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PINNACLE PEAK ESTATES - UNIT I AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS

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Pinnacle Peak Estates Unit 1
P.O. Box 27844
Scottsdale, AZ 85255

**PINNACLE PEAK ESTATES - UNIT I
AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS &
RESTRICTIONS**

This Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pinnacle Peak Estates - Unit I Homeowners Association is made this 13th day of July 2026, by the Pinnacle Peak Estates Unit I Homeowners Association, Inc.

- A. The Association represents Lot Owners of certain property in the County of Maricopa, State of Arizona, which is more particularly described as:
- LOTS ONE (1) TO FIFTY-ONE (51), INCLUSIVE, PINNACLE PEAK ESTATES UNIT I
ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF
MARICOPA COUNTY, ARIZONA, IN BOOK 136 OF MAPS, PAGE 24 ("Plat").
- B. The Declarant recorded a Declaration of Covenants, Conditions and Restrictions in Docket 8582, Page 867 on March 17, 1971, records of Maricopa County, Arizona; and the Association recorded First Amendment to Declaration of Covenants, Conditions and Restrictions, recorded at Document No. 1989-458484, re-recorded at Document No. 1989-471268, records of Maricopa County, Arizona; and an Amended and Restated Declaration of Covenants, Conditions & Restrictions was recorded at Document No. 2010-0484762, records of Maricopa County, Arizona; and a First Amendment to Amended and Restated Declaration was recorded at Document No. 2019-0565794, records of Maricopa County, Arizona ("Declaration") and subjected the real property described in the Declaration (and any Supplemental Declaration) to the Declaration and required that the real property described in the Declaration (and any Supplemental Declaration) be held, sold, used, and conveyed subject to the easements, restrictions, covenants and conditions, which run with the title to the real property described in the Declaration.
- C. 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 Lot Owner of any portion of the properties.
- D. The members of the Association wish to amend and restate the Declaration as set forth herein.
- E. Pursuant to Section 26 of the Declaration, the Declaration may be amended by the written approval of a majority of the Lot Owners who are in good standing with the Association. The Association has obtained the affirmative vote representing the above-mentioned requirements. Any amendment to this Declaration, past, present, or future, shall be subject to a presumption that sufficient notice of such amendment was provided to the Lot Owners by the original Declaration, and that such amendment was reasonable and foreseeable to the Lot Owners at the time of purchase. This amendment to the Declaration does not create any new affirmative obligations for Lot Owners of Lots within the Association; rather, the amendments set forth herein refine the Declaration, correct an error, fill in a gap, and/or change the Declaration in a particular way.

F. NOW, THEREFORE, the Declaration, in its entirety, is amended and restated as follows:

Pinnacle Peak Estates Unit I Homeowners' Association ("Association") is a unique community. All lots are one acre or more and all Lot Owners are required to maintain desert landscaping on their respective lots. In addition, all homes must be painted with colors that are consistent with desert tones.

Additional information regarding landscaping and architectural standards may be set forth in the Association's Architectural Guidelines ("Guidelines"). The Guidelines are intended to provide general guidance and examples to assist in the interpretation and application of this Declaration.

Each Lot Owner is bound by this Declaration. In return, the Association maintains the Common Areas and provides services to the community. The operation of the Association and the Board of Directors is governed by the Bylaws of the Association. All Lot Owners and the Association remain subject to applicable city, county, state, and federal laws, including the Arizona Revised Statutes governing planned communities.

With respect to Improvements existing as of the effective date of this Amended and Restated Declaration, Lot Owners shall not be required to modify or remove such Improvements solely to achieve compliance with provisions newly adopted herein that would require structural changes. However, all maintenance, repairs, replacements, and new Improvements shall comply with this Declaration.

1. SINGLE FAMILY RESIDENTIAL LOTS

All Lots shall be used, improved and devoted exclusively to residential use by a Single Family.

2. COMMERCIAL ACTIVITY

No business activity may be conducted from any residence on these Lots if such activity requires the outdoor use or storage of vehicles, materials, or equipment that are visible from the street and not fully enclosed within a garage or otherwise screened from view in a rear yard area. Businesses operating from inside the home must adhere to the City of Scottsdale Code, Article 3, Section 3.100 - Home Occupations, as may be amended from time to time.

Notwithstanding the foregoing, no business activity shall be conducted on any Lot that results in repeated or ongoing increases in traffic, parking, noise, deliveries, customer visits, or other disturbances inconsistent with the residential character of the community, as determined in a reasonable, consistent, and non-arbitrary manner.

3. RENTING OF LOTS

All residential Lots shall be used, improved, and devoted exclusively to single-family residential use. No Lot Owner shall rent or lease a Lot for a term of less than six (6) months. A Lot Owner shall not lease a Lot to more than two (2) tenants during any twelve (12)-month period. All leases shall be for the entire Lot, and no portion of a Lot may be leased or rented separately.

Within ten (10) days after leasing a Lot, the Lot Owner shall disclose to the Association in writing the name(s) and contact information for any adults occupying the Lot, the term of the lease, including the beginning and ending dates of the tenancy. On request of the Association or its Managing agent, if any, for the disclosures described in the preceding sentence, the Association may charge a fee of not more than twenty-five dollars (\$25.00), which shall be paid within fifteen days after the postmarked request. The fee may be charged for each new tenancy for that Lot but may not be charged for the renewal of a lease. If the Lot Owner fails to disclose the complete information within ten (10) days after leasing a Lot, the Association may charge a late fee of fifteen dollars (\$15.00).

It shall be the responsibility of the Lot Owner to provide the tenants with current copies of the Declaration, Bylaws and Rules and Regulations and Amendments thereto.

The Board may permit a Lot Owner to rent or lease the Lot for a period of less than six (6) months when reasonably necessary to alleviate a documented hardship resulting from death, extended illness, job transfer, or other similar cause.

Any request for a variance under this Section shall be evaluated in a reasonable, consistent, and non-arbitrary manner based on the specific hardship circumstances presented.

4. PURPOSE AND AUTHORITY OF ARCHITECTURAL REVIEW COMMITTEE

A. Purpose

The purpose of the Architectural Review Committee (“ARC”), or the Board if no ARC is available, is to preserve and enhance the aesthetic harmony and overall character of the community in a manner consistent with the Association’s Governing Documents.

B. Definition of Improvements

For purposes of this Declaration, “Improvement(s)” shall mean any construction, installation, alteration, modification, grading, landscaping, or other change to a Lot or to any structure or improvement thereon, including any work for which approval is required under this Declaration.

C. Definition of Material Alteration

For purposes of this Section, a “Material Alteration” shall mean a readily apparent change that is visible from neighboring property or the street, or any change otherwise identified in this Declaration or the Guidelines as requiring approval.

D. Scope of Review

The ARC shall review and approve all proposed Improvements requiring approval under this Declaration. No approval shall be required for routine maintenance, like-kind repairs, or replacements, or other items expressly identified as exempt in the Declaration or Guidelines, provided such work does not materially alter the exterior appearance of the Lot or any improvements thereon.

All Improvements must comply with both Association requirements and applicable City of Scottsdale regulations. Approval by the Association does not constitute approval by the City or any governmental authority, and approval by the City or any governmental authority does not waive or eliminate the requirement for Association approval. In the event of a conflict, the more restrictive requirement shall control.

E. Decision Standards

All ARC decisions shall be based on the provisions of the Governing Documents and any duly adopted Guidelines. Decisions shall be applied in a reasonable, consistent, and non-arbitrary manner and shall reflect reasonable, objective considerations rather than personal opinions.

F. Limitation of Authority

The ARC shall not impose requirements that are inconsistent with or more restrictive than those expressly set forth in this Declaration or in duly adopted Guidelines.

G. Use of Guidelines

The ARC may adopt written criteria or examples within the Guidelines to further clarify exempt and non-exempt items, provided such requirements are consistent with this Declaration.

H. Material and Technology Flexibility

In addition to the materials, products, and construction methods expressly identified in this Declaration including those described in Sections 9 (Fences and Walls), 10 (Roof Materials), and 12 (Driveways and Walkways), or in the Guidelines, the ARC may approve alternative, equivalent, or newly developed materials, products, construction methods, or technologies, including successor or replacement technologies, that are not specifically listed, provided that such materials are consistent with the overall character of the community and are comparable in quality, durability, and appearance to those expressly permitted.

Any such approval shall be made in a reasonable, consistent, and non-arbitrary manner.

I. Privacy and Visual Impact Considerations

The ARC shall consider the impact of proposed Improvements on adjacent Lots, including privacy, visual intrusion, and differences in elevation or finished grade, including conditions where an Improvement is constructed at a higher elevation than neighboring Lots. Improvements shall be designed and located to reasonably minimize direct views into neighboring rear yard areas and habitable living spaces.

ARC review of privacy impacts shall be based on objective factors such as grade changes, building height, window placement, direct sightlines, and reasonable screening options, and shall not be based solely on subjective neighbor preferences.

The ARC may require reasonable modifications, including adjustments to height, grading, massing, orientation, window placement, or the addition of screening elements, in order to mitigate such impacts, provided such requirements are consistent with this Declaration.

J. Appeals and Variances

A Lot Owner may appeal a decision of the ARC to the Board of Directors in accordance with procedures established by the Board. The Board shall review such appeal and issue a final decision.

K. Adoption of Guidelines

Creation of and modification to Guidelines must be approved by the Board of Directors.

L. Accessory and Personal Property Improvements

Accessory or Personal Property Improvements, including play structures, playhouses, portable spas, outdoor exercise equipment, sport apparatus, and similar items not requiring a building permit, may be installed without prior ARC approval; however, such items shall remain subject to review by the ARC after installation when visible from neighboring Lots or streets.

Such items shall not be placed within ten (10) feet of any property line and shall be located, sized, and arranged to reasonably minimize visibility, noise, and visual impact on neighboring Lots, and the ARC may require reasonable modifications, including relocation or screening, to achieve such minimization.

If an installed item does not comply with this Section, the ARC may require corrective action, provided such determinations are made in a reasonable, consistent, and non-arbitrary manner.

5. PROCEDURE FOR ARCHITECTURAL REVIEW COMMITTEE

A. Application Process

Lot Owners must complete and submit to the ARC an Architectural Improvement Review Application along with any other documents and information reasonably requested by the ARC. It shall be the responsibility of the Lot Owner to follow City of Scottsdale, County, and other governmental authority laws and permit regulations.

B. Approval Process

Lot Owners must seek approval in writing from the ARC before commencing work on the following types of improvements:

- Building of a New Primary Dwelling or Accessory Building
- Additions or Exterior modifications to a Primary Dwelling or Accessory Building
- Addition of a swimming pool or spa
- Addition of a privacy wall or fence
- Addition of a sport court or golf surface
- Changing the exterior paint color of any building or privacy wall
- Any major landscaping improvement that alters the grade or design of a Lot - beyond routine or minor maintenance

For purposes of this provision, an application shall be considered complete upon submission of all materials reasonably required by the Declaration or Guidelines. The ARC may request additional information only once within the initial thirty (30) day period, which shall restart the review period upon receipt of the requested information.

If the ARC or Board, if no ARC exists, fails to approve or disapprove a written application within thirty (30) days after receipt of a complete submission, the application shall be deemed approved as submitted. In the event of a deemed approval, the Lot Owner shall remain responsible for ensuring that the Improvement complies with all provisions of this Declaration, and the Association retains the right to enforce such provisions if a violation is subsequently identified.

C. Construction Commencement and Timelines

For purposes of this Declaration, “commenced” means that physical work on the approved improvement has begun on the Lot in good faith and is proceeding with reasonable diligence toward completion. All completion timelines shall run from the date physical construction commenced.

Unless otherwise specified in the written approval, approved Improvements must be substantially completed within the following timeframes:

1. Construction of a new primary dwelling: Two (2) years
2. Construction of a new accessory building or detached structure: One (1) year
3. Addition to or modification of an existing building or structure: One (1) year
4. All other approved improvements: Six (6) months

For purposes of this document, substantially completed’ means the Improvement is completed in accordance with the approved plans and presents a finished exterior appearance, with no ongoing construction activity, exposed structural elements, or incomplete exterior work requiring substantial additional construction, with only minor punch-list items remaining.

If the Lot Owner fails to complete the improvement within the allotted time above, the Board of Directors is authorized to levy a monetary penalty of up to twenty-five hundred dollars (\$2,500) per month, in accordance with the enforcement procedures set forth in Section 25, until the improvement is completed.

The Board may grant a reasonable extension for good cause shown. Any decision regarding an extension shall be made in a reasonable, consistent, and non-arbitrary manner based on the scope of the improvement, construction progress, and circumstances causing the delay.

D. Road Damage and Lot Owner Responsibility Agreement

In connection with approved Improvement that may reasonably create a risk of damage to Association-maintained roads or other Association property, the ARC may require the Lot Owner to execute a Road Damage and Lot Owner Responsibility Agreement prior to commencement of construction.

Such Agreement is intended to acknowledge and reinforce the Lot Owner's existing obligations under this Declaration regarding damage to Association property resulting from construction activity.

E. Expiration of Architectural Approval; Extensions

Any approval granted by the ARC for the construction, installation, modification, or improvement of any structure or exterior element shall expire if the approved improvement is not substantially commenced within ninety (90) days from the date of written approval.

If the improvement cannot be commenced within the ninety (90) day period, the Lot Owner may submit a written request to the ARC for an extension prior to the expiration of the commencement deadline. Requests for extensions should be submitted before the expiration of the commencement deadline whenever reasonably possible.

The ARC may grant one or more extensions for good cause shown. Any extension shall be issued in writing and shall specify the new commencement deadline. The ARC may impose reasonable conditions on any extension granted.

If approval lapses due to failure to commence the improvement within the required time and no extension has been granted, the Lot Owner must submit a new application and obtain written approval from the ARC before commencing any work. Resubmitted applications shall be reviewed in accordance with the Governing Documents, Guidelines and applicable laws in effect at the time of resubmission.

6. BUILDING NUMBER AND HEIGHT LIMITATIONS

No building shall be erected, altered, placed, or permitted to remain on any Lot except one (1) detached single-family primary dwelling, not exceeding one (1) story in height (24 feet), and one (1) accessory building, also not exceeding one (1) story in height (24 feet), as measured from finished grade.

If the grade of a Lot is raised above its natural grade, the maximum permitted building height shall be reduced on a one-to-one (1:1) basis; for each one (1) foot the grade is raised, the allowable building height shall be reduced by one (1) foot.

Accessory structures shall comply with applicable City of Scottsdale regulations, as may be amended from time to time, and as set forth in Section 8. In all cases, applicable City requirements shall control with respect to minimum setback and zoning compliance.

Notwithstanding compliance with the height limitations and applicable City requirements set forth above, all Improvements remain subject to review and approval by the Architectural Review Committee in accordance with Section 4. Compliance with such requirements shall not be deemed sufficient if the proposed Improvement results in unreasonable privacy or visual impacts to adjacent Lots.

In evaluating such impacts, the ARC may consider privacy, visual intrusion, massing, orientation, window placement, and differences in elevation or finished grade between Lots, and may require reasonable modifications or mitigation measures, including adjustments to height, grading, design, or the addition of screening elements, provided such determinations are made in a reasonable, consistent, and non-arbitrary manner.

7. SQUARE FOOTAGE REQUIREMENTS AND RESTRICTIONS

A primary dwelling shall contain a minimum of three (3) bedrooms. A three-bedroom primary dwelling shall contain a minimum ground-floor area of two thousand four hundred (2,400) square feet, and a primary dwelling containing four (4) or more bedrooms shall contain a minimum ground-floor area of three thousand (3,000) square feet. All square footage measurements shall be calculated exclusively on

enclosed, air-conditioned space and shall exclude garages, porches, patios, pergolas, and other non-conditioned areas.

All primary dwellings and accessory buildings shall generally conform to one or more of the following architectural styles: Spanish, Southwest Indian, Mexican, or Ranch, Desert Modern, or other architectural styles consistent with the desert character of the community. Any deviations from the foregoing must be approved by the ARC in accordance with Section 4 of this Declaration. Accessory buildings must be consistent with the architectural style of the primary dwelling.

Architectural compatibility shall be evaluated based on factors including, without limitation scale, massing, roof form, exterior materials, and other street-visible design elements consistent with the desert character of the community.

8. LOT SETBACK REQUIREMENTS

All Improvements shall comply with the applicable zoning and development requirements of the City of Scottsdale for properties zoned R1-43, as may be amended from time to time.

Setback requirements may vary based on factors including building size, height, Lot configuration, and applicable City regulations. It is the responsibility of the Lot Owner and their design professionals to determine and comply with all applicable setback requirements.

Accessory structures, including detached garages, casitas, ramadas, and similar improvements, shall comply with applicable City of Scottsdale regulations. Such regulations may permit reduced setbacks for smaller or lower-profile structures and may require increased setbacks or reduced allowable height based on size, massing, or proximity to property lines.

This Section is intended to defer to and be consistent with applicable City of Scottsdale zoning standards and shall not be interpreted to impose independent or more restrictive setback requirements; however, all Improvements shall remain subject to review and approval under Section 4 and the privacy and visual impact considerations set forth in Section 6.

Notwithstanding the foregoing, Accessory or Personal Property Improvements not subject to municipal setback requirements may be subject to placement and screening requirements pursuant to Section 4(L).

9. FENCE AND WALL HEIGHT RESTRICTIONS

A. Height Requirements

Maximum height for privacy walls and fences shall be six (6) feet unless a greater height is specifically approved in writing by the Association and permitted by applicable regulations of the City of Scottsdale, as may be amended from time to time. Approval of a fence or wall exceeding six (6) feet shall be limited to circumstances where the increased height is necessary to mitigate documented privacy intrusion impacts or to provide noise abatement for Lots directly impacted by major bordering roadways.

B. Height Measurement

The height is measured from the finished exterior grade at any point along the fence or wall. No mounding or adding of soil at the fence or wall base to reduce measurable fence or wall height will be allowed.

C. City Setbacks and Site-Specific Conditions

Fences and walls may be subject to setbacks, placement and construction requirements as required by the City of Scottsdale, depending on wall height, location, grading, drainage, retaining wall conditions, and other site-specific factors.

D. Side Property Line Fence Connections

If the City of Scottsdale permits a fence or privacy wall on or near the property line, a Lot Owner may terminate their fence at the point of an existing neighboring fence or wall, provided the owner of the existing fence or wall provides written consent. The City shall determine appropriate termination points based on grading, drainage, and other applicable site conditions.

E. Side Yard Fences

For all other side yard fences and walls, the City of Scottsdale shall determine the required side setbacks, if any, based on applicable regulations and site-specific conditions. Except for approved courtyard walls and decorative landscape walls otherwise permitted under this Declaration, side yard fences and walls shall not extend beyond the front plane of the primary residence.

F. Materials and Construction Standards

Pilasters or other columns that are an integral part of a fence or wall may be reasonably taller than the height-restricted portion of the fence or wall and shall be subject to ARC approval. Wall or combination wall/fence construction must be stucco, block, slump-block, steel, aluminum, or iron. Block and concrete walls must be of the same quality and texture as the primary dwelling.

G. Courtyard Walls

Front courtyard walls must be attached to, connected with, or architecturally integrated into the primary residence and designed to enclose a front courtyard or entry area surrounding the front entrance to the primary dwelling. Such front courtyard walls may have a maximum height of six (6) feet, provided that no more than four (4) feet consists of solid wall, with the remainder designed to maintain openness consistent with the character of the community.

Side courtyard walls may also be permitted where attached to, connected with, or architecturally integrated into the primary residence and designed to enclose a side courtyard, screened parking area, or outdoor living space associated with the primary dwelling. Side courtyard walls may have a maximum height of six (6) feet and may be solid, provided they remain within the front and rear building planes of the residence and are consistent with the architectural character of the community.

Freestanding walls not connected to the residence shall be considered walls or fences and remain subject to the general wall and fence restrictions of this Declaration.

H. Decorative Landscape Walls

Decorative landscape walls less than two and a half feet (2½) in height are permitted, provided they are located in a manner consistent with applicable City of Scottsdale regulations and do not create a visual barrier inconsistent with the open desert character of the community.

I. Standard of Review

All determinations under this Section shall be made in a reasonable, consistent, and non-arbitrary manner.

10. ACCEPTABLE ROOF MATERIALS

Acceptable roofing materials are Barrel Tiles, Architectural Flat Tiles, Synthetic Roofing Tiles, Architectural Metal, Corrugated Metal, and for flat roofs, a membrane or foam. Corrugated metal roofs shall be finished or treated to achieve a natural, muted appearance consistent with the desert character of the community. Flat roofs shall have parapets on all sides. Visible areas of the parapets must match the dominant color of the building.

Roof materials shall utilize colors of muted desert tones and shall be limited to color families that are consistent with and a subset of the exterior building color palette, including Brown, Tan, Grey, Terra Cotta, and other similar earth tones. Roof colors shall be selected to complement the primary structure and maintain consistency with the desert character of the community.

11. ACCEPTABLE EXTERIOR BUILDING PAINT AND TEXTURE COLORS

All exterior colors of Primary Dwellings, Accessory Buildings, and Privacy Walls shall be of muted desert tones. Acceptable color families are Grey, Yellow, Green, Tan, Brown, Dark Red, and Off-White. Colors outside of the

stated color families may be approved for trim or architectural accents, provided such approval is consistent with the provisions of Section 4 of this Declaration.

The Association is not bound by any Light Reflectance Value (LRV) paint color restrictions based on the 1991 Environmentally Sensitive Lands Ordinance.

12. ACCEPTABLE DRIVEWAY/WALKWAY MATERIALS AND COLORS

Materials used for constructing driveways and walkways can be pavers, stamped or colored/dyed concrete, exposed aggregate, and gravel. Acceptable color families for these materials are Brown, Tan, Terra Cotta and Grey. All materials and colors shall be selected to maintain visual harmony with the desert character of the community and shall be subject to review in accordance with Section 4 of the Declaration.

13. SOLAR ENERGY DEVICES

The installation and use of solar energy devices is protected by A.R.S. § 33-1816, as may be amended from time to time. The Board and/or Architectural Review Committee may adopt reasonable rules regarding the placement and screening of solar energy devices, provided such rules do not effectively prohibit installation, impair the functioning of the device, restrict its use, or adversely affect the cost or efficiency of the device in violation of applicable law.

14. ANTENNAS AND SATELLITE DISHES

Antennas and Satellite Dishes must conform to applicable federal law, including the Telecommunications Act of 1996 and related FCC regulations, as may be amended from time to time. The Board and/or Architectural Committee may adopt reasonable rules regarding the placement of Antennas, so long as those rules do not prevent installation, impair the functioning of the device, restrict its use, or adversely affect the cost or efficiency of the device.

15. RESTRICTION AGAINST LIVESTOCK

Farm animals (including but not limited to goats, lambs, cows, ducks, geese, pigs, potbellied pigs, chickens, roosters, horses, and other such animals) are not allowed. Exotic animals, including but not limited to monkeys, chimpanzees, llamas, ostriches or other such animals, are specifically not allowed.

16. WASTE CONTAINER AND BULK TRASH REGULATIONS

City of Scottsdale waste containers may be placed at the street no earlier than the night before scheduled pickup and shall be removed within one (1) day after pickup. Bulk trash items shall be placed near the street no more than three (3) days prior to the collection period.

17. RESTRICTION AGAINST STORAGE OR USE OF RECREATIONAL VEHICLES

Recreational Vehicles ("RVs"), including boats (whether on trailers or otherwise), campers, utility trailers, and inoperable vehicles, whether stored or used on a Lot temporarily or permanently, shall be properly screened from view from neighboring properties and the street by landscaping, fencing or walls. RVs and Boat Trailers shall not be stored or parked in any front driveway for more than seven (7) consecutive days.

18. SIGNS, NUISANCES, AND EXTERIOR LIGHTING REGULATIONS

No advertising signs, billboards, or unsightly objects shall be erected, placed, or permitted to remain on any Lot, except "For Sale" or "For Rent" signs and other signs expressly permitted under Arizona law. Political signs are permitted beginning seventy-one (71) days prior to the date of an election and must be removed no later than three (3) days after the election.

No Lot shall be used in any manner that creates excessive noise, offensive odors, unsafe conditions, unlawful activity, or repeated parking or traffic disruptions.

Exterior lighting shall be installed, directed, screened, and operated in a manner that does not create unreasonable glare, excessive brightness, or direct light intrusion onto neighboring Lots, residences, accessory structures, or outdoor living areas, and lighting shall not be maintained in a manner that creates a continuing nuisance.

Ordinary residential activities and temporary inconveniences shall not constitute a nuisance.

Recreational lighting for yard or recreational arenas shall be turned off by 10:00 p.m., unless prior notice is provided to and approval is granted by the Board.

19. UTILITY EASEMENTS

No structure of any kind shall be erected, permitted or maintained on the easements for utilities as shown on the City of Scottsdale plat for Pinnacle Peak Estates, Unit I.

20. LANDSCAPE CHARACTER AND PLANT PALETTE

A. Definitions

For purposes of this Section:

Street-Visible Landscape Area shall mean all portions of a Lot that are visible from any adjacent street at ground level from a standing viewpoint, including the front yard and any side yard visible from the street, regardless of Lot configuration.

Visibility shall be determined without regard to views from neighboring Lots, elevated structures, or vantage points not reasonably available from the adjacent street.

Landscaping located behind walls, fences, structures, or other screening elements that effectively block visibility from the adjacent street shall not be considered part of the Street-Visible Landscape Area. Incidental or minimal visibility through gaps in vegetation or over the top of low plantings shall not, by itself, cause an area to be considered part of the Street-Visible Landscape Area.

B. Primary Landscape Requirement

Each Lot shall maintain a landscape design that is predominantly desert-adapted in character, consistent with the natural environment of the community, including the use of drought-tolerant plants and native or arid-region species.

This requirement shall apply to the Street-Visible Landscape Area as set forth in this Section. Landscaping throughout the Lot shall be designed to maintain overall harmony with the desert character of the community, subject to the provisions of Section 20-D.

C. Allowance for Non-Desert Plantings

Non-desert, higher-color, or accent plantings may be incorporated within a Lot, provided such plantings remain visually subordinate to the overall desert landscape theme.

Non-desert plantings shall not constitute the dominant visual feature of the Street-Visible Landscape Area and shall be limited to accent use. Desert-adapted landscaping shall remain the clearly predominant and defining visual character of the Street-Visible Landscape Area.

Non-desert plantings such as palm trees are permitted as accent elements, provided they do not create visual dominance or a non-desert landscape character within the Street-Visible Landscape Area.

Compliance with the design standards of this Section shall be determined based on the Street-Visible Landscape Area and objective factors, including the relative prominence, concentration, placement, and continuity of non-desert plantings within the landscape design, and shall be applied in a reasonable, consistent, and non-arbitrary manner.

The following conditions within the Street-Visible Landscape Area are not permitted:

1. Large or concentrated groupings of non-desert plantings that create visual dominance over desert-adapted landscaping.
2. Distinct or separate groupings or landscape zones of non-desert plantings that, due to their size,

concentration, or placement, are visually set apart from surrounding desert-adapted landscaping and function as a primary or dominant feature.

3. Any arrangement of non-desert plantings that results in a landscape appearance inconsistent with the desert-adapted landscape character required by this Section.
4. Any installation or arrangement of landscaping that has the effect of circumventing the requirements applicable to the Street-Visible Landscape Area.

D. Landscaping Outside the Street-Visible Landscape Area

Landscaping located outside of the Street-Visible Landscape Area may be designed and maintained at the discretion of the Lot Owner and is not subject to the visual standards set forth in Section 20-C.

Notwithstanding the foregoing, the Association may require modification of landscaping in areas outside the Street-Visible Landscape Area if it results in a material and unreasonable adverse impact on neighboring Lots or constitutes a nuisance, as determined in a reasonable, consistent, and non-arbitrary manner.

E. Front Yard Screening and Hedge Height

Landscaping located within the Street-Visible Landscape Area shall not be installed or maintained in a manner that creates a continuous visual screen or hedge exceeding four (4) feet in height.

Individual plants or natural groupings that vary in height and spacing are permitted, provided they do not form a continuous barrier that obstructs visibility from the street or is inconsistent with the open desert character of the community.

F. Artificial Turf Restrictions

Artificial turf may be permitted on a limited basis within enclosed front yard courtyards that are fully screened by walls or similar structures, provided that such turf is not visible from any street. Artificial turf located outside the Street-Visible Landscape Area is permitted and shall not be restricted based on visibility from neighboring Lots.

G. ESLO Reference Standard

Landscaping on all Lots shall comply with the design principles of the City of Scottsdale Environmentally Sensitive Lands Ordinance as adopted in 1991. The 1991 version of such ordinance is hereby established as the governing reference standard for purposes of interpretation and application within the Association, and subsequent amendments to such ordinance shall not apply for purposes of this Declaration and the Guidelines.

H. Mechanical and Utility Equipment Screening

Mechanical equipment, including HVAC units, pool equipment, and similar installations, shall not be visible from the Street-Visible Landscape Area and shall be screened from view by walls, landscaping, or other improvements consistent with the character of the Lot. Roof-mounted equipment shall be fully screened by parapet walls or other architectural features so as not to be visible from the Street-Visible Landscape Area. Where reasonably practicable, such equipment shall also be located and screened to minimize visibility and noise impacts to neighboring Lots.

21. MEMBERSHIP IN PINNACLE PEAK ESTATES - UNIT I HOMEOWNERS' ASSOCIATION

Every Lot Owner within the subdivision shall be a member of Pinnacle Peak Estates - Unit I Homeowners' Association, an Arizona non-profit corporation. The purpose, powers, prohibited member activities, status, membership requirements, leadership, and voting rules of the Association shall be as set forth in the Articles of Incorporation and Bylaws of the Association.

The Board and such officers shall conduct the affairs of the Association as the Board may elect or appoint in accordance with the Articles and Bylaws.

The powers of the Association shall include, without limitation, (I) the power to enforce compliance with the provisions set forth in the Declaration, (II) the power to levy its members for annual and special Assessments, (III) the power to impose a lien for collection of annual and special Assessments upon all of the property of a member located in the subdivision, and (IV) the power to maintain, operate and manage the property of the Association.

22. ASSOCIATION MAINTENANCE RESPONSIBILITIES

The Association, acting through the Board or its duly delegated representative, shall manage, maintain, repair, and replace the Common Area, all improvements located thereon, and all Association Property. The Board shall determine the nature, extent, and timing of such maintenance in a reasonable, consistent, and non-arbitrary manner and may take actions reasonably necessary to ensure proper upkeep.

If work performed by the Association or its representative requires repair or restoration of a Lot Owner's Lot or improvements, the Board may approve reimbursement of such costs to the Lot Owner. Any such determination shall be made in a reasonable, consistent, and non-arbitrary manner based on the scope of work performed and the extent to which the repair resulted from Association-performed work.

Matters exceeding the Board's authority or materially affecting the Association may be submitted to the membership for approval by majority vote, in accordance with the Governing Documents and applicable Arizona law.

23. LOT, HOME, AND LANDSCAPE MAINTENANCE

Each Lot Owner is responsible for maintaining the Lot, Primary Dwelling, Accessory Buildings, landscaping, and all other improvements on the Lot in a clean, safe, and well-maintained condition consistent with this Declaration.

For purposes of this Section, "well-maintained" means a condition that is structurally sound, safe, functional, and free from visible deterioration. This includes conditions such as peeling or failing paint, broken or damaged exterior improvements, dead or overgrown landscaping, accumulated debris or refuse, or other visibly neglected conditions within street-visible areas or otherwise affecting health, safety, or neighboring Lots.

Normal aging, weathering, and minor cosmetic imperfections that do not materially affect appearance, safety, or function shall not, by themselves, constitute a violation.

This Section is intended to address maintenance, safety, and upkeep only and shall not be interpreted or enforced to impose additional design or aesthetic requirements beyond those expressly set forth in this Declaration.

Enforcement under this Section shall be applied consistently with the standards set forth in Section 25.

24. DAMAGE TO COMMON AREA AND OWNER RESPONSIBILITY

If the need for maintenance, repair, or restoration of any Common Area, Association Property, or Association-maintained improvement is caused by the willful or negligent act of any Lot Owner, or the Lot Owner's family, tenants, guests, invitees, contractors, or service providers, the Association shall have the authority to perform or contract for such work in order to ensure proper repair and restoration.

The reasonable costs incurred by the Association for such work shall be charged to the responsible Lot Owner and shall become part of the Assessment against the Lot, secured by the Association's lien rights.

Any charge or corrective action under this Section must be approved by majority vote of the Board.

Appeals by a Lot Owner under this Section, including disputes regarding responsibility, costs, charges, or corrective actions performed by the Association, may be submitted to the Association and shall be decided by a majority of the Members present and entitled to vote at a meeting of the Association at which a quorum is established. This appeal process is limited to enforcement and cost recovery matters and is separate from Architectural Review Committee appeals governed by Section 4.

25. ENFORCEMENT

The Association shall have the right to enforce the Governing Documents and/or any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens or easements provided for in any contract, deed, Declaration, Bylaws, or other instrument which (I) shall have been executed pursuant to, or subject to, the provisions of this Declaration, or (II) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Association. The failure of the Association to take enforcement action with respect to a violation of the Governing Documents shall not constitute or be deemed a waiver of the right of the Association or any Lot Owner to enforce the Governing Documents in the future.

The Board may establish and administer reasonable fine schedules and enforcement procedures consistent with this Declaration and applicable law. A.R.S. § 33-1803(B), as may be amended from time to time, authorizes the Board to impose reasonable monetary penalties after notice and an opportunity to be heard.

Except where immediate action is reasonably necessary to protect health, safety, or property, the Association shall provide written notice of the alleged violation, a reasonable opportunity to cure, and an opportunity to be heard before imposing fines, requiring corrective action, exercising self-help remedies, or taking other enforcement action under this Declaration.

All enforcement actions shall be undertaken in a manner consistent with the provisions of this Declaration, including the requirement that decisions be reasonable, consistent, and non-arbitrary, and shall not impose restrictions or requirements beyond those expressly set forth herein or be used to enforce subjective aesthetic preferences or interpretations not reasonably supported by the express provisions of this Declaration.

The Association may enforce the Association's documents, including this Declaration, the Bylaws, and Rules and Regulations in any manner provided for in the documents, or by law or in equity, including, but not limited to:

1. Imposing reasonable monetary penalties, as referenced in the Fine Policy, in accordance with the notice, cure, and hearing procedures set forth in this Section.
2. Exercising self-help or taking action to abate any violation of the Association's documents. After notice, the Board, or its duly authorized agent, shall have the right to enter the Lot to remove or correct any exterior or visible violation or to restore the Lot to compliance, and such action shall not be deemed a trespass. The costs incurred shall be charged back to the Lot Owner and shall be treated in the same way as an assessment.
3. Filing a suit at law or in equity to enjoin a violation of the documents, to compel compliance with the documents, to recover fines, money damages, or to obtain such other relief to which the Association may be entitled.
4. In the event the Association employs one or more attorneys to enforce an Assessment lien, to collect any amounts due from a Lot Owner, or to enforce compliance with or recover damages for any violation or noncompliance of the Association's documents, including this Declaration, the Bylaws and Rules and Regulations, the Association shall be entitled to recover all attorneys' fees and costs incurred, regardless of whether a lawsuit is filed.

5. All revenue generated from penalties, fines and late fees shall be deposited in the Administrative Budget account.

26. AMENDMENT OF DECLARATION

The foregoing Declarations (Covenants, Conditions and Restrictions) shall run with the land and shall be binding on all Lot Owners in the Subdivision. These Declarations may be amended at any time by the written approval of the majority of votes in the Association of Lot Owners who are in good standing with the Association. Deeds or other instruments of conveyance of such Lots may contain the above Declarations by reference to this document, but whether such references are made in such deeds or instruments, each and all such Declarations shall be binding upon the respective grantees, their heirs, successors and assigns.

27. ASSESSMENTS

A. Creation of Lien and Personal Obligation of Assessments

Each Lot Owner, by acceptance of a deed to a Lot, whether or not it is so stated in the deed, agrees to pay all Assessments levied by the Association, including (i) Administrative Assessments applicable to all Lots, (ii) Common Area and Private Road Assessments applicable only to Benefited Lots as defined herein, and (iii) Special Assessments levied in accordance with this Declaration.

Assessments, together with interest, late charges, and all costs, including reasonable attorneys' fees and costs incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not a lawsuit is filed, shall be a charge on the Lot and shall be a continuing lien upon the Lot. Each such Assessment shall also be the personal obligation of the Lot Owner of the Lot at the time the Assessment became due.

No Lot Owner may exempt themselves from liability for Assessments by non-use of the Common Area, abandonment of the Lot, or otherwise.

B. Establishment of Two Budgets and Annual Assessments

The Association shall establish and adopt two (2) separate annual budgets:

Budget 1

Administrative Budget – consisting of the general operating expenses of the Association, including but not limited to management, insurance, legal, accounting, and administrative costs.

Budget 2

Common Area and Private Road Budget – consisting of expenses for the maintenance, repair, replacement, and operation of Common Areas and Private Road improvements benefiting designated Lots.

The Board shall levy annual Assessments based on each budget as follows:

Administrative Assessment: Allocated equally among all fifty-one (51) Lots, with each Lot responsible for one fifty-first (1/51) share.

Common Area and Private Road Assessment: Allocated equally among the forty-four (44) Lots designated as benefiting, with each such Lot responsible for one forty-fourth (1/44) share. Lots not so designated shall not be assessed for this budget.

The allocation of Assessments between the Administrative Budget and the Common Area and Private Road Budget is based upon the relative benefit received by the Lots and is intended to be reasonable and equitable. Assessments will be collected annually in January of the budget year.

C. Reserve Funds

Each budget shall include a separate reserve fund component:

- Administrative Reserve Fund – for future administrative and operational contingencies.
- Common Area and Private Road Reserve Fund – for long-term repair and replacement of Common Areas and Private Roads and unexpected expenses related to the Common Area and Private Road Reserve Budget.

Reserve funds shall be maintained in separate accounts and shall be funded through allocations within each respective budget. Reserve funds shall be held in low-risk financial accounts, including money market accounts or certificates of deposit, and used solely for the purposes for which they are established.

D. Administrative Reserve Fund – Target Balance and Excess Rebate

Notwithstanding any provision to the contrary, the Administrative Reserve Fund shall be maintained at a target level of fifty percent (50%) of the total actual Administrative Budget expenses for the immediately preceding fiscal year.

1. Maximum Balance Limitation

The balance of the Administrative Reserve Fund shall not exceed one hundred percent (100%) of the total actual Administrative Budget expenses for the immediately preceding fiscal year.

2. Excess Calculation and Mandatory Rebate Threshold

If, at the close of any fiscal year or upon preparation of the annual financial statements, the Administrative Reserve Fund balance exceeds fifty percent (50%) of the prior year's actual Administrative Budget expenses, the amount in excess of such fifty percent (50%) threshold shall be deemed surplus and shall be returned to the Lot Owners subject to the Administrative Budget.

3. Allocation of Rebate

The surplus amount shall be allocated equally among all Lots subject to the Administrative Budget.

4. Timing and Method of Rebate

The rebate shall be issued within ninety (90) days following completion of the Association's year-end financial statements. The rebate shall be issued as a direct payment to such Lot Owners.

5. No Retention Above Target Without Member Approval

The Board shall have no discretion to retain funds above the fifty percent (50%) level except upon approval of a majority of the Members entitled to vote with respect to the Administrative Budget.

6. Member Approved Retention of Excess Funds

Notwithstanding the foregoing, the Association shall not be required to rebate excess Administrative Reserve Fund amounts if a majority of the Members entitled to vote with respect to the Administrative Budget approve, by vote conducted prior to distribution of any rebate or within the ninety (90) day rebate period, the retention and use of such excess funds for a specific identified purpose, including but not limited to litigation, insurance-related expenses, or other extraordinary or unanticipated costs.

Any such approval shall specify the purpose for which the funds are to be retained, and the retained funds shall be used solely for the approved purpose.

E. Limitation on Annual Assessment Increases

The Association shall maintain two (2) separate budgets as defined in Section B above. The Board shall not levy Annual Assessments for any fiscal year for either budget in an amount that exceeds ten percent (10%) above the Assessments levied for that same budget for the immediately preceding fiscal year, unless such increase is first approved by a majority of the Members entitled to vote with respect to that budget, in accordance with the voting requirements set forth in this Declaration and applicable law.

Each budget shall be calculated, assessed, and increased independently, and the ten percent (10%) limitation shall apply separately and without aggregation to each budget. The Board shall not combine, reallocate, reclassify, defer, accelerate, or otherwise shift expenses or Assessment amounts between budgets or between fiscal years for the purpose of avoiding or circumventing this limitation.

F. Budget Ratification (Arizona Compliance)

Annual budgets and Assessments shall be adopted and ratified in accordance with applicable Arizona law, including A.R.S. § 33-1803(B), as may be amended from time to time. The Board shall provide a summary of each proposed budget to the Members, and unless rejected by a majority of all Members, the budget shall be deemed ratified.

G. Benefited Lots – Common Area and Private Road

Lots located on North 81st Street, North 81st Place, East Camino Adele, North 82nd Street, North 83rd Street, and North 83rd Place are hereby designated as the forty-four (44) Lots (the “Benefited Lots”) that receive the direct and primary benefit of the Private Roads and the associated Common Area improvements, including the mailbox structure, and shall be subject to the Common Area and Private Road Assessment. The Benefited Lots are those Lots that utilize such Private Roads for primary access and that are served by such Common Area improvements. This designation is based upon the physical configuration, access, and use of the community as of the date of this Declaration and is intended to be permanent and not subject to reinterpretation by the Board.

The remaining seven (7) Lots within the Association (the “Non-Benefited Lots”) do not receive a direct benefit from the Private Roads or the associated Common Area improvements and therefore shall not be subject to the Common Area and Private Road Assessment.

This allocation of expenses is based upon the relative benefit received by the Benefited Lots and is intended to be reasonable and equitable. This designation of Benefited Lots and Non-Benefited Lots may not be modified except by an amendment to this Declaration approved by a majority of all Members of the Association entitled to vote.

H. Separation of Funds

Funds collected for the Administrative Budget and the Common Area and Private Road Budget, including their respective reserve funds, shall be accounted for separately and shall not be used to subsidize one another except upon approval of a majority of all Members.

I. Special Assessments

The Association may levy special Assessments for capital improvements, repairs, replacements, or unbudgeted expenses.

1. Special Assessments for the Common Area and Private Road Budget shall be levied only against the Lots subject to that budget and levied equally among all Benefited Lots subject to the Common Area and Private Road budget.
2. Special Assessments for the Administrative Budget shall be levied equally among all Lots subject to the Administrative Budget.
3. All special Assessments require approval by a majority of the Members entitled to vote with respect to that budget.

J. Effect of Nonpayment; Remedies of the Association

Pursuant to A.R.S. § 33-1807, as may be amended from time to time, any Assessment, or installment thereof, not paid within fifteen (15) days after the due date shall be delinquent. A late charge may be imposed in an amount permitted by law, equal to the greater of Fifteen Dollars (\$15.00) or ten percent (10%) of the unpaid amount. The Annual Assessment shall be due on January 10 of each year unless otherwise established by the Board.

The Association has a statutory lien on a Lot for any delinquent Assessment, together with late charges, reasonable collection fees, and reasonable attorneys' fees and costs incurred in connection therewith. The lien arises automatically when the Assessment becomes due. Recordation of this Declaration constitutes record notice of the lien. The Association may record a Notice of Lien identifying the Lot Owner, the legal description of the Lot, and the amount then due, but recordation is not required to perfect the lien.

The Assessment lien is prior to all other liens and encumbrances except:

1. Liens and encumbrances recorded prior to the recording of this Declaration
2. A recorded first mortgage, first deed of trust, or first contract for sale recorded prior to the date the Assessment became delinquent
3. Liens for real property taxes or other governmental Assessments or charges, as provided by A.R.S. § 33-1807(B).

The Association is not required to release the lien until all delinquent Assessments, late charges, collection fees, and attorneys' fees and costs have been paid in full.

The Association may enforce collection of delinquent Assessments by any lawful means authorized under A.R.S. § 33-1807, including personal action against the Lot Owner and foreclosure of the Assessment lien in the manner provided for foreclosure of a real property mortgage, subject to all statutory notice, timing, and delinquency thresholds then in effect. The Association may bid at any foreclosure sale and may acquire, hold, lease, mortgage, and convey any Lot purchased at such sale, as permitted by law.

K. Transfer Fee

1. Except as provided in Subsection (2) below, immediately upon becoming the owner of a Lot, each Person or Entity who purchases or otherwise becomes the owner of a Lot after the date of this amendment shall pay to the Association a Transfer Fee in the amount of three hundred dollars (\$300.00). The amount of the Transfer Fee may be increased from time to time by the Board of Directors, in its reasonable discretion.
2. No Transfer Fee shall be payable with respect to: (i) the transfer or conveyance of a Lot by devise or intestate succession; (ii) a transfer or conveyance of a Lot for estate planning purposes; or (iii) a transfer or conveyance to a corporation, partnership or other entity in which the grantor owns a majority interest unless the Board determines, in its reasonable discretion, that a material purpose of the transfer or conveyance was to avoid payment for the Transfer Fee in which event a Transfer Fee shall be payable with respect to such transfer or conveyance.
3. Transfer Fees shall be non-refundable and shall not be considered as an advance payment of Assessments. Collection and expenditure of the Transfer Fee touch and concern the Property and are appurtenant to the title of each and every Lot.
4. Transfer Fees shall either be used as a contribution to the Administrative Budget operating expenses or the Administrative Reserve Fund.
5. The Transfer Fee is separate from, and shall not be deemed to include, any fee charged by the Association for the preparation or delivery of resale disclosure documents pursuant to A.R.S. § 33-1806, as may be amended from time to time. Such disclosure fee shall be charged in addition to the Transfer Fee as permitted by applicable law.

L. Disclosure Fee

The Association is entitled to charge a disclosure fee pursuant to A.R.S. § 33-1806(C), as may be amended from time to time. Each member shall not pay more than an aggregate of two hundred dollars (\$200.00) to

compensate the Association for the costs incurred in the preparation and delivery of statements and other documents pursuant to A.R.S. § 33-1806(A) related to the transfer of the property.

28. SPECIAL ASSESSMENTS FOR COMMON AREA AND PRIVATE ROAD IMPROVEMENTS

If the Board proposes any upgrade, change, or improvement to the Common Areas or Private Roads that is not included within an adopted budget, the cost of such work shall be funded only through:

- (a) the Common Area and Private Road Reserve Fund, to the extent sufficient funds are available; or
- (b) a special Assessment levied in accordance with this Declaration.

Any special Assessment for such purposes shall:

1. Apply only to the Lots subject to the Common Area and Private Road Budget;
2. Be allocated equally among those Lots; and
3. Require the approval of a majority of the Members entitled to vote with respect to that budget.

No special Assessment for upgrades, changes, or improvements shall be imposed without the required Member approval.

CERTIFICATION

The President and Secretary of Pinnacle Peak Estates - Unit I Homeowners Association, Inc. certify that the provisions contained within this Second Amended and Restated Declaration have been approved by a vote of the required percentage of Lot Owners as of the day and year set forth above.

Pinnacle Peak Estates - Unit I Homeowners Association

By [Signature] (signature)

Bruce Quisenberry (printed name)
ITS: President

STATE of ARIZONA)

ss.

County of Maricopa)

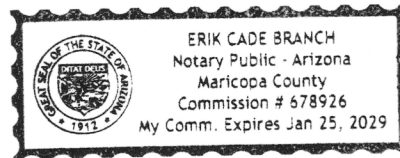
The foregoing instrument was signed before me this 13 day of July, 2016

By Bruce Quisenberry the President of Pinnacle Peak Estates – Unit I Homeowners Association, an Arizona non-profit corporation on behalf of the corporation.

NOTARY PUBLIC

[Signature]

My commission expires: 01/25/2029



Pinnacle Peak Estates - Unit I Homeowners Association

By [Signature] (signature)

Victoria Miachika (printed name)

ITS: Secretary

STATE of ARIZONA)

ss.

County of Maricopa)

The foregoing instrument was signed before me this 13 day of July, 2016

By Victoria Miachika the Secretary of Pinnacle Peak Estates – Unit I Homeowners Association, an Arizona non-profit corporation on behalf of the corporation.

Notary Public

[Signature]

My commission expires: 01/25/2029

