RECIPROCAL AGREEMENT BETWEEN

Sun Lakes Homeowners Association #2 / Cottonwood-Palo Verde (SL 2) and Sun Lakes Homeowners Association #1 / Sun Lakes Country Club (SL 1)

INTRODUCTION TO RECIPROCAL AGREEMENT

The purpose of this agreement is to foster good neighbor relations between the Sun Lakes communities. Any portion of this agreement may be modified, amended or canceled by a majority vote of either Board of Directors upon a 30-day written notice to the other Board of Directors.

This agreement is for the benefit of SL 1 & SL 2 HOAs. For the purpose of this agreement a guest is an individual(s) who is accompanied by a homeowner. Renters assume homeowner usage rights when the homeowner formally notifies the HOA and relegates his rights to the renter. Where noted, priority is given to homeowners of the facility being used (i.e., when SL 1 members are using certain SL 2 facilities / amenities, SL 2 members have priority for usage; when SL 2 members are using certain SL 1 facilities / amenities, SL 1 members have priority for usage.

Homeowners are required to show proof of current membership upon request.

ARTS & CRAFTS PROGRAMS / CLASSES

Arts & Crafts programs and classes are open to all SL 1 and SL 2 homeowners on a space available basis with priority given to the homeowners of the facility being used. Guests are allowed at SL 1 events which require a fee.

BILLIARD ROOMS

Billiard rooms are open to all SL1 and SL2 homeowners and their guests on a space available basis with priority given to the homeowners of the facility being used.

BANQUETS & PRIVATE PARTIES

SL 1 and SL 2 homeowners and their guests may use each other's facilities for banquets or private parties. All banquets or private parties in SL 2 facilities require a SL 2 homeowner sponsor for the event, with the sponsor being responsible for the reservation and arrangements, payment of all fees, behavior of guests and any related property damage, and must be in attendance at the entire event. The same is required in SL 1 facilities. Outside caterers and pot lucks are not allowed in SL 1 facilities.

BOCCE BALL COURTS

Each association has its own courts. Players from the other association may play on a space available basis.

BULLETIN BOARDS

Each association provides equal bulletin board space for the other association's use for promoting events and activities sponsored by that association and its clubs. All material, forwarded from one association to the other for placement on the receiving association's bulletin board, will be given to the recipient association's Recreation /Activity Director/Events Coordinator for review, approval, and posting. Both SL 1 and SL 2 reserve the right to review, reject, or remove any material placed on their respective bulletin boards by the other association, and agree to notify that organization of such action.

CARD ROOMS

Card rooms can be reserved at SL 1 and SL 2 if at least one player is from the association where the card room is located.

FITNESS CENTERS

Each association has its own health / fitness center that can only be used by its homeowners.

GOLF ANNUAL / ASSOCIATE CLUB MEMBERSHIPS

SL 1 and SL 2 retain the right, but not the obligation, to sell Annual / Associate Golf memberships to each other's members under terms and conditions set by the HOAs from time to time. Annual / Associate golf memberships are to be offered on a year-by-year basis.

GOLF COURSES

Members of SL 1 shall be allowed to play at the Cottonwood or Palo Verde golf courses on a time / space available basis at established rates.

Members of SL 2 shall be allowed to play at the Sun Lakes 1 golf course on a time / space available basis at established rates.

Members of each Association will be allowed to bring guests, who are charged established rates.

GOLF CHIPPING GREENS

SL 1's chipping green is open only to SL 1 homeowners, their guests and Associate / Annual Golf members. SL 2's chipping green is restricted to SL 2 homeowners and SL 1 homeowners who have purchased a SL 2 annual golf membership.

GOLF DRIVING RANGES

Driving ranges are open to all SL 1 and SL 2 homeowners and their guests. Golf course dress codes apply.

GOLF PITCH AND PUTT

The Pitch and Putt course at SL 1 is available to SL 1 and SL 2 homeowners and their guests with priority given to SL 1 homeowners. Guests of a SL 2 homeowner may use the SL 1 Pitch and Putt course when accompanied by a SL 2 homeowner.

GOLF PRO SHOPS

The Pro Shops are open to all SL 1 and SL 2 homeowners and their guests.

HORSESHOE PITS

SL 1 horseshoe pits are open to all SL 1 and SL 2 homeowners and their guests. Equipment is available at the SL 1 Pro Shop. SL 2 horseshoe pits at Sisk Park are open to all SL 1 and SL 2 homeowners and their guests. SL 2 horseshoe equipment is stored in a cabinet at Sisk Park.

LAKES

Members of SL 1 and SL 2 may fish in each other's lakes within the rules established by the respective associations. In SL 1, an association fishing permit is required and can be obtained at the SL 1 Community Services office. Only SL 1 homeowners may bring pets to SL 1 lakes and common areas; only SL 2 homeowners may bring pets to SL 2 lakes and common areas.

LIBRARIES

The libraries are open to all SL 1 and SL 2 homeowners. No monitoring is done and most books are taken on the "honor system."

LOUNGES / BARS

SL 1 and SL 2 lounges/bars are open to SL 1 and SL 2 homeowners and their guests. All lounge / bar patrons at SL 1 and SL 2 facilities must provide proof of current membership upon request, prior to being served alcoholic beverages.

OUTDOOR POOLS

SL 1 and SL 2 homeowners, but not their guests, may use each other's outdoor pools, with the exception of the SL 1 lap pool and spa located in the Fitness Center area and the SL 2 lap pool, which are restricted to SL 1 and SL 2 homeowners respectively only. The children's pool in SL 2 is available to SL 1 and SL 2 homeowners and their guests. Children who are guests of a SL 1 homeowner may use the SL 2 children's pool when accompanied by a SL 1 homeowner. SL 1 homeowners and guests may use the SL 2 children's pool except during the following blackout dates and times: prior to 3:00 p.m. for the period beginning the Sunday before Thanksgiving and ending on the Sunday following Easter. During this black out period, SL 1 homeowners and their guests are welcome to use the SL 2 children's pool on a daily basis from 3:00 p.m. until closing.

PARKS & PICNIC AREAS

All SL 1 and SL 2 homeowners may use the facilities and amenities at the SL 2 Sisk Park. Reservations by SL 1 homeowners for the use of the Sisk Park Ramada can be made through the SL 2 Recreation Department, no more than three (3) months in advance and under terms and conditions set by SL 2 from time to time. Participation by SL 1 homeowners in an organized putting club that utilizes the Sisk park putting green is subject to terms and conditions set by SL 2 from time to time. SL 1 and SL 2 homeowners may use the SL 1 clubhouse and Oasis picnic areas. SL 1 and SL 2 homeowners may bring guests to the Oasis. Use is on a first come, first served basis, however, reservations are permitted. (Refer to SL 1 Policies and Rules regarding Oasis Pool and Ramada Use.)

PICKLEBALL COURTS

SL 1 homeowners may purchase an annual Non-Resident Recreation Card and Activity Sticker at SL 2 Homeowner Services and be a member of the Pickleball Club to use the Pickleball Courts. Non-Resident Recreation Cards and Activities Stickers are available on / after October 1 of each year and are valid for the annual period of November 1 through October 31. SL 2 homeowners may use the SL 1 Pickleball and shared Tennis Courts if they are a member of the SLCC Pickleball Club and have paid an annual fee to the association. Please refer to the SL 1 Policies and Rules Manual for hours of play.

RACQUETBALL COURTS

SL 1 homeowners may purchase an annual Non-Resident Recreation Card and Activity Sticker at SL 2 Homeowner Services to use the Palo Verde Racquetball Courts. The Racquetball club will be responsible for assuring that SL 1 members have a current Non-Resident Recreation Card and Activity Sticker. Non-resident Recreation Cards and Activities Stickers are available on / after October 1 of each year and are valid for the annual Period of November 1 through October 31. Players must wear non-marking indoor court shoes only. Check with the SL 2 Recreation Manager or the Recreation Guide for organized play.

RESTAURANTS

All SL 1 and SL 2 restaurants are open to SL 1 and SL 2 homeowners and their guests. All restaurant users at SL 1 and SL 2 facilities must provide proof of current membership upon request. SL 2 reserves the right to restrict restaurant reservations on occasion.

SOCIAL EVENT

Social events are open to all SL 1 and SL 2 homeowners. The sponsoring association may impose priority in the form of advanced or restricted ticket sales or price differentials for special events.

TENNIS CLUBS

SL 1 homeowners may join the Cottonwood Tennis Club and SL 2 homeowners may join the Sun Lakes 1 Tennis Club, and the respective homeowners may play during the respective clubs' reserved tennis court timeframes and events in accordance with the respective clubs' rules and Association's' rules. Membership in each club is based on space and availability and approval of the respective club which may include fees to the association.

TENNIS COURTS

SL 1 and SL 2 homeowners have use of their own tennis courts. Priority for scheduled use of the courts is given to the SL 1 and SL 2 Tennis Clubs. SL 1 homeowners and guests may play on SL 2 courts, and SL 2 homeowners and guests may play on SL 1 courts during open play time as long as one player per singles and two players per doubles are homeowners from where the courts are located. SL 1 homeowners may purchase an annual Non-Resident Recreation Card and Activity Sticker at SL 2 Homeowner Services to use the SL 2 Tennis Courts. Non-Resident Recreation Cards and Activities Stickers are available on / after October 1 of each year and are valid for the annual period of November 1 through October 31.

ACKNOWLEDGEMENTS

The signatures below acknowledge that the Board of Directors of Sun Lakes Hoemowners Association #1, INC. / Sun Lakes Country Club and Cottonwood Palo Verde Sun Lakes 2 Homeowners Association have voted to accept the terms of this agreement.

President

Date

Date

Sun Lakes Homeowners Association #1, INC. Sun Lakes Country Club

Sun Lakes 2 Homeowners Association

Cottonwood Palo Verde

President