

Palomino Pointe Association  
1st To Rent  
Attn: Karen Van Vugt  
801 E. Beck Lane  
Phoenix, Arizona 85022  
Phone: (602) 316-7028

January 15th, 2010

**Re: *Results of Membership Vote Regarding Authority to Restrict Water and Authority to Purchase Additional Common Elements***

Dear Palomino Pointe Owner(s):

Recently, the Palomino Pointe Association ("Association") conducted a vote of its members regarding two proposed amendments to the Association's Declaration of Covenants, Conditions and Restrictions ("Declaration") in order to permit the Association to (1) restrict water to delinquent Owners; and (2) purchase additional common elements. The voting was conducted in accordance with the Association's Declaration as well as with Arizona law.

Pursuant to the Declaration, an amendment must be approved by at least seventy-five percent (75%) of Owners who are eligible to vote. Please be advised that the amendments were both approved. In regards to the amendment granting the Association the authority to restrict water, the amendment was approved by forty-one (41) of forty-nine (49) eligible votes. In regards to the amendment granting the Association the authority to purchase additional Common Elements, the amendment was approved by thirty-eight (38) of forty-nine (49) eligible votes.

As such, the Association has the authority to restrict the water to any Unit who is delinquent at least three (3) months in assessments, after a minimum of a forty-five (45) day notice is provided. Further, the Association has the authority to acquire and dedicate property as Common Area to the Association. ***Enclosed please find a copy of the Amendment.***

If you have any questions please contact one of the Palomino Pointe Board of Directors.

Sincerely,

Board of Directors  
Palomino Pointe Association  
Enclosures

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Recorded at the Request of:

WHEN RECORDED, MAIL TO: Beth Mulcahy Mulcahy Law Firm, P.C. 3001 E. Camelback Road, Suite 130 Phoenix, Arizona 85016
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**First Amendment to the Declaration of Covenants,  
Conditions and Restrictions for Palomino Pointe**

THIS FIRST AMENDMENT TO the Declaration of Covenants, Conditions and Restrictions for Palomino Pointe ("Amendment") is made this 23<sup>rd</sup> day of December, 2009, by Palomino Pointe Association ("Association").

**RECITALS**

A. The Declaration of Covenants, Conditions and Restrictions for Palomino Pointe ("Declaration") was recorded on September 1, 2005, at Recording Number 2005-1283457, records of Maricopa County, Arizona, and subjected the real property described in the Declaration (and any Supplemental Declaration) to the Declaration and required that the property be held, sold, used, and conveyed subject to the easements, restrictions, covenants and conditions, which run with the title to the real property subject to this Declaration.

B. The Declaration is binding on all parties having any right, title or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the properties.

C. The Members of the Association desire to amend the Declaration in order to permit the Association, through its Board of Directors or authorized agent, the authority to restrict water to a Unit, after a minimum of a 30 day notice is provided, if the Unit Owner is delinquent with his/her/its assessments for a minimum of three (3) months. The Members of the Association further desire to amend the Declaration in order to permit the Association, through its Board of Directors, the authority to acquire and dedicate property as Common Area to the Association, in the Board's discretion.

D. Article 15, Section 15.7 of the Declaration requires that in order for the proposed amendments to pass, the Association must obtain the written approval of at least seventy-five percent (75%) of the Owners. Pursuant to Article 9, Section 9.1.1 of the Declaration, the Association may suspend the voting rights of an Owner for any period during which an Assessment against his Lot remains unpaid. After taking into consideration the Owners whose

voting rights were suspended, the Association has obtained the written approval or the affirmative vote of at least seventy-five percent (75%) of the Owners who are eligible to vote in the Association.

**NOW, THEREFORE**, the Declaration is amended as follows:

1. **The following language is added as Article 7, Section 7.8.3 of the Declaration.**

Restriction of Water Service to Units. The Association is billed and pays for the water service to the Units as well as the Common Elements. The cost of water service to the Units is part of the Common Expenses which are assessed to the Owners pursuant to Article 7 of this Declaration. By failing to pay assessments for Common Expenses, the Owner of a Unit is failing to pay for the water service to his unit. Accordingly, the Association shall have the right, power, and authority to restrict water service to the Unit of any Owner who fails to pay, when due, a minimum of three (3) months of assessments for Common Expenses, Special Assessments and/or any other assessments assessed against the Owner in accordance with this Declaration or fails to pay when due interest, late charges, collection fees, costs or attorneys' fees payable to the Association by such Owner. Before restricting water service to any Unit, the Association shall give a thirty (30) day notice to the Owner of the Unit and to any Occupant of the Unit of the amount of the delinquent assessments, interest, late charges, costs and attorneys' fees due to the Association and of the date on which the Association will restrict water service to the Unit if all delinquent assessments, together with interest, late charges, collection fees, costs and reasonable attorneys' fees are not paid in full. Such notice shall be given to the Owner in the manner set forth in Section 15.8 of this Declaration and shall be given to an Occupant of a Unit by personal delivery, posting on the door or the property or by mailing a copy of the notice, postage prepaid, to the Occupant at the address of the Unit. If delinquent assessments, together with interest, late charges, costs and reasonable attorneys' fees are not paid within the time set forth in the notice from the Association, then the Association may restrict water service to the Unit. The Association shall have the right and an easement to enter the Unit to the extent necessary to restrict water service to the Unit. Neither the Association, nor its directors, officers, employees or agents shall be liable to the Owner or Occupant or any other person or entity for any damage caused to the Unit or the contents thereof by reason of such entry or by reason of the water restriction. The remedy provided to the Association by this Paragraph shall be in addition to any other remedies provided to the Association by this Declaration or at law or in equity.

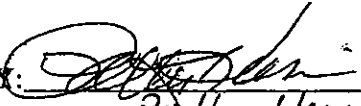
2. **Article 1, Section 1.6 of the Declaration is amended as follows.**

Section 1.6 "Common area" shall mean all real property owned or to be owned by the Association for the mutual use and enjoyment of the Owners together with the improvements and fixtures located thereon. Without limiting the foregoing, the Common Area shall include all of the Property so designated in the Plat and the private roadways, sidewalks, curbs, gutters, landscaping, parking areas, swimming pools, and all utility lines and systems located on the Property and all other portions of the Property which are located outside the Exterior Lot lines, as well as any additional areas obtained by, purchased by, acquired by or transferred to the Association. The Board of Directors shall have the authority, in its sole discretion to acquire

additional property to be owned by the Association and shall have the authority to dedicate said additional property as Common Area of the Association. Any additionally acquired and dedicated property shall become subject to and a part of the Association and the Association's Governing Documents (Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, etc.) through a Supplemental Exhibit of this Declaration, which only must be executed by the Board of Directors.

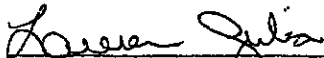
3. Article 12, Section 12.10 is hereby deleted.
4. The terms used in the Amendment without definition shall have the same meanings given to such terms in the Declaration of Covenants, Conditions and Restrictions.
5. By attesting to this Amendment, the President and Secretary certify that the amendments to the Declaration of Covenants, Conditions and Restrictions, set forth in this Amendment were properly adopted by the Association in accordance with the requirements of the Declaration of Covenants, Conditions and Restrictions.
6. Except as expressly amended by this Amendment, the Declaration of Covenants, Conditions and Restrictions shall remain in full force and effect. In the event of any inconsistency or conflict between the provisions of this Amendment and the Declaration of Covenants, Conditions and Restrictions, this Amendment shall prevail.

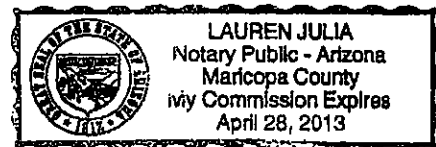
**PALOMINO POINTE ASSOCIATION**  
an Arizona Non-Profit Corporation

BY:  (Signature)  
Name: Patty Hune  
ITS: President

STATE OF ARIZONA        )  
  ) ss.  
COUNTY OF MARICOPA    )

The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of December, 2009, by Patty Hune, the President of Palomino Pointe Association, an Arizona non-profit corporation, on behalf of the non-profit corporation.

Notary Public:   
My commission Expires: April 28, 2013



PALOMINO POINTE ASSOCIATION  
an Arizona Non-Profit Corporation

BY: Sean C. Medina (Signature)  
Name: SEAN C. MEDINA  
ITS: Secretary

STATE OF ARIZONA        )  
                                  ) ss.  
COUNTY OF MARICOPA )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2009, by \_\_\_\_\_, the Secretary of Palomino Pointe Association, an Arizona non-profit corporation, on behalf of the non-profit corporation.

Notary Public: \_\_\_\_\_  
My commission Expires: \_\_\_\_\_

**SEE ATTACHED  
JURAT / ACKNOWLEDGMENT**

