owners appear on the waiting list.

(v) **Minimum and Maximum Term**. No Lot may be leased for a term of less than twelve (12) months or more than two (2) years.

(vi) **Lease for Entire Lot**. All Lot leases must be for the entire Lot. No more than one lease may be signed for the same Lot and same lease term.

(vii) **Subletting Prohibited**. Subletting of Lots by occupants is not permitted.

(viii) **Occupant Bound by Governing Documents**. Any agreement for the lease of a Lot or all or any portion of a Parcel must be in writing and must be expressly

subject to this Declaration, the Tatum Ranch Rules, the Design Guidelines, the Articles, and the Bylaws. Any violation of these documents shall be a default under the lease. Upon request, the Association shall provide copies of these documents to the occupants for such reasonable fee as the Association may from time to time determine.

- (ix) **Notification of Lease.** An Owner shall notify the Association regarding the existence of all leases of a Lot or all or any portion of a Parcel. Furthermore, the Owner shall provide a copy of the lease agreement to the Association prior to the occupancy of the Lot or Parcel. For a lease existing on the date of the recording of this instrument, the Owner of the Lot or Parcel shall provide a copy of the lease within thirty (30) days from the date of the recording of this instrument. Failure to provide the Association with a copy of the lease agreement as required herein may result in a single or successive fines up to \$500 each, as determined by the Board. Such fine shall not relieve the Owner of otherwise complying with the lease restrictions in this Section 2(ff).
- (x) **No landlord-tenant relationship exists.** In no event shall it be determined that a landlord/tenant relationship exists between the Association and the occupant or lessee of a Lot or Parcel.
- (xi) **Extensions.** If, during the course of occupancy of any lease, an occupant demonstrates such a disregard for the provisions of the Association's governing documents that the Board determines it to be in its best interests to preclude the Owner from extending such lease, the Association shall so notify the Owner in writing of that determination, and the Owner shall thereupon be precluded from extending such lease beyond its original term.
- (xii) **Exceptions.** The provisions and restrictions on leasing as contained in this Section 2(ff) shall not apply as follows:
- A. **Grandfathered Lots.** Lots leased on the date of the recording of this instrument shall be defined as "Grandfathered Lots." An Owner bears the burden of proving that his Lot is a Grandfathered Lot. Such Grandfathered Lots shall be exempt from the lease restriction as set forth in paragraph (i) above, until such time as the Lot is sold, transferred, conveyed or foreclosed upon. Thereafter, the Lot shall be subject to the lease restriction as set forth in paragraph (i) above. Notwithstanding this exemption, Grandfathered Lots shall count toward the percentage of Lots which may be leased as set forth in paragraph (i) above and are specifically subject to all other terms and conditions of this Section 2(ff), including paragraphs (ii) through (xiv) herein.
- B. **Hardship Situations.** An Owner suffering from a financial or personal hardship that renders the Owner unable to reside on his Lot may apply to the Association to lease the Lot, even if the limitation referred to in

paragraph (i) above has been met. In such situations, the Board, in its sole discretion, shall be authorized to permit the Owner to lease his Lot.

C. **Lenders' Foreclosures.** The provisions and restrictions on leasing as contained in this Section 2(ff) shall not impair the right of First Mortgagees to foreclose or take title to a Lot, to accept a deed or assignment in lieu of foreclosure in the event of default by a mortgagor, to take possession, and lease an acquired Lot even though the limitation referred to in paragraph (i) above has been met, or to otherwise act upon their mortgages.

D. **Immediate Family Members.** Lots owned by an Owner and occupied by an immediate family member of that Owner shall not be considered a lease for purposes of this Section 2(ff).

(xiii) **Owner's Duty to Ensure Compliance.** The Owner shall remain liable for compliance with the Declaration, Articles, Bylaws, Tatum Ranch Rules and Design Guidelines and shall be responsible for any violations thereof by his tenant or his tenant's family, guests, invitees, or sublessees. The Owner shall ensure that all occupants of a Lot or Parcel comply with the terms of these documents.

(xiv) **Owner's Duty to Inform Association of Whereabouts.** If an Owner does not permanently reside at a Lot or Parcel, such Owner shall inform the Association in writing of both street and mailing addresses of the Owner's permanent residence or place of business. In the case of a change of such street or mailing address of an Owner, the Owner shall immediately inform the Association in writing of the new street or mailing address. All notices shall be sent to the Owner at the Owner's last known address in the records of the Association.

2. **Certification.** This shall certify that at an election duly called pursuant to the Articles and Bylaws of the Association and held for the purpose of amending the Declaration pursuant to the terms of this Certificate of Amendment, the Members casting seventy-five percent (75%) of the votes cast at the election voted affirmatively for the adoption of the amendment.

3. **Definitions.** For purposes of this Certificate of Amendment, unless otherwise defined herein, all terms used herein, including but not limited to, those terms used and/or defined above, shall have the respective meanings assigned to such terms in the Declaration.

4. **Effect of this Certificate of Amendment.** Except as modified pursuant hereto, the Declaration is hereby specifically ratified, restated and confirmed as of the effective date hereof. To the extent of conflict between the terms of this Certificate of Amendment and the Declaration, the terms of this Certificate of Amendment shall control. The Declaration and this Certificate of Amendment shall be read and construed as one agreement.

5. **Counterparts.** This Certificate of Amendment may be executed in any number of counterparts, but all of such counterparts shall together constitute but one and the

