

F. ANN RODRIGUEZ, RECORDER
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MAIL
VAHALLA ESTATES COMMUNITY ASSOCIATION
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TUCSON AZ 85732

Vahalla Estates Community Association
c/o Platinum Management, Inc.
P. O. Box 14198
Tucson, Arizona 85732

FIRSTAMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR VAHALLA ESTATES COMMUNITY ASSOCIATION

THIS FIRST AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS is made by Vahalla Estates Community Association, an Arizona Non-Profit Corporation this _____ day of July, 2017.

RECITALS

- A. Reference is hereby made to that certain "Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements for Vahalla Estates", which was recorded on February 9, 2016, in Sequence number 20160400091, Pima County Records, (the "Declaration").
- B. Article XIII, Section 2 of the Declaration states that "so long as there is no Class A Member, this Declaration may be amended by Declarant any time;"
- C. Pursuant to Article XIII, Section 3 of the Declaration, the Association hereby confirms that there are no Class A Members and the Declarant hereby causes an amendment to the Declaration as set forth in this First Amendment.

NOW, THEREFORE, the Declarant hereby declares, covenants and agrees as follows:

1. Article VII, Covenant for Assessments and Creation of Lien is hereby amended with Section 4 deleted in its entirety and the following new Section 4 adopted in its place:

"Rate of Assessment"

At least thirty days prior to the commencement of each Assessment Period, the Board shall prepare and adopt a budget of the estimated Common Expenses for the next Assessment Period, including any contribution to be made to the Reserve Fund. The budget shall also reflect the sources of estimated amount of funds to cover such Common Expenses, which may include any surplus to be

applied from prior years, any income expected from sources other than Assessments, and the amount to be generated through Assessments against Lots. Based on the budget adopted by the Board, the Board shall assess against each Lot a Regular Assessment. The Regular Assessment shall be the same for each Lot with the exception of those owned by the Declarant, who will be required to pay shortfall in the operating budget for so long as they own a Lot. The amount of increase, if any, in Regular Assessment from one Assessment Period to the next Assessment Period shall be subject to such limitations as may be imposed by Arizona State Law.

During the Declarant Control Period, Declarant shall pay and contribute to the Association such funds as may be necessary, when added to the Regular Assessment levied by the Association, to pay all Common Expenses of the Association as they become due. The Board may require the payment of such funds by Declarant from time to time as the Board deems necessary by giving written notice thereof to the Declarant. Each such notice shall state the total amount of funds required to be paid by Declarant. In no event shall Declarant be obligated to pay or contribute money to the Association in excess of the amount of Regular Assessments that would have been payable by Declarant if the Lots owned by the Declarant had been assessed as Assessable Lots.

2. Article VII, Covenant for Assessments and Creation of Lien is hereby amended with the addition of Section 14 to include the following provision:

“Reserve Fund Fee”

Each Purchaser of a Lot shall pay to the Association immediately upon becoming the Owner of the Lot, a Reserve Fund Fee equal to one-fourth (1/4th) of the current Annual Assessment rate for such Lot, based on the Lot being owned by a person other than the Declarant or a Developer. All amounts paid pursuant to this Section shall be paid by the Association into the Reserve Account to fund future major repair and replacements of property owned by the Association. The reserve contributions shall be in addition to, and shall not be offset against or considered as an advance payment of, any Assessments levied by the Association pursuant to this Declaration.

All other terms and conditions of the Declaration remain in full force and effect. To the extent of any inconsistency between the terms and provisions of this First Amendment, and the terms of provisions of the Declaration, the terms and provisions of this First Amendment shall govern and control. Words used herein with initial capital letters shall be defined as set forth in the Declaration, unless specifically defined herein.

IN WITNESS WHEREOF, the Declarant has executed this First Amendment to the Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements, the day, month and year first above written.

Richmond American Homes Tucson, as Declarant

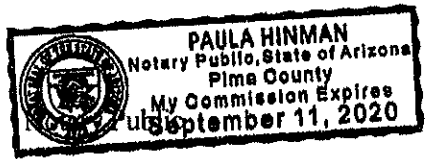
By: _____, as President

[Handwritten Signature]
Rick K. Morris

State of Arizona)
) ss.
County of Pima)

Acknowledged before me this 25th day of July, 2017
by Rick K. Morris, the President of Richmond American Homes Tucson.

[Handwritten Signature]



My Commission Expires:
9.11.2020