

- (v) A transfer in connection with a temporary (more than 6 months) or permanent employment related relocation of Buyer or Buyer's spouse, as evidenced by documentation reasonably acceptable to Seller;
- (vi) A transfer in connection with military activation or otherwise arising in connection with military service; or
- (vii) A transfer which, in Seller's sole judgment, constitutes a "hardship" situation consistent with the intent of this Deed Restriction.

3. **Automatic Termination of Deed Restriction.** The covenants set forth above, and the restrictions on transfer of the Property set forth herein, shall automatically terminate and be of no further force and effect, without the need to record any further instruments, on the date which is twelve (12) months after the date of recordation of this Deed; provided, however, that the termination of the Restrictions shall not cause the termination of any similar or related restrictions in the recorded CC&Rs affecting the Property and any similar restrictions therein.

4. **Remedies for Breach.** If Buyer or Buyer's successors assigns, breaches, violates or fails to perform or satisfy any of the covenants set forth in the Agreement, Seller, and Seller's successors and assigns, may enforce the remedies set forth in the Agreement including, without limitation, the right and option to recover all "Appreciation" in value of the Property upon a sale of the Property in violation of the Agreement, determined as provided in the Agreement, and Buyer's obligation

5. to pay the Appreciation shall constitute a lien on the Property which shall run with the land and shall be binding on successors and assigns and Seller may foreclose such obligations as a mortgage, consistent with A.R.S. § 33-700, *et seq.* In the event the breach is a result of the lease of the Property, Seller may elect to re-purchase the Property for the Purchase Price (as defined in the Agreement), which shall be free and clear of liens and encumbrances, shall be thirty (30) days after Seller's written notice of its election to repurchase the Property, and shall be specifically enforceable by Seller. In the event of any lease, the lessee shall take subject to the rights of Seller, and upon any foreclosure, Seller may elect to terminate the lease.

6. **No Duty to Enforce.** Seller makes no representation or warranty to Buyer that Seller will impose these requirements on other buyers of homes in the Community and/or that, if Seller has imposed or in the future imposes these requirements on another buyer, that Seller will enforce the requirements set forth in this Deed Restriction against other owners in the Community. Buyer specifically acknowledges and agrees that Seller is not guaranteeing Buyer or assuring Buyer in any way that the Community will now or in the future be occupied only or primarily by owner occupants and/or that there will not be buyers in the Community who are purchasing homes in the Community for rentals or as an investment, with no intention of living in the home. Buyer further acknowledges that Seller has not represented or warranted that the Property will increase in value over time.

7. **Survival of Covenant on Transfer.** Except as provided in Paragraph 9, below, Buyer's obligations, and Seller's rights hereunder and under the Agreement shall survive any transfer of the Property by Buyer.

8. **No Unreasonable Restraint.** Buyer agrees that the provisions and restrictions set forth in this Deed Restriction do not constitute an unreasonable restraint upon alienation of the Property.

9. **Survival: Severability.** All of the covenants contained herein shall survive the delivery and recordation of the deed conveying the Property from Seller to Buyer. The provisions of this Deed Restriction shall be independent and severable, and a determination of invalidity or partial invalidity or enforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision of this Deed Restriction or the Agreement.

10. **Mortgagee Protection Provisions.**

- a) **Permitted Financing.** Notwithstanding anything to the contrary in this Deed Restriction or in the Agreement, Buyer may encumber the Property as security for a loan made by an institutional lender, the proceeds of which are used only to purchase the Property, improve the Property or both.