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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE IDLEWOOD, UNIT II HOMEOWNERS' ASSOCIATION

This AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE IDLEWOOD, UNIT II HOMEOWNERS' ASSOCIATION ("Declaration") is made on the date hereinafter set forth by Idlewood, Unit II Homeowners' Association., an Arizona non-profit corporation ("Association").

WITNESSETH

WHEREAS, the Declaration of Covenants, Conditions and Restrictions of Idlewood, Unit II was executed on May 9, 1980 and recorded at Docket 811, Pages 391-419, Official Records of Coconino County, as amended, and governs the real property (the "Properties") described as follows:

> Lots Thirteen (13) through Twenty-Six (26), inclusive, and Tract A, Idlewood, Unit II, a subdivision as recorded in Case 3 of Maps and Plats at Map 182 and Certificate of Correction recorded in Docket 816, page 855, records of Coconino County, Arizona.

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

NOW, THEREFORE, the Association hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I – DEFINITIONS

Section 1. "Association" shall mean and refer to Idlewood, Unit II Homeowners' Association, its successors and assigns, which is successor Homeowners' Association to Idlewood Units I and II Homeowners' Association.

Section 2. "CCC" shall mean and refer to Continental Country Club, Inc., an Arizona non-profit corporation, its successors and assigns.

Section 3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "CCC Member" shall mean and refer to a social member of the CCC.

Section 5. "Properties" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereinafter be brought within the jurisdiction of the Association.

Section 6. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners of lots in Idlewood Unit II.

Section 7. "Lot" shall mean and refer to each numbered lot shown upon the recorded subdivision map of the Properties recorded in Case 3 of the Maps and Plats at Map 182. The physical boundaries of the units as constructed, or of any unit reconstructed in the substantial accordance with the original plans, shall be conclusively presumed to be the boundaries shown in any deed or plat and those of the building.

Section 8. "Board" shall mean and refer to the Board of Directors of the Idlewood, Unit II Homeowners' Association unless otherwise specified.

Section 9. "Articles" and "Bylaws" shall mean and refer to the Articles of Incorporation and Amended and Restated Bylaws of the Idlewood ,Unit II Homeowners' Association or the CCC (amended from time to time as hereinafter specified).

Section 10. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 11. "Dwelling Unit" shall mean and refer to the single family residential dwelling unit constructed upon a Lot.

Section 12. "Association Rules" means the rules and regulations adopted by the Board, as the same may be amended from time to time.

Section 13. "Common Expenses" means expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves.

ARTICLE II - PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment: Every Owner shall have a right and easement of enjoyment in and to the total Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to designate and assign parking spaces and refuse containers to Owners;

(b) the right of the Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid; and for any reasonable length

of time as determined by the Board for any infraction of the Association Rules;

(c) the right of the Association to reasonably limit the number of guests of Members;

(d) the right of the Association, through its Board of Directors, to determine the time and waiver of use of the recreational facilities by the members;

(e) the right of the Association to regulate the use of the Common Area through the Association Rules adopted by the Board and to prohibit or limit access to such portions of the Common Area not intended for use by the Owners, lessees or residents.

Section 2. Delegation of Use: Any Owner may delegate, in accordance with the Bylaws of the Association and the CCC, which are appurtenant thereto, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III - THE ASSOCIATION

Section 1. Membership. Membership in the Association shall be limited to Owners of Lots. Each and every Lot Owner, in accepting a deed or contract for any Lot, whether or not it shall be so expressed in such deed or contract, automatically becomes a Member of the Association and shall remain a Member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership shall be appurtenant and may not be separated from ownership of the Lot. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon transfer of ownership of such Lot, whether by interstate succession, testamentary disposition, foreclosure of a mortgage, or such other legal processes as now in effect or as may be hereafter established pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void and shall not be reflected upon the books and records of the Association. The Association shall be operated and conducted on a strictly non-profit basis.

Section 2. Voting Rights. Each Owner shall be entitled to one (1) vote for each Lot owned. When more than one person is the Owner of any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. The vote or votes for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he

was acting with the authority and consent of all other Owners of the same Lot. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

Section 3. Corporate Ownership. In the event any Lot is owned by a corporation, partnership or other association, the corporation, partnership or association shall be a Member and shall designate in writing an individual who shall have the power to vote said membership, and in the absence of such designation and until such designation is made, the president, general partner or chief executive officer of such corporation, partnership or association shall have the power to vote the membership. Any such designation may be changed upon written notice to the Board from the Member, at any time except the thirty (30) days preceding a meeting of the Members.

Section 4. Association Rules. The Board may adopt, amend and repeal rules and regulations to restrict and govern the use of any area by any Owner, by the family of such Owner, or by any invitee, licensee or lessee of such Owner except that the Association Rules may not unreasonably discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. 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 Declaration.

Section 5. Board of Directors. The Board of Directors shall be elected at the annual meeting of the Members, in the manner provided in the Bylaws.

Section 6. Limitation of Director Liability. In accordance with the provisions of the Nonprofit Corporation Act (set forth at A.R.S. § 10-3101 et seq., as may be amended from time to time), each member of the Board or committee shall be immune from civil liability and shall not be subject to suit indirectly or by way of contribution for any act or omission resulting in damage or injury if said Board or committee member was acting in good faith and within the scope of his or her official capacity (which is any decision, act, or event undertaken by the Association in furtherance of the purpose or purposes for which it is organized) unless such damage or injury was caused by willful and wanton or grossly negligent conduct of the Board or committee member. This provision intends to give all Board and committee members the full extent of immunity available under the Nonprofit Corporation Act.

Section 7. Indemnification of Directors, Officers, and Agents. The Association shall indemnify any person who incurs expenses or liabilities by reason of the fact that he or she is or was an officer, director, or agent of the Association. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by the Nonprofit Corporation Act (set forth at A.R.S. § 10-3101 et seq., as may be amended from time to time); provided, however, that the

Association shall have the right to refuse indemnification if the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in the action.

Section 8. Ability to Borrow and Delegate Functions. The Association shall have the power to borrow money and encumber its assets, including pledging future Assessments as security, and, in all respects, shall have the powers necessary to carry out its purposes, whether or not specifically set forth herein, including the power to enter into contracts with third parties to perform all or part of its functions, and to hire its own employees to do so.

ARTICLE IV - MEMBERSHIP IN CCC

Section 1. Each Owner shall automatically become a Social Member of the CCC, provided, however, that:

(a) such membership shall be appurtenant to each Lot and run with title thereto, such membership shall commence upon becoming an Owner and automatically terminate when he ceases to be an Owner, and upon transfer of his ownership interest the new Owner succeeding to such ownership interest shall likewise automatically succeed to such membership in the CCC;

(b) if there is more than one Owner of any Lot, all of the Owners of such Lot shall designate one person to be the member;

(c) if one person owns more than one Lot, such person shall be limited to only one membership in the CCC but shall be entitled to one vote for each Lot owned and shall be required to pay the assessments as provided herein with respect to each Lot owned;

(d) membership in the CCC shall be subject to the Articles and Bylaws of the CCC, and to payment of membership fees, dues, and assessments;

(e) the CCC may, in addition to any other remedies, suspend any member's use of the CCC amenities or limit his voting rights for failure to pay dues and assessments or for any violation of the Articles, Bylaws or Rules and Regulations of the CCC;

(f) a Social Member shall have only such non-proprietary rights to use the recreational areas of the CCC (golf course facilities are not part of CCC amenities) as may be designated by the Board of the CCC, provided, however, that this provision shall not be construed to prevent such member from obtaining a golfing membership in the Club, if available at a cost determined by the CCC.

Section 2. In addition to the annual and special assessments provided therein, a member shall be required to pay any such assessments as provided by the Certificate of Declaration of Common Areas recorded in Coconino County, Arizona.

Section 3. The rights conveyed by this Article are subject to all of the restrictions, limits, and qualifications of the covenants, conditions, and restrictions of CCC together with the Articles of Incorporation, Bylaws and decisions of the CCC.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS BY THE ASSOCIATION

Section 1. Creation of the Lien and Personal Obligation of Assessment. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to both the Association and CCC as provided by the Articles and Bylaws of such organizations: (1) annual assessments or charges, and (2) special assessments, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, cost and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. No diminution or abatement of any assessments or offset shall be claimed or allowed for any reason, including, without limitation, an alleged failure of the Association or the Board to take some action or perform some function under this Declaration, the Articles, Bylaws or any other governing document of the Association, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law or ordinance or with any order or directive of any municipal or other governmental authority, or an Owner's abandonment of his or her Lot, or non-use of the Common Area. The Association and CCC shall not be obligated to spend in any year all the sums received by it in such year (whether by way of annual or special assessments, fees or otherwise) and may carry forward as surplus any balances remaining (rather than apply such surplus to reduction of the annual assessment in future years) in such amounts as the Association and the CCC, in its discretion, may determine to be desirable for the greater financial security of the Association and CCC.

Section 2. Purpose of Assessments. The assessments levied by the Association or CCC shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties, to fulfill the Association's obligations under the Declaration, Articles, Bylaws, and any other governing document of the Association or CCC, and for the improvement and maintenance of the Common Area. Annual assessments may include a reasonable reserve fund for taxes,

insurance, maintenance, repairs and replacement of the Common Areas and all other areas for which the Association is responsible. Reserve funds collected by the Association shall be deposited into one (1) or more federally insured bank accounts ("Reserve Accounts") and shall be segregated from the Association's general operating account(s).

Section 3. Annual Assessment for the Association.

(a) Annual Budget; Delivery to Membership. The annual assessment as of January 1, 2010 is $1,260.00. Notwithstanding anything contained herein to the contrary, the Board shall not increase the annual assessment in any fiscal year by more than twelve percent (12%) over the immediately preceding fiscal year's annual assessment without the approval of two-thirds (2/3) of the Members who are voting in person or by absentee ballot at a meeting duly called for this purpose. The Board shall annually adopt the Association's budget and determine and fix the amount of the annual assessment against each Lot and shall notify the Owner of each Lot, in writing, as to (i) the amount of such annual assessment and (ii) the payment cycle for the annual assessment (e.g., annually, quarterly or monthly). The written notice shall be provided to each Owner at least thirty (30) days prior to the beginning of each fiscal year of the Association; however, failure to send written notice shall not eliminate an Owner's obligation to pay Assessments. The Board shall maintain a summary of the Association's finances for each fiscal year. In addition to including amounts for the estimated Common Expenses and cash requirements for the Association, each budget may also provide for a reserve for contingencies and a reserve for replacements, all in such amounts as determined by the Board to be reasonably adequate, taking into account the number and nature of replaceable property within the Common Areas and other areas for which the Association is responsible, the expected life of such item and each item's expected repair or replacement cost. In the event the Association fails to adopt a budget for any fiscal year prior to commencement of the fiscal year, then until and unless a budget is adopted, the budget (and the amount of the annual assessment provided for therein) for the year immediately proceeding shall remain in effect. In the event the Board shall determine that the annual assessment levied for the current year is, or will become, inadequate to meet all Association expenses for any reason, the Board may increase the annual assessment as needed, provided however, that if such increase causes the annual assessment for the fiscal year to be an increase of more than twelve percent (12%) over the immediately preceding fiscal year's annual assessment, the increased annual assessment must be approved by two-thirds (2/3) of the Members who are voting in person or by absentee ballot at a meeting duly called for this purpose.

(b) Reserve Studies. The Board may periodically obtain reserve studies and updates to assist in determining an appropriate amount for repair and replacement reserves for the Association; provided, however: (i) the results of any such studies and reports shall be advisory only and the Board, in its sole and absolute discretion, shall have the right to provide for reserves which are greater or less than those shown in the study; and, (ii) in establishing any replacement and repair reserves for the Association, in addition to the recommendations of any such studies or reports and other relevant factors, the Board may take into account (a) the amount of annual assessments for the Properties as compared to other comparable developments; (b) the past incidences of required repairs at the Properties; and, (c) projected funds available to the Association.

Section 4. Uniformity of Assessments. Except as hereinafter specifically provided herein, the amount of the annual and special assessments shall be fixed at a uniform rate for all Lots.

Section 5. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any fiscal year, a special assessment applicable to that fiscal year only for the purposes of: (i) defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto; or (ii) for any other lawful Association purpose; provided that any such special assessment shall have the assent of Members having at least two-thirds (2/3) of the votes entitled to be cast by Members who are voting in person or by absentee ballot at a meeting duly called for such purpose. The provisions of this section shall not preclude or limit the assessment, collection or use of the annual assessments for the aforesaid purposes.

Section 6. Notice and Quorum for any Action Authorized under Section 3 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 5 shall be sent to all members not less than thirty (30) days nor more than fifty (50) days in the advance of the meeting. At the first such meeting called, the presence in person or by absentee ballot of Members entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Transfer Fee. The Association may collect from each purchaser of a Lot immediately upon becoming the Owner of the Lot a transfer fee in an amount established by the Board by written resolution, and this amount may be changed from time to time by the Board in its sole discretion. The transfer fee may be used by the Association for operating expenses and/or to supplement the

Association's Reserve Fund. If imposed, this transfer fee shall be applied uniformly to all purchasers at the close of escrow or other transfer of title and shall be due and collectible in the same manner, and subject to the same lien rights, as the assessments. This fee shall be in addition to any other fees and assessments due and payable at the close of escrow or other transfer of title, including any fees charged by the Association's managing agent in relation to the transfer of the Lot. The transfer fee shall be in addition to, and shall not be offset against or considered as an advance payment of, any assessment levied by the Association pursuant to this Declaration, and the payment of such transfer fee shall not entitle purchaser to the return of any working capital and reserve payments made to the Association. No transfer fee shall be payable with respect to: (a) the transfer or conveyance of a Lot by devise or intestate succession; (b) a transfer or conveyance of a Lot to a family trust, family limited partnership or other person or entity for bona fide estate planning purposes; (c) a transfer or conveyance of a Lot to a corporation, partnership or other entity in which the grantor owns a majority interest unless the Board determines, in its sole discretion, that a material purpose of the transfer or conveyance was to avoid payment of the transfer fee.

Section 8. Enforcement Assessment. The Association may assess against an Owner as an enforcement assessment any of the following expenses: (a) any collection costs, including, but not limited to, attorneys' fees and court costs, incurred by the association in attempting to collect any assessments or other amounts payable to the Association by the Owner or (b) any attorneys' fees (whether or not a lawsuit is filed) and other costs incurred by the Association with respect to any violation of this Declaration, the Bylaws, the Articles, the Association Rules, or any other document governing the Association by the Owner or the Owner's lessees, occupants or invitees.

Section 9. Effect of Non-payment of Assessments; Remedies of the Association.

(a) Any assessment or installment thereof not paid within thirty (30) days after the date such assessment or installment is due shall be deemed delinquent and shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum. In addition, the Board may establish a late fee, not to exceed the greater of $15.00 or ten percent (10%) of the amount of the unpaid assessment, to be charged to any Owner who has not paid any assessment within thirty (30) days after such payment was due. Any amounts paid by a Member shall be applied first to unpaid principal and then to interest, late charges, and fees, if any.

(b) Any assessment, or any installment of an assessment, which is delinquent shall become a continuing lien on the Lot against which such assessment was made. Recording of this Declaration perfects the Association's assessment lien. Nevertheless, the Association may record a "Notice of Claim of Lien" which shall set forth (i) the name of the delinquent Owner

as shown on the records of the Association, (ii) the legal description or street address of the Lot against which the claim of lien is made, (iii) the amount claimed as of the date of the recording of the notice including interest, lien recording fees and reasonable attorneys' fees, (iv) the name and address of the Association. The Association shall not be obligated to release the assessment lien until all delinquent assessments, interest, lien fees and reasonable attorneys' fees have been paid in full whether or not all of such amounts are set forth in the Notice of Claim of Lien.

(c) The Association shall have the right, at its option, to enforce collection of any delinquent assessments together with interest, lien fees, reasonable attorneys' fees and any other sums due to the Association in any manner allowed by law including, but not limited to, the following procedures (and the exercise of one remedy shall not prevent the Association from thereafter exercising any other remedy available): (i) bringing an action at law against the Owner personally obligated to pay the delinquent assessments and such action may be brought without waiving any lien securing any such delinquent assessments or (ii) bringing an action to foreclose its lien against the Lot in the manner provided by law for the foreclosure of a realty mortgage or deed of trust. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any and all Lots purchases at such sale.

Section 10. Subordination of Lien to Mortgages. The Assessment lien provided for herein for delinquent assessments shall be subordinate to any first mortgage lien held by, or deed of trust of which the beneficiary is, a lender who has lent funds with the Lot as security, or held by the lender's successors and assigns, and shall also be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior. Except as above provided, the assessment lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon each Lot. Sale or transfer of any Lot shall not affect the assessment lien; provided, however, that if the sale or transfer is pursuant to foreclosure of a mortgage or deed of trust to which the assessment lien is subordinate, or pursuant to any sale or proceeding in lieu thereof, the purchaser at the mortgage foreclosure or deed of trust sale, or any grantee taking by deed in lieu of foreclosure, shall take the Lot 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; but upon the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure, the assessment lien immediately shall become and remain superior to any and all other charges, liens or encumbrances (except liens for taxes or other public charges which by applicable law are expressly made superior), and such mortgage or deed of trust foreclosure sale purchaser or grantee shall take subject to all assessments and the assessment lien thereof accruing subsequent to the date of issuance of a sheriff's or trustee's deed or deed given in lieu of foreclosure

ARTICLE VI - Pparty WALL

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply hereto.

Section 2. Sharing of Repair and Maintenance. The rights and duties of Owners with respect to party walls shall be as follows:

(a) The Owners of contiguous Lots who have a party wall shall both equally have the right to use such wall, provided that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner.

(b) In the event that any party wall is damaged or destroyed through the act of an Owner or any of his agents or guests or members of his family, it shall be the obligation of such Owner to rebuild and repair the party wall without cost to the other adjoining Lot Owner or Owners.

(c) In the event any such party wall is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act of an adjoining Owner, his agents, guests or family, it shall be the obligation of all Owners whose Lots adjoin such wall to repair such wall at their joint and equitable expense.

(d) Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any party wall without the prior consent of all Owners of Lots benefitted by the party wall.

(e) Each Owner shall permit the Owners of adjoining Lots, or their representative, when reasonably required, to enter his Lot for the purpose of repairing or maintaining a party wall or for the purpose of performing installations, alterations or repairs to the property of such adjoining Owners, providing that request for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate. An adjoining Owner making entry pursuant to the terms of this paragraph shall not be deemed guilty of trespass by reason of such entry.

Section 3. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass such Owner's successors in title.

ARTICLE VII - MAINTENANCE AND ALTERATION

Section 1. Common Area, Lot and Dwelling Unit Maintenance. The maintenance, repair, and replacement of the Properties shall be allocated between the Association and the individual Owners according to the following:

(a) Common Area Maintenance. The Association shall provide maintenance, repair and replacement to the Common Area, which will include necessary landscape maintenance, repair and/or replacement of driveways within the Common Area, and necessary removal of diseased or dead trees where they pose a threat to the individual homeowner's Lot or unit or to surrounding trees;

(b) Lots and Dwelling Units. Except as otherwise specifically provided herein, maintenance, repair, replacement and upkeep of decks, entries, railings and stairways, gutters and downspouts and including all other improvements on a Lot shall be the sole responsibility of each Owner. In the sole discretion of the Board, the responsibility for maintenance and replacement of roofs as well as the maintenance and painting of the exterior building surfaces and exterior chimney flues of the Dwelling Units may be assumed by the Association via a written resolution, and, if any portion of such items is so assumed, the costs of such maintenance and repair shall be included in the Association's budget and may be assessed against all of the Owners as part of the annual assessment and any special assessments. If not so assumed, the responsibility for such maintenance, repair and replacement shall remain the responsibility of the Owner of the Dwelling Unit;

(c) Plumbing. Each owner shall be responsible for sewer blockage, repair, etc. of all Dwelling Unit plumbing inside of the Dwelling Unit. In the sole discretion of the Board, the maintenance, repair and replacement of the connection line that exclusively serves one Dwelling Unit and that is located outside of the Dwelling Unit and connects to the City of Flagstaff sewer line, may be assumed by the Association via a written resolution, and, if so assumed, the costs of such maintenance, repair and replacement shall be included in the Association's budget and may be assessed against all of the Owners as part of the annual assessment and any special assessments. If not so assumed, the responsibility for such maintenance, repair and replacement shall remain the responsibility of the Owner of the Dwelling Unit;

(d) The Association shall not be responsible for maintenance or repair to any of the following types of damage, all of which shall be the responsibility of the individual Owner: glass surfaces or exterior screens; any damage directly caused to any Lot or unit as a result of erosion, foundation

settling, soil subsidence or slippage, or any damage indirectly resulting to any Lot or unit from such causes;

(e) Interior maintenance of the Dwelling Unit shall be the responsibility of the Owner subject to the provisions set forth in subparagraph (f);

(f) The Association shall determine the exterior color scheme of all buildings and no Owner shall paint any exterior wall, door, window or other exterior surface or replace anything thereon or affix anything thereto without the written consent of the Board of Directors,

Section 2. Failure to Maintain. Such maintenance, repair and replacement of decks, entries, railings and stairways, and all other improvements on a Lot shall be undertaken in a manner and with such frequency as shall keep each Owner's Lot in an attractive, well-kept and maintained condition in conformity with all other Lots. In the event any Owner fails to fulfill his or her obligation under this Section, the Association, after providing the Owner reasonable notice and an opportunity to be heard, shall have the right through its agents, to enter upon the subject property, and to repair, maintain and restore the Lot. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject. The Board shall have the right to determine whether or not a Lot is in need of maintenance, repair and upkeep in order to conform to the standards of the general neighborhood of the Properties and the Board shall use a reasonably high standard to determine whether such maintenance, repair, and upkeep is required so that the Lots as a whole will reflect a high pride of ownership.

Section 3. The Association, acting through its Board of Directors, reserves the right, as a condition to its approval of any improvement, constructed or modified, on an individual Lot/Unit, to impose such restrictions, limitations, and conditions to its subsequent duty of maintenance, repair, and/or replacement of such improvements as it sees fit.

Section 4. Owner's Negligence or Intentional Act. Anything in this Article VII to the contrary notwithstanding, if any damage to the Common Area or to an individual Lot is caused by the negligent or intentional act or omission to act of any Owner or his family members, guests, tenants, animals, or permitted invitees, the cost of any resulting maintenance or repairs shall be the sole responsibility of such Owner and shall, if incurred by the Association, be added to and become a part of the assessment to which such Lot and Owner is subject.

Section 5. Easement for Maintenance. Each Owner or his authorized agent, in order to conduct such maintenance, repair or repainting, shall have the right of entry at reasonable times upon Lots adjacent to such Owner's Lot, provided reasonable notice of such entry is first given by such Owner to the Owner of involved adjacent Lot. The Association shall have right to entry and an easement upon each Lot for the purpose of fulfilling its responsibilities hereunder.

ARTICLE VIII - INSURANCE PROVISIONS

Section 1. Scope of Coverage. The Association shall maintain, to the extent reasonable available, the following insurance coverage:

(a) Property insurance on the Common Area insuring against all risk of direct physical loss, insured against in an amount equal to the maximum insurable replacement value of the Common Area, as determined by the Board; provided, however, that the total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement cost of the insured Common Area, exclusive of land, excavations, foundations and other items normally excluded from a policy;

(b) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than $1,000,000.00. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Area, and shall also include hired automobile and non-owned automobile coverages with cost liability endorsements to cover liabilities of the Owners as a group to an Owner and provide coverage for any legal liability that results from lawsuits related to employment contracts in which the Association is a party;

(c) Workers' compensation insurance to the extent necessary to meet the requirements of the laws of Arizona;

(d) Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association or the Owners, including, but not limited to, directors' and officers' liability insurance, employee dishonesty insurance, and commercial theft insurance;

(e) The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions:

(i) That there shall be no subrogation with respect to the Association, its agents, servants, and employees, with respect to Owners and members of their household;

(ii) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery on the policy;

(iii) That the coverage afforded by such policy shall not be brought into contribution or proration with any insurance which may be purchased by Owners or their mortgagees or beneficiaries under deeds of trust;

(iv) A "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or other Owners;

(v) The Association shall be named as the Insured;

(vi) For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify the first mortgagee named in the policy at least thirty (30) days in advance of the effective date of any substantial modification, reduction or cancellation of the policy;

(f) If the Common Area is located in an area identified by the Secretary of Housing & Urban Development as an area having special flood hazards, a policy of flood insurance on the Common Area must be maintained in the lesser of one hundred percent (100%) of the current replacement cost of the buildings and any other property covered by the required form of policy or the maximum limit of coverage available under the National Insurance Act of 1968, as amended;

(g) "Agreed Amount" and "Inflation Guard" endorsements.

Section 2. Fidelity Insurance.

(a) The Association shall maintain blanket fidelity insurance for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association, including, but without limitation, officers, directors and employees of any management agent of the Association, whether or not they receive compensation for their services. The total amount of fidelity bond maintained by the Association shall be based upon the best business judgment of the Board, and shall not be less than the greater of (i) the amount equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, (ii) the estimated maximum amount of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each policy period, (iii) the sum equal to three (3) months assessments on all Lots plus adequate reserve funds. Fidelity insurance policies obtained by the Association must also meet the following requirements:

(i) The policy shall name the Association as an obligee;

(ii) The policy shall contain waivers by the issuers of the policy of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions;

(iii) The policy shall provide that they may not be canceled or substantially modified (including cancellation from non-payment of premium) without at least ten (10) days prior written notice to the Association.

(b) The Association shall require any management agent of the Association to maintain its own fidelity insurance in an amount acceptable to the Association, and the Association shall name the management agent as an additional named insured on the Association's fidelity insurance.

Section 3. Payment of Premiums. The premiums for any insurance obtained by the Association pursuant to this Article shall be included in the budget of the Association and shall be paid by the Association.

Section 4. Insurance Obtained by Owners. Each Owner shall be responsible for obtaining property insurance for his own benefit and at his own expense covering his Lot, and all improvements and personal property located thereon. This coverage must be sufficient to rebuild the improvements on the Lot provided they are destroyed or damaged for any reason including fire, windstorm, and vandalism, and other acts of nature. The Owner's policy should include but not be limited to personal liability insurance, theft and other insurance covering person and/or real property damage and loss.

Section 5. Payment of Insurance Proceeds. With respect to any loss to the Common Area covered by property insurance obtained by the Association in accordance with this Article, the loss shall be adjusted with the Association and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. Subject to the provisions of this Article, the proceeds shall be disbursed for the repair or restoration of the damage to Common Area.

Section 6. Repair and Replacement of Damaged or Destroyed Property. Any portion of the Common Area damaged or destroyed shall be repaired or replaced promptly by the Association unless (i) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (ii) Owners owning at least eighty percent (80%) of the Lots vote not to rebuild. If the insurance proceeds collected on account of such damage or destruction is insufficient to pay the cost of the repair or restoration, the amount necessary to complete such repair or restoration may be obtained by the Association by a special assessment levied against all Lots as a uniform rate, and notwithstanding any other provision of this

Declaration, the approval of the Owners shall not be necessary. If the entire Common Area is not repaired or replaced, insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition which is not in violation of any state or local health or safety statute or ordinance and the remainder of the proceeds shall be retained by the Association for use to fulfill any proper Association purpose.

ARTICLE IX - USE RESTRICTIONS

Section 1. Each of said Lots is hereby restricted to use as a Single Family dwelling for residential use. A "Single Family" shall mean an individual living alone, a group of two or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than five persons not all so related, together with their domestic employees, who maintain a common household in a dwelling.

Section 2. No animals, fish or fowl, of any kind, shall be raised, bred or kept on any of said Lots or Common Areas, provided that ordinary domestic dogs and cats will be permitted so long as (a) such cats and dogs are kept within the boundaries of the Lot of their Owner and do not offend or annoy other Lot Owners, (b) such pets are not kept, bred or maintained for any commercial purpose, and no kennels, pens, or similar structures or enclosures shall be constructed or maintained upon any of said Lots. Such household pets shall not be permitted in or upon the Common Areas except as may be allowed by Rules and Regulations of the Board. It shall be the responsibility of each Owner to remove immediately any droppings from pets. The Association shall have the right to take legal action to remove pets deemed by the Board of Directors to be in violation of this provision.

Section 3. No signs shall be displayed on any Lot except the following:

(1) a "For Sale" sign no larger than eighteen by twenty-four inches (18" x 24") and any associated sign riders, while the Lot is for sale;

(2) a for lease or for rent sign of industry standard size, while the Lot is for lease or rent;

(3) an open house sign as may not be prohibited by law;

(4) political signs as permitted by county and municipal ordinances may be placed on the Lot up to forty-five (45) days before an election and up to seven (7) days after an election;

(5) such signs as may be required by law or which cannot be prohibited by law;

(6) one residential identification sign; and

(7) signs approved by the Board.

All signs must conform to applicable municipal ordinances. No signs may be placed upon the Common Area without the prior written approval of the Board.

Section 4. No trade or business may be conducted on any Lot, except that an Owner or other resident of a Lot may conduct a business activity upon the Lot so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside of the Lot; (ii) the business activity conforms to all applicable zoning ordinances or requirements for the Lot; (iii) the business activity does not involve persons coming onto the Lot or the door-to-door solicitation of Owners or other residents in the Properties; and (iv) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance or a hazardous or offensive use or threaten security or safety of other residents in the Properties, as may be determined from time to time in the sole discretion of the Board. Furthermore, no advertising or directional signs may be placed upon the Lot or any portion of the Common Areas regarding the business activity. The terms "business" and "trade" as used in this section shall be construed to have ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (a) such activity is engaged in full or part time; (b) such activity is intended or does generate a profit; or (c) a license is required for such activity. Nothing herein shall be deemed to prevent the leasing of any such Lot to a Single Family from time to time by the Owner thereof for a period of not less than thirty (30) days, subject to all of the provisions of this Declaration.

Section 5. No outside speakers, amplifiers or other sound producing equipment shall be permitted to be installed or maintained on any Lot or Common Area. No open fires or burning shall be permitted on any part of the Properties and no incinerators or the like shall be placed, allowed, or maintained upon any Lot or the Common Area. The foregoing shall not be deemed to preclude the use in customary fashion of outdoor barbecues or grills, unless such use is prevented or restricted by fire protection rules or regulations.

Section 6. No tanks of any kind, elevated above the surface of the ground or visible in any manner, shall be erected, placed, or permitted on any of said Lots or the Common Area. No exterior clothesline equipment of any kind shall be permitted on any part of the Properties. No unsightly objects shall be permitted on any of the decks on any Lots. All rubbish, trash, or garbage shall be kept in closed containers and not allowed to accumulate on any of said Lots, and all of said containers shall be kept only in the trash collection areas designated by the Board of Directors and approved by the CCC. Woodpiles shall be kept neatly stacked and adequately

screened so as to conceal them from view of streets and neighboring Lots. Incineration of rubbish, trash, garbage, or vegetation shall not be permitted.

Section 7. No house trailer, mobile home, motorized motor home, camper, camper truck, tent, trailer, boat, or bus, or similar facility or vehicle and no vehicle of any type which is abandoned or inoperable shall at any time be placed upon, stored, or lived in on any of said Lots or Common Area. Nor shall any vehicle, equipment, furniture or other objects be repaired, modified or otherwise worked on at any time upon any of said Lots or Common Area or on any street adjacent to any of said Lots, provided, however, that the Board may permit minor repairs to vehicles or trailer/boat parking for loading/unloading/cleaning/purposes for a period not to exceed forty-eight (48) hours.

Section 8. No noxious or offensive activity may be carried on or permitted on any part of the Properties, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood, including without limitation, annoying or offensive sound or odors. No hazardous activities shall be conducted upon any part of the Properties, nor shall any improvements or conditions which are unsafe or hazardous to any person or property be permitted. The Board in its sole discretion shall have the right to determine the existence of any such nuisance.

Section 9. No boarders or renters of a portion of any of said Lots shall be permitted. An entire Lot may be rented to a Single Family.

Section 10. Due to the large number of trees in the area of this subdivision and the possibility of forest fires from time to time:

(a) The Association shall at all times maintain the Common Area cleared of unsightly vegetative growth and other materials;

(b) No Lot Owner shall maintain any flammable materials or otherwise use his Lot in a manner which would create a fire danger to any of said Lots;

(c) The Association and each Lot Owner shall be bound by all fire protection rules and regulations issued by the Association, CCC and the City of Flagstaff.

Section 11. No planting or gardening shall be done except in areas designated by the Association, and no fences, hedges, or walls shall be erected or maintained upon said premises except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Board of Directors and the CCC.

Section 12. The Common Area shall remain undivided, and shall at all times be owned by the Association in accordance with Article I, Section 6, or its successor, it being

agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Common Area.

Section 13. In the event any uses, activities and facilities on any Lot are deemed by the Association to be a nuisance or to adversely affect the health, safety or welfare of Owners or occupants, the Association may make rules restricting or regulating their presence within the Properties and on any Lot(s).

Section 14. Except as initially installed with the original construction, no heating, air conditioning, evaporative cooling or solar energy collecting unit or panels shall be placed, constructed or maintained upon any Lot without the prior written approval of the Board of Directors.

Section 15. Unless governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, no antenna or other device for the transmission or reception of television, internet or radio signals or any other form of electromagnetic radiation or any associated equipment shall be erected, used or maintained outdoors on any Lot or Common Area, whether attached to a building or structure or otherwise, so as to be visible from the Common Area or the street, unless approved in writing by the Board. Any device governed by 47 C.F.R. § 1.400 (Over-the-Air Reception Devices Rule), as amended, repealed, or recodified, shall comply with any applicable antenna installation rules of the Association and shall be mounted, to the extent reasonably possible, so as to not be visible from the Common Area or the street.

ARTICLE X – EASEMENTS

Section 1. All easements depicted or referred to in the plat of the Properties are reserved, and there is hereby created a blanket easement upon, across, over, and under the above described premises for ingress, egress, installation, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewers, gas, telephones, and electricity, and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits, and conduits on, above, across, and under the roofs and exterior walls of said dwellings, notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utility may be installed or relocated on said Properties except as initially planned and approved by the Developer or thereafter approved by the Board of Directors of both the Idlewood, Unit II Homeowners' Association and the CCC. This easement shall in no way affect any other recorded easements on said premises.

Section 2. Each townhouse and the Common Area shall be subject to an easement for encroachments created by constructions, settling, and overhangs, as originally designed or constructed. A valid easement of said encroachments and for the

maintenance of same, so long as it stands, shall and does exist. In the event a multi-family structure is partially or totally destroyed, and then rebuilt, the Owners of said Lots agree that minor encroachments or parts of the adjacent Lots or Common Area due to the construction shall be permitted and that a valid easement for such encroachment and the maintenance thereof shall exist.

Section 3. CCC shall be responsible at all times for the maintenance of the dam which provides for the storage of water upon Tract D, of Continental Lakeside Acres, and retains and reserves that portion of Tract F of Continental Lakeside Acres, which lies within the Idlewood Subdivision, as a retaining dam maintenance easement depicted and referred to in the plat of the Properties. Said maintenance easement is provided for ingress, egress, installation, replacement, repairing, and CCC shall be responsible for the maintenance, control, esthetics, and integrity of said property within the easement and the dam thereon.

ARTICLE XI - ARCHITECTURAL CONTROL

Section 1. Except for the original improvements constructed by the Developer, no building, fence, wall, or other structure shall be commenced, erected, or maintained upon all or any portion of the Properties, nor anything affixed or attached thereto, nor shall any exterior addition to or change or alteration therein (including without limitation, building materials, paint colors, trim, shape and character of any of the buildings or improvements upon the Properties) be made unless approved in writing by the Board of Directors of both the Association and the CCC. Any request for such approval shall require the submission of plans and specifications showing the nature, kind, shape, materials, floor plans, and locations of the construction, installation, addition, alteration, repair, change or replacement to the Board of Directors of both the Association and the CCC, and if a copy thereof is finally approved, it shall be lodged permanently with the Association. Any Owner requesting the approval of the Board of Directors of both the Association and the CCC shall also submit to the Board of Directors of both the Association and the CCC any additional information, plans and specifications which may be requested by either body. All plans must comply with Coconino County requirements.

Section 2. No tree may be removed at any time without the approval of the Board of Directors of the Association and the CCC which may require that any tree approved for such removal which has a trunk diameter of three (3) inches or greater shall be replaced with a tree having a trunk in diameter of not less than three (3) inches which shall be planted either on a portion of the Properties or in any area designated by the Association or the CCC.

Section 3. The Association shall have the right to charge a design review fee and collect a refundable construction deposit on major remodeling and new construction projects. Such fee and deposit shall be payable at the time the application for approval is submitted to the Board of Directors of the Association. The amount

of the design review fee and construction deposit shall be established by the Board of Directors of the Association in its discretion, and may be increased from time to time as the Board of Directors of the Association may determine. The Board of Directors of the Association shall have the authority to use the services of an architect or consultant chosen by the Board of Directors of the Association, and to use the design review fee to pay the reasonable fees of the architect or consultant. The construction deposit will be retained by the Association for the purposes of assuring the prompt completion of the work in accordance with the any Association Rules adopted by the Board of Directors of the Association, and for the purpose of repairing any Common Area damaged by the Owner or the Owner's agents. If such violations or damage occur, the Association may levy reasonable monetary penalties against the construction deposit, including forfeiture of the entire deposit, after notice and an opportunity to be heard, or use any amounts of the deposit as the Board of Directors of the Association deems necessary to repair the damage caused. If the cost of repair exceeds the amount of the deposit, the Owner shall be responsible for the difference. Said amount, if unpaid, shall be collected in the same manner as assessments. The Owner shall have no right to demand and the Association shall have no obligation to pay the construction deposit until after the completion of construction to the satisfaction of the Board of Directors of the Association, after which time any unused portion of the construction deposit will be returned to the Owner who paid the construction deposit.

Section 4. The Board of Directors of the Association shall have the right to refuse to approve any such plans or specifications which are not suitable or desirable in its opinion for aesthetic reasons, because they are not in accordance with the overall theme of Idlewood Unit II, or for any other reason, and in so passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed building or other structure and the material which is to be used, the site upon which it is proposed to be erected, the harmony with the surroundings, and the effect of the proposed structure on the outlook from adjacent or neighboring property. The Association's approval or disapproval shall be in writing, and the Association shall keep a permanent record of all such decisions. The approval by the Board of Directors of the Association of any construction, installation, addition, alteration, repair, change or other work pursuant to this Article shall not be deemed a waiver of the Association's right to withhold approval of any similar construction, installation, addition, alteration, repair, change or other work subsequently submitted for approval. The approval of the Board of Directors of the Association required by this Article shall be in addition to, and not in lieu of, any approvals, consents or permits required under the ordinances or rules and regulations of any county or municipality having jurisdiction over the Properties.

ARTICLE XII - GENERAL PROVISION

Section 1. Enforcement. In the event of any violation or breach of, or any default under, any of the restrictions, conditions, covenants, reservations or other provisions

contained herein, any one or more of the following remedies (as may be applicable) shall be available:

(a) In the event of any violation or breach of, or default under Article IX hereof pertaining to fire danger which poses a danger or hazard to any other Owners of said Lots or their property, CCC, the Association, or any Owner shall have the right to go upon such Lot without notice and take such action as may be necessary to alleviate such dangerous or hazardous conditions, and any expense thereby incurred by the CCC or the Association shall become a lien upon such Lot which may be foreclosed in the manner provided for in Article V hereof;

(b) For any other violation or breach of, or default hereunder, the Association or CCC shall have the right after ten (10) days notice in writing to the defaulting Owner to go upon such Lot or the Common Area and take such action as may be necessary to correct such violation, breach, or default, including without limitation, removal of any unauthorized personal property and placing the same in storage at the expense of the defaulting Owner, repainting the exterior of any building which has been painted in an unapproved manner or color, replacement of any trees removed without approval, and cleaning up any unsightly material or debris upon any Lot or the Common Area. Any expenses thereby incurred by the Association or CCC shall become a lien upon such Lot or the Common Areas which may be foreclosed as provided in Article V hereof;

(c) The Association, CCC or any Owner, or any combination thereof may, in addition to any other remedy available at equity or law, prosecute an action or other proceedings against such defaulting Owner or the Association for injunctive relief, specific performance, damages, a judgement for payment of money and collection thereof, or the appointment of a receiver to take possession of the improvements on said Lot or the Common Area. By the acceptance of a deed to any Lot, or by signing a contract or agreement for the purchase of the same, the Association and each Lot Owner does hereby agree that in addition to the relief prayed for in such action, the defaulting Owner shall be liable for all court costs and reasonable attorney's fees incurred in the prosecution of such action;

(d) the use of any one or more of the remedies provided for in Section 1 of Article XII shall not defeat the lien of a purchase money or construction mortgage or deed of trust made in good faith and for value.

Section 2. Severability. Invalidation of any of these covenants or any portion thereof, by judgement or court order, shall in no way affect any other provisions or any portion thereof which shall remain in full force and effect.

Section 3. Non-Waiver. Failure by the Association or any Owner to enforce any of the covenants, restrictions, rights, reservations, and limitations contained herein shall not in any event be construed and held to be a waiver thereof or consent to any further or succeeding breach or violation thereof, or a waiver of the right of the Association or any Owner to enforce and or all violations of this Declaration in the future.

Section 4. Invalidity. Invalidation of any of these covenants, restrictions, reservations, conditions and servitudes by judgment, court order, or otherwise shall in no way affect the validity of any of the other provisions of this Declaration, all of which shall remain in full force and effect.

Section 5. Violations and Nuisance. Every act or omissions whereby any provision of this 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, by the Association or any Owner.

Section 6. Violations of Law. Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation, or use of any property within the Property is hereby declared to be a violation of this Declaration and subject to any or all the enforcement procedures set forth herein.

Section 7. Construction. In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and the Articles, Bylaws, or Association Rules, the provisions of this Declaration shall prevail over all others, the Articles shall prevail over the Bylaws, and the Bylaws shall prevail over the Association Rules.

Section 8. Interpretation. Except for judicial construction, the Association shall have the exclusive right to construe and interpret the provisions of this Declaration and the Articles, Bylaws, or Association Rules. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by this Declaration and the Articles, Bylaws, or Association Rules.

Section 9. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. The Declaration or the Plat may be amended at any time by the written approval or the affirmative vote, or any combination thereof, of Owners of not less than a majority of the Lots entitled to vote. Any amendment must be recorded.

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

DATED this 28 day of July, 2010

IDLEWOOD, UNIT II HOMEOWNERS' ASSOCIATION

Signature: _____

Printed Name: John M. Schwarz
President

STATE OF ARIZONA)
) ss.
County of Coconino)

On this 28 day of July, 2010 before me personally appeared John Schwarz, whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that he/she signed this document.

_____
Notary Public

Notary Seal:

SHERRIE L. GARDUNO
COMM. #132120
NOTARY PUBLIC - ARIZONA
COCONINO COUNTY
My Comm. Exp. Dec. 18, 2010