

7/18/07

RECIPROCAL AGREEMENT BETWEEN

Cottonwood Palo Verde at Sun Lakes Homeowner's Association (SL 2) and IronOaks at Sun Lakes Homeowner's Association (SL 3)

INTRODUCTION TO RECIPROCAL AGREEMENT

The purpose of this agreement is to foster good neighbor relations between the Sun Lakes communities. This agreement will continue in effect indefinitely; however, 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 between SL 2 and SL 3 for the benefit of their respective homeowners. 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 3 members are using certain SL 2 facilities/amenities, SL 2 members have priority for usage; when SL 2 members are using certain SL 3 facilities/amenities, SL 3 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 2 and SL 3 homeowners on a space available basis with priority given to homeowners of the facility being used. Guests are not allowed.

BANQUETS & PRIVATE PARTIES

SL 2 and SL 3 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.

BILLIARD ROOMS

Billiard rooms are open to all SL 2 and SL 3 homeowners and their guests on a space available basis with priority given to the homeowners of the facility being used, and under terms and conditions set by SL 2 and SL 3 from time to time. (See Addendum A, SLHOA #2 Facility Use Board Policy)

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 sanctioned 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 for review, approval, and posting. Both SL 2 and SL 3 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/GAME PLAYING in RESTAURANTS & LOUNGES

Playing of cards and games in SL 2 and SL 3 restaurants and lounges is restricted to homeowners and their guests on a space available basis. SL 2 reserves the right to permit SL 3 homeowners to use SL 2 restaurant and lounge areas for these activities under terms and conditions set by SL 2 from time to time. SL 3 reserves the right to permit SL 2 homeowners to use SL 3 restaurant and lounge areas for these activities under terms and conditions set by SL 3 from time to time.

CARD ROOMS

Any SL 2 or SL 3 homeowner may use each other's card rooms on a time/space available basis with priority given to the homeowners of the facility being used. **At least one player at each table must be from the association where the card room is located.** (i.e., if there are ten tables being used by card players, at least ten people in the room must be members of the association where the card room is located).

LAKES and COMMON AREAS

Members of SL 2 and SL 3 may only fish in lakes designated by their own respective associations. Only SL 2 homeowners may bring pets to SL 2 lakes and common areas; only SL 3 homeowners may bring pets to SL 3 lakes and common areas.

LIBRARIES

The libraries are open to all SL 2 and SL 3 homeowners. No monitoring is done and most books are taken on the "honor system". Note that the SL 2 library is located in the Resource Center and is available for use during Resource Center business hours.

MEETING ROOMS

Meeting rooms can be used by all SL 2 and SL 3 homeowners on a space available basis, with priority given to homeowners of the facility being used. Each association requires that a homeowner of that association sponsor and be in attendance at any meeting room event.

OUTDOOR POOLS

All SL 2 and SL 3 outdoor pools may be used by all SL 2 and SL 3 homeowners and their guests under terms and conditions that may be set from time to time by the respective associations. All SL 2 guests at a SL 3 pool must be accompanied by a SL 2 homeowner; all SL 3 guests at a SL 2 pool must be accompanied by a SL 3 homeowner.

RESTAURANTS

All Sun Lakes restaurants are open to SL 2 and SL 3 homeowners and their guests. All restaurant users at SL 2 facilities must provide proof of current membership upon request. SL 2 reserves the right to restrict restaurant reservations on occasion.

SOCIAL EVENTS

Social events are open to all SL 2 and SL 3 homeowners. The sponsoring association may impose priority in the form of advanced or restricted ticket sales or price differentials for special events.

PALO VERDE & IRONWOOD TENNIS COURTS

Palo Verde and Ironwood tennis courts are open to all SL 2 and SL 3 homeowners. SL 3 homeowners and guest(s) may play on SL 2 Palo Verde courts and SL 2 homeowners and guest(s) may play on Ironwood courts during open play time, as long as one player per singles and two players per doubles are homeowners of the association where the courts are located.

NON-RECIPROCAL, SHARED AMENITIES

Both SL 2 and SL 3 have facilities and amenities that are not reciprocal in nature but are available for use by homeowners of both communities, under the terms and conditions set forth by the association where the amenity is located. The following are non-reciprocal amenities that are available for use by SL 2 and SL 3 homeowners:

GOLF COURSE FACILITIES

Since SL 3 does not currently own these facilities, it is not feasible for SL 2 to enter into a reciprocal agreement dealing with golf course facilities. SL 2 reserves the right to permit usage of the Cottonwood and Palo Verde Golf Courses by SL 3 homeowners under terms and conditions set by SL 2 from time to time.

GOLF DRIVING RANGE, CHIPPING GREEN, & PUTTING GREENS

SL 2 golf driving range, chipping green, and putting greens are restricted to SL 2 homeowners only, except for those SL 3 homeowners who have purchased a SL 2 golf annual membership or who have paid a daily green fee.

FITNESS CENTERS

Since SL 3 does not currently own these facilities, it is not feasible for SL 2 to enter into a reciprocal agreement dealing with fitness facilities. SL 3 members may use the SL 2 Fitness Center for an individual annual fee that is equal to the individual annual fee for the fitness center that is located within the SL 3 perimeter.

COTTONWOOD & OAKWOOD TENNIS COURTS

Since SL 3 does not currently own the Oakwood Tennis Courts, it is not feasible for SL 2 to enter into a reciprocal agreement dealing with the Oakwood and Cottonwood Tennis Courts. SL 2 reserves the right to permit usage of the Cottonwood Tennis Courts by SL 3 homeowners under terms and conditions set by SL 2 from time to time, and as specified in the SL 2 Facility Usage Board Policies. (See Addendum A, SLHOA #2 Facility Use Board Policy)

RACQUET BALL

Since SL 3 does not currently own this type of facility, it is not feasible for SL 2 to enter into a reciprocal agreement dealing with the racquet ball facilities. SL 2 reserves the right to permit SL 3 homeowners and their guests to use the SL 2 racquet ball facilities on a space/time available basis with priority given to SL 2 members and guests, and under terms and conditions set by SL 2 from time to time. (See Addendum A, SLHOA #2 Facility Use Board Policy)

SISK PARK

Since SL 3 does not currently own this type of facility, it is not feasible for SL 2 to enter into a reciprocal agreement with SL 3 dealing with Sisk Park and its amenities (i.e., ramada, bocce ball courts, putting green, and horseshoe pits). SL 2 reserves the right to permit usage of SL 2 Sisk Park by SL 3 homeowners on a space available basis under terms and conditions set by SL 2 from time to time, and as specified in the SL 2 Facility Usage Board Policies. SL 2 homeowners shall have priority in reserving and using Sisk Park and its amenities. (See Addendum A, SLHOA #2 Facility Use Board Policy)

BASEBALL FIELD

Since SL 2 does not currently own this type of facility, it is not feasible for SL 3 to enter into a reciprocal agreement dealing with the baseball field amenity. Softball Association members may use the softball field located in SL 3 subject to the terms and conditions of the Softball Association and SL 3.

ACKNOWLEDGEMENTS

The signatures below acknowledge that the Boards of Directors of Cottonwood Palo Verde at Sun Lakes Homeowners Association (SL 2) and IronOaks at Sun Lakes Homeowners Association (SL 3) have voted to accept the terms of this agreement.

Nancy Pannebecker
President, Sun Lakes
Homeowners Association 2

Date: 6/28/07

Judith Weaver
Vice-President, Sun Lakes
Homeowners Association 3

Date: 7/18/07