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OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTLE

When recorded return to:
Cadden Community Management
Operating Account
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Tucson, AZ 85705

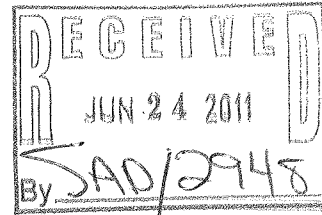
DATE/TIME: 06/13/2011 1057
FEE: \$14.00
PAGES: 6
FEE NUMBER: 2011-049181



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Certificate of Amendment to Tract Declaration for Saddlebrooke
Units Thirty-Four, Thirty-Five & Thirty-Five A

DOCUMENT TITLE



DO NOT DISCARD THIS PAGE. THIS COVER PAGE IS RECORDED AS PART
OF YOUR DOCUMENT. THE CERTIFICATE OF RECORDATION WITH THE FEE
NUMBER IN THE UPPER RIGHT CORNER IS THE PERMANENT REFERENCE
NUMBER OF THIS DOCUMENT IN THE PINAL COUNTY RECORDER'S OFFICE.

CERTIFICATE OF AMENDMENT TO
TRACT DECLARATION FOR SADDLEBROOKE UNITS THIRTY-FOUR,
THIRTY-FIVE AND THIRTY-FIVE A

WHEREAS, the Tract Declaration for SaddleBrooke Units Thirty-Four, Thirty-Five, and Thirty-Five A (the "Declaration") was recorded on October 23, 1997, Fee No. 1997-036959, office of the Pinal County Recorder; and

WHEREAS, Section 14(m) of the Declaration provides that the Declaration may be amended with the consent of both the Declarant and the Owners of 51% of the Villas Lots; and

WHEREAS, both the Declarant and of the Owners of 51% of the Villas Lots approved the following amendments to the Declaration.

NOW, THEREFORE, the Declaration hereby is amended as follows to add provisions pertaining to insurance effective October 1, 2011:

18. **INSURANCE.** The Board of Directors (the "Board") of the SaddleBrooke Villas Association Nos. 34, 35, 35A, Inc. (the "Villas Association") or its duly authorized agent, shall obtain insurance for the Villas Areas and the Villas Lots as follows:

18.1. **Villas Areas.** Insurance coverage for the Villas Areas that may be owned by the Villas Association in the future as common areas. Insurance coverage shall be of types and amounts that, in the sole discretion of the Board, adequately protects the Association against loss, damage or liability on any Villas Areas.

18.2. **Villas Lots.**

18.2.1. **Type of Coverage.** Insurance coverage for the Villas Lots procured by the Board on behalf of the Association shall be multi-peril-type coverage providing, as a minimum, fire and the standard extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage lenders for projects similar in construction, location and use as SaddleBrooke Villas Thirty-Four, Thirty-Five and Thirty-Five A (the "Property"). Such insurance coverage shall be maintained in an amount not less than 100% of the replacement value of the insured property for

insurance purposes with deductibles, as determined by the Board (who shall review such value and deductible amount annually), and shall insure against, insofar as is practicable: (A) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; (B) comprehensive public liability insurance in such amounts and forms as shall be determined by the Board, covering the Association, the Board, the Unit Owners and any manager or managing agent of the Property, with limits of not less than a single limit of \$1,000,000 for claims for bodily injury or property damage arising out of one occurrence, a limit of \$50,000 for each occurrence for water damage and legal liability endorsement to cover liability of any insured to other insureds; (C) directors and officers liability insurance with appropriate limits to be determined by the Board; and (D) such other coverage as the Board in its discretion shall determine to be appropriate. All insurance procured by the Association shall also provide standard Replacement Cost, Agreed Amount, Inflation Guard, and Code Upgrade Endorsements or their equivalent if and to the extent available at reasonable cost.

18.2.2.2. Scope of Coverage. Insurance procured by the Association shall be “bare walls” coverage for the Villas dwelling units (the “Dwelling Units”) on the Villas Lots. This means that the Association-procured insurance will cover all of the building structure of the Dwelling Units from and including the interior surface of the drywall out, all interior walls including the drywall, the hot water heater and the heating, ventilation and air conditioning system components.¹

18.2.2.3. Deductibles. In the event any claim is made for insurance proceeds from coverage procured by the Association for damage or loss to a Dwelling Unit, the Dwelling Unit Owner is responsible to pay the applicable deductible for the claim. If there is more than one claimant, the deductible will be divided among all claimants equally. For example, if there are two Claimant (owning two different Units) who had a claim from the same event,

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The insurance coverage procured by the Association does not include any items inside the interior surface of the drywall in a Dwelling Unit or any items attached to the interior surface of the drywall with the exception of the hot water heater and the heating, ventilation and air conditioning system components. Examples of items that are not covered by the Association-procured property insurance include (but are not limited to): fixtures, built-in kitchen cabinets, refrigerator, washer, dryer, range, oven, microwave, dishwasher, paint, wallpaper or other wall coverings, floor coverings, light fixtures, curtains, shutters, blinds, bathroom cabinets, toilets and bathtubs.

and the deductible for the claim is \$5,000.00, each claimant would pay one-half of the \$5,000.00 deductible. As of the date of this amendment, the deductible for property damage is \$5,000.00 per claim. This amount may be adjusted from time to time in the sole discretion of the Board.

18.2.2.4. Owner's Individual Coverage: It is recommended that each Owner obtains insurance on his/her Villas Lot (i.e., HO-6 policy) that covers deductibles due from the Owner under the Association's policy; property damage or loss that is not covered under the Association's policy; theft, damage or loss to any of the Owner's personal property; or any other insurance necessary to adequately protect an Owner and his/her family, tenants, lessees, invitees and assigns, or their personal property.

18.3. Payment to the Association in Case of Loss. The Association's property insurance policy shall provide that all casualty loss proceeds paid thereunder shall be paid to the Association's Board of Directors as insurance trustee. If the proceeds are for repair or restoration of a Dwelling Unit, the Board shall select the contractor(s) who will perform the repairs or restoration and shall schedule the work. The duty of the Board as insurance trustee shall be to receive such insurance proceeds as are paid, and to hold, use and disburse the same as the repair or restoration work progresses and in accordance with the pertinent contract(s) between the Association and the contractor(s) performing the repair or restoration. Any proceeds above such costs of repair or restoration shall be deposited in the Association's general funds upon completion of repair or restoration. If the proceeds are not sufficient to complete the repair or restoration of the damaged or destroyed portion of a Dwelling Unit that the Association is obligated to maintain and repair, the remaining funds needed shall be an Association expense.

18.4. Insurance a Common Expense. The cost of insurance purchased by the Association pursuant to this Section 18 shall be a common expense for the Villas Lot Owners and shall be included in the Annual Villas Assessment.

18.5 Owners' Obligations. No Owner shall store, construct, maintain or allow any material, structure, condition, or activity which could increase or pose a hazard to his or other Dwelling Units or any Villas Area, or which could result in an increase in the premium for any Association-procured insurance.

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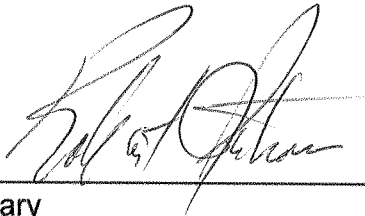
IN WITNESS WHEREOF, the President of the SaddleBrooke Villas Association Nos. 34, 35, 35A, Inc., an Arizona non-profit corporation certifies that this Amendment to the Tract Declaration for SaddleBrooke Units Thirty-four, Thirty-five and Thirty-five A was approved by the written consent of both the Declarant and the Owners of 51% of the Villas Lots.

DATED: this 16th day of May, 2011.

SADDLEBROOKE VILLAS ASSOCIATION NOS. 34, 35, 35A, INC., an Arizona non-profit corporation

By: Julie D. Johnson, President

ATTEST:



Secretary

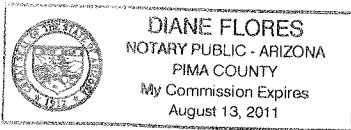
APPROVED BY DECLARANT:
SADDLEBROOKE DEVELOPMENT COMPANY,
an Arizona corporation

By: Sharon S.

Its: VP

STATE OF ARIZONA)
) ss:
County of Pinal)

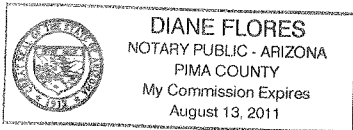
ACKNOWLEDGED before me this 16TH day of May, 2011,
by Julie M. Johnson, as President of SaddleBrooke Villas
Association Nos. 34, 35, 35A, Inc., an Arizona non-profit corporation.



Diane Flores
Notary Public

STATE OF ARIZONA)
) ss:
County of Pinal)

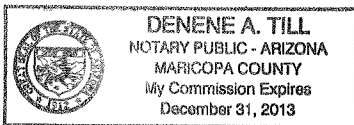
ACKNOWLEDGED before me this 16TH day of May, 2011,
by Robert Perron, as Secretary of SaddleBrooke Villas
Association Nos. 34, 35, 35A, Inc., an Arizona non-profit corporation.



Diane Flores
Notary Public

STATE OF ARIZONA)
) ss:
County of Maricopa)

ACKNOWLEDGED before me this 17 day of May, 2011,
by Steven M. Soriano, as Vice President of
SaddleBrooke Development Company, an Arizona corporation.



Denene A. Till
Notary Public