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WHEN RECORDED RETURN TO:

PebbleCreek Golf Resort Homeowners Association No. 1, Inc.  
9532 East Riggs Road  
Sun Lakes, Arizona 85248  
Attn: Jack Sarsam

**FIRST AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF  
PEBBLECREEK GOLF RESORT**

This First Amendment to Declaration of Covenants, Conditions and Restrictions of PebbleCreek Golf Resort (this "Amendment") is executed on the date set forth below by PebbleCreek Golf Resort Homeowners Association No. 1, Inc. and by PebbleCreek Properties Limited Partnership and will be effective as of the date recorded.

**Recitals**

The Declaration of Covenants, Conditions and Restrictions of PebbleCreek Golf Resort, dated September 21, 1992, was recorded in the Official Records of Maricopa County, Arizona, on September 21, 1992, as Instrument No. 92-0525619 (as thereafter amended or supplemented, the "Declaration"). All capitalized terms used but not defined in this Amendment have the meanings assigned to them in the Declaration.

**Amendments**

The Declaration is hereby amended as follows:

1. The following is added to the Declaration as Section 13 of Article VII of the Declaration:

Section 13. Community Enhancement Fee.

(a) Establishment. In addition to the Annual Assessments and the Special Assessments provided for above, and except as otherwise provided below, upon the conveyance or transfer of title to any Lot occurring on or after the date sixty (60) days after this Amendment is recorded, the new Owner (i.e. the transferee) shall pay a fee (the "Community Enhancement Fee") to the Association in the amount set forth below. The Community Enhancement Fee shall be due and payable by, and shall be

the personal obligation of, the transferee as the new Owner and, to the fullest extent permitted by applicable law, shall be secured by the Assessment Lien on the Lot. Except as otherwise provided below, a Community Enhancement Fee shall be nonrefundable and shall be due and payable upon each transfer of title to the Lot. The Community Enhancement Fee shall be deposited in the Association's reserve fund and/or community enhancement fund and shall be used by the Association only for those purposes designated in the Association's policies as adopted and amended by the Board from time to time for each of such funds, respectively. The portion of each Community Enhancement Fee to be deposited in one or both funds for the calendar year shall be determined by the Board prior to the Commencement of the calendar year. The collection and expenditure of the Community Enhancement Fee described herein touches and concerns the land in accordance with A.R.S. Section 33-442.

(b) Amount of Fee. Upon the effective date of this Section, the Community Enhancement Fee shall be an amount equal to the Annual Assessment in effect at the time of the conveyance of the Lot at issue. For each calendar year thereafter, the Board, in its sole discretion, may change the Community Enhancement Fee to an amount that is equal to or less than the then applicable Annual Assessment, but under no circumstances may the Board increase the Community Enhancement Fee to an amount higher than the Annual Assessment that is then in effect without the affirmative vote of a majority of the votes cast in person, by proxy or by absentee ballot at an annual meeting of the Members of the Association or at a special meeting called for that purpose after proper notice to the Members.

(c) Exempt Transfers. No Community Enhancement Fee shall be due with respect to any of the following ("Exempt Transfers"): (i) the transfer or conveyance of a Lot by gift, devise or intestate succession, (ii) the transfer or conveyance of a Lot by an Owner to the Owner's spouse, siblings, parents or issue or to a trust for the sole benefit of such Owner or such Owner's spouse, siblings, parents or issue, (iii) any other transfer or conveyance for nominal or de minimis consideration, or (iv) the purchase of a Lot by the former Owner of another Lot within eighteen (18) months after the conveyance of such other Lot; provided, however, that in any case under this subsection (c), if the Board determines, in its reasonable discretion, that a material purpose of the transfer, conveyance or transaction structure was to avoid payment of the Community Enhancement Fee, then upon written notice from the Association to the transferee, a Community Enhancement Fee shall be due and payable with respect to such transfer or conveyance. In the event of any question or dispute regarding whether or not a particular transfer constitutes an Exempt Transfer pursuant to this subsection, the Board's determination shall be final and binding.

(d) Refund. If (i) the Owner of a Lot purchases another Lot, and (ii) pays the Community Enhancement Fee in connection with the purchase of such other Lot, and (iii) that Owner sells either one of such Lots within eighteen (18) months of the closing of the purchase, and (iv) a Community Enhancement Fee is paid by the

transferee in connection with such sale, then the Community Enhancement Fee paid by the Owner referred to in clause (i) above shall be returned to that Owner without interest within thirty (30) days after the Association receives written demand and proof of the recorded conveyance reasonably satisfactory to the Association. If that Owner fails to transfer one of the two Lots within that eighteen-month period, the Association shall retain the Community Enhancement Fee and the Owner shall be deemed to have waived all rights thereto.

(e) Excluded Transfers. Notwithstanding anything to the contrary contained in this Section 13, the Community Enhancement Fee shall not apply to any of the following ("Excluded Transfers"):

(i) any sale by Declarant (or its successor as Declarant), its affiliate or Trustee (or its successor as Trustee);

(ii) any sale of Exempt Property; or

(iii) the first sale (i.e. closing) of any Lot after the Lot is improved with a house for the first time.

In the event of any question or dispute regarding whether or not a particular transfer constitutes an Excluded Transfer pursuant to this subsection, the Board's determination shall be final and binding.

(f) Partial Waiver of Management Fee. By execution of this Amendment, Declarant agrees that the 5% management fee referred to in Article VI, Section 8, of the Declaration will not apply to the Community Enhancement Fees received by the Association.

2. Certification. By its execution below, the Association hereby certifies that this Amendment was approved in writing by the Owners of a majority of the Lots in accordance with Article XIII, Section 2, of the Declaration. Based on such certification, Declarant hereby approves this Amendment as well.

3. No Other Amendments. Except as modified or amended by this Amendment, all terms and provisions of the Declaration shall remain in full force and effect. In the extent of any inconsistency between the terms and provisions of this Amendment and the terms and provisions of the Declaration, the terms and provisions of this Amendment shall govern and control.

IN WITNESS WHEREOF, PebbleCreek Golf Resort Homeowners Association No. 1, Inc. and PebbleCreek Properties Limited Partnership have executed this Amendment this 3rd day of April, 2019.

*[signatures appear on the following pages]*

PEBBLECREEK GOLF RESORT  
HOMEOWNERS ASSOCIATION NO. 1, INC.,  
an Arizona nonprofit corporation

By [Signature]  
Its President

PEBBLECREEK GOLF RESORT  
HOMEOWNERS ASSOCIATION,  
NO. 1, INC., an Arizona nonprofit  
corporation

By [Signature]  
Its Secretary

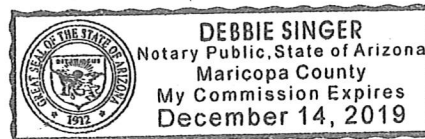
STATE OF ARIZONA )  
                                  ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me, the undersigned notary public,  
this 3<sup>rd</sup> day of April, 2019, by Jack Sargam, the  
President of PebbleCreek Golf Resort Homeowners Association No. 1, Inc., an Arizona  
nonprofit corporation, on behalf of the corporation for the purposes therein contained.

[Signature]  
Notary Public

My Commission Expires:

12-14-19



STATE OF ARIZONA )  
                                  ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me, the undersigned notary public,  
this 3<sup>rd</sup> day of April, 2019, by George Atwell, the  
Secretary of PebbleCreek Golf Resort Homeowners Association No. 1, Inc., an Arizona  
nonprofit corporation, on behalf of the corporation for the purposes therein contained.

[Signature]  
Notary Public

My Commission Expires:

12-14-19

