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AMENDED AND RESTATED DECLARATION OF ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR COLONIA VERDE

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AMENDED AND RESTATED DECLARATION OF ESTABLISHMENT OFCOVENANTS, CONDITIONS AND RESTRICTIONS OF COLONIA VERDE

THIS AMENDED AND RESTATED DECLARATION OF ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR COLONIA VERDE (this "Declaration") is made this **16** day of **FEBRUARY**, 2006, by the owners (the "Owners") of the real property described as:

Lots 1 through 12 and the "Sites" thereof of COLONIA VERDE, a Pima County subdivision, according to the plat of record in the office of the Pima County Recorder in Book 19 of Maps and Plats at Page 32;

Lots 13 through 17 and the "Sites" thereof of COLONIA VERDE, a Pima County subdivision, according to the plat of record in the office of the Pima County Recorder in Book 19 of Maps and Plats at Page 85;

Lots 20 through 25 and the "Sites" thereof of COLONIA VERDE, a Pima County subdivision, according to the plat of record in the office of the Pima County Recorder in Book 26 of Maps and Plats at Page 12;

Lots 1 through 7 of COLONIA VERDE PLAZA, a Pima County subdivision, according to the plat of record in the office of the Pima County Recorder in Book 49 of Maps and Plats at Page 58;

(together, referred to herein as the "Property").

WITNESSETH:

WHEREAS, the Declarant executed the *Declaration of Establishment of Covenants, Conditions and Restrictions*, recorded on April 15, 1968, in Docket 3223, Page 583 *et seq.*, office of the Pima County Recorder (the "Original Declaration"); and

WHEREAS, the Declarant executed a *Supplementary Declaration of Establishment of Covenants, Conditions and Restrictions*, recorded on May 20, 1969, in Docket 3499, Page 467 *et seq.*, office of the Pima County Recorder; and

WHEREAS, the Declarant executed a Supplementary Declaration of Establishment of Covenants, Conditions and Restrictions, recorded in 1972, in Docket 4181, Page 736 et seq., office of the Pima County Recorder; and

WHEREAS, the Owners adopted a *Third Amendment to Declaration of Establishment of Covenants, Conditions and Restrictions*, recorded on April 7, 2000, in Docket 11272, Page 1079 *et seq.*, office of the Pima County Recorder; and

WHEREAS, the Owners adopted a Fourth Amendment to Declaration of Establishment of Covenants, Conditions and Restrictions, recorded on August 12, 2005, in Docket 12615, Page 2530 et seq., office of the Pima County Recorder; and

WHEREAS, this Declaration amends and restates in their entirety: the Original Declaration and all supplements and amendments thereto; and

WHEREAS, at least two-thirds of the Owners of Lots within the Property have approved the adoption of this Declaration.

NOW THEREFORE, the Owners hereby declare that the Property is and shall be held, conveyed, encumbered, leased, and used subject to the following covenants, conditions, uses, restrictions, limitations, obligations, easements, equitable servitudes, charges and liens (hereinafter collectively referred to as the "Restrictions"), all of which are for the purpose of (I) maintaining a general plan for the governance and maintenance of the Property, and (ii) enhancing and protecting the value, desirability and attractiveness of the Property. The Restrictions set forth herein shall run with the Property, shall be binding upon all persons having or acquiring any right, title or interest therein, and shall inure to the benefit of, be binding upon and enforceable by all Owners, the Association and their successors and assigns in interest.

ARTICLE I DEFINITIONS

1.1. "Articles" shall mean the Articles of Incorporation of the Association and amendments thereto which are or shall be filed in the office of the Arizona Corporation Commission.

1.2 "Assessments" shall mean Annual Assessments, Special Assessments and/or Reimbursement Assessments.

1.3 "Association" shall mean COLONIA VERDE HOME OWNERS ASSOCIATION, an Arizona non-profit corporation, its successors and assigns.

1.4 "Board" shall mean the Board of Directors of the Association.

1.5 "Bylaws" shall mean the Bylaws of the Association, together with any amendments thereto.

1.6 "Common Area(s)" shall mean the real property and any improvements thereon, from time to time owned and controlled by the Association for the common use and enjoyment of the Owners.

1.7 "Declarant" shall mean Arizona Title Insurance and Trust Company, an Arizona corporation, as Trustee under Trust 8025, and its successors or assigns.

- 1.8 "Declaration" shall mean this Declaration as it may be amended from time to time.
- 1.9 "Dwelling Unit" shall mean the improvements placed upon a Site on or within the boundary of any Lot.
- 1.10 "First Mortgage" shall mean any mortgage, deed of trust or other security instrument by which a Lot or any part thereof is encumbered, and which has first and paramount priority, subject only to the lien of general or ad valorem taxes and assessments.
- 1.11 "First Mortgagee" shall mean the holder of any First Mortgage under which the interest of any Owner of a Lot is encumbered.
- 1.12 "Governing Documents" shall mean this Declaration; the Articles of Incorporation and Bylaws of the Association; and any rules and regulations promulgated by the Board of Directors.
- 1.13 "Improvement" shall mean buildings, roads, driveways, parking areas, fences, walls, rocks, hedges, plantings, planted trees and shrubs, and all other structures or landscaping improvements of every type and kind.
- 1.14 "Lot" shall mean any of the numbered plots of land within Colonia Verde Plaza as shown on the plat recorded in Book 49 at Page 58 of Maps and Plats in the office of the Pima County Recorder, or the Sites located on the other Lots in Colonia Verde, together with any improvements constructed or under construction thereon (but without regard to whether or not there is any such structure thereon).
- 1.15 "Member" shall mean every person who holds membership in the Association.
- 1.16 "Owner" shall mean the record holder, whether one or more persons, of the fee simple title to any Lot, including a buyer under a contract for the conveyance of real estate pursuant to Title 33, Arizona Revised Statutes, and including Declarant, but excluding persons holding an interest merely as security for the performance of an obligation, and excluding buyers under sales agreements or deposit receipt and agreements.
- 1.17 "Person" shall include a corporation, company, partnership, firm, association or society, as well as a natural person.
- 1.18 "Plat" shall collectively mean the plats recorded in the office of the Pima County Recorder in Book 19 at Page 32, in Book 19 at Page 85, in Book 26 at Page 12, and in Book 49 at Page 58.
 - 1.19 "Property" shall mean the real property shown on the Plat.

1.20. "Rules and Regulations" or "Rules" shall mean any and all policies and procedures adopted by the Board which govern the conduct and actions of Owners, tenants, visitors and guests on the Property.

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ARTICLE II SCOPE OF DECLARATION

This Declaration is intended to regulate and control the use of the Property for the benefit of all Owners thereof, pursuant to the general plan of development set forth herein.

ARTICLE III COMMON AREAS

- 3.1 <u>Management and Control</u>. The Board shall control, maintain, manage and improve the Common Area as provided in the Governing Documents. Such right and power of control and management shall be exclusive. In managing the Common Area, the Association hereby accepts all responsibility for the control, maintenance, safety and liability of such Common Area. No Owner can make any changes to the Common Area without the prior written approval of the Board of Directors.
- 3.2 <u>Conditional Use of Common Area</u>. Each Owner, his/her family, licensees, invitees and tenants, or contract purchasers of a Lot shall be entitled to use the Common Area subject to:
- 3.2.1 The provisions of the Governing Documents: Each Owner shall comply with the provisions of the Governing Documents with respect to any use of the Common Area.
- 3.2.2 The right of the Association to charge a reasonable security deposit and clean-up fee for the use of any recreational facility situated upon the Common Area.
- 3.2.3 The right of the Association to suspend the right of an Owner, his/her family, licensees, invitees and tenants, or contract purchasers of a Lot, to use any recreational facility situated upon the Common Area, for any period during which any Assessment against his/her Lot remains unpaid.
- 3.2.4 The right of the Association to suspend the right of an Owner, his/her family, licensees, invitees and tenants, or contract purchasers of a Lot, to use any recreational facility situated upon the Common Area, for a period not to exceed 30 days for any infraction of the Governing Documents.
- 3.3 <u>Delegation of Use</u>. Any Owner may delegate his/her right of enjoyment in the Common Area to the members of his/her family, his/her tenants or lessees or contract purchasers who reside on the Lot, subject to such rules, regulations and limitations as the Association may, from time to time, establish. Such delegation shall not relieve said Owner of his/her obligations and responsibilities as an Owner under the By-Laws, Rules and this Declaration.

3.4 <u>Damage or Destruction of Property</u>. An Owner is responsible for any damage or destruction caused to any Common Area by that Owner or any of his/her guests, tenants, licensees, agents, or members of his/her family. The Association shall repair the damaged property, which shall be done in good workmanlike manner and in substantial conformance with the original plans and specifications. The Owner shall then repay the Association in the amount actually expended for such repairs upon receipt of an invoice and supporting documentation from the Association. Each Owner further agrees that these charges for repairs, if not paid within 30 days after the date of the invoice, shall be delinquent and may be collected in the manner provided for the collection of Assessments in Article VI.

3.5 <u>Conveyance or Leasing of Common Area</u>. The Common Area owned by the Association may not, by act or omission, be abandoned, partitioned, subdivided, encumbered, sold or transferred without the prior written approval of 2/3rds of the Owners. However, the Association, through the Board of Directors, may enter into lease agreements for portions of the Common Area that are not used for recreational facilities. In addition, the Association, through the Board of Directors, shall at all times have the right to grant and convey to any person or entity, easements or rights of way, in, on, over, or under any Common Area for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder (A) roads, streets, walks, pathways and driveways; (B) temporary overhead or permanent underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone, cable T.V., and other purposes; (C) sewers, storm drains and pipes, drainage easements, water systems, water, heating and gas lines or pipes; and (D) any similar or quasi-public improvements or facilities.

3.6 <u>Common Area Planting</u>. The growth and planting in the Common Area shall not be removed or destroyed by any Owner or resident unless written permission is first obtained from the Board. Owners must obtain the Board's written approval before planting in the Common Area.

ARTICLE IV EASEMENTS, LICENSES AND ENCROACHMENTS

4.1 <u>Easement for Enjoyment</u>. Subject to the provisions hereof, including the provisions concerning conveyance or leasing of Common Area, there is hereby created a blanket, nonexclusive easement upon, across, over and under all of the Common Areas for the use and enjoyment of all Members, their guests, invitees and licensees, subject to reasonable regulations of the Association; and for ingress, egress, installation, replacement, operation, repair and maintenance of all utilities, including but not limited to, water, sewer, gas, telephone, electricity, television antennae system, and any equipment or facilities for the installation of a cable communications system.

4.2 <u>Easement for Encroachments in Original Construction</u>. Each Owner hereby acknowledges and agrees that Dwelling Units, or privately-owned patio walls, improvements and fixtures, which have been initially constructed on the Property by Declarant in the course of original construction, may encroach upon the Common Areas or

other Lots in the Property. Such encroachments caused incidentally by Declarant are permissible and each Owner, by acceptance of the Deed to his/her Lot, consents thereto and agrees that title to the land lying within such incidental encroachments, regardless of the boundary line of the Lot upon which such structure or other work of construction has been constructed, is conveyed to the Owner of the Lot upon which the majority of the encroaching structure is built.

4.3 <u>Easement for Maintenance and Repair</u>. The Owner of each Lot is granted an easement across adjacent Lots and Common Areas for purposes of accomplishing regular maintenance and repair of structures and improvements, including party walls.

Utility Easements. An easement and right of way in perpetuity is hereby reserved for the benefit of all Lots in the Property for the installation, construction and maintenance and operation of lines for the transmission of electrical energy, for telephone lines, and for laying and maintaining of pipes, mains and conduits for the furnishing of water, gas, sewer service, television services, or for other purposes. This easement and right of way includes the right of entry for the purpose of installing, maintaining or reading gas, electric and water meters, together with the further right of the Association to convey or lease the whole or any portion of such easement, right of way or right of entry to any person or persons or to any corporation or municipal body over, along, across, upon and through the land upon which said easements are delineated and shown on the Plat and controlled by these Restrictions. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot shall be maintained continuously by the Owner of the Lot, except for those Improvements (if any) for which a public authority or utility company is responsible.

ARTICLE V THE ASSOCIATION

5.1 <u>Membership in the Association</u>. Each Owner of a Lot, by virtue of being an Owner, shall automatically be a Member of the Association. Membership in the Association shall be appurtenant to each Lot owned and shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of a Lot, and then only to the transferee thereof. Upon any transfer of ownership of a Lot, said membership shall automatically pass to the new Owner. Any attempted transfer of membership separate from the appurtenant Lot or Lots shall be void.

5.2 <u>Voting Rights</u>. Each Owner shall be entitled to one vote for each Lot owned. When more than one Person holds an interest in any Lot, all such Persons shall be Members. The vote for such Lot shall be exercised as the Owners may determine and in accordance with the Bylaws, but in no event shall more than one vote be cast with respect to any Lot owned. If the Owners of a Lot cannot agree as to how their vote shall be cast, the vote shall be prorated among them.

5.3 <u>Suspension of Voting Rights</u>. The Association may suspend the voting rights of any Owner for any period during which any Assessment against his/her Lot remains unpaid and delinquent, and for a period when the Board determines that Owner is in violation of the Governing Documents, provided that any such Owner has been given reasonable notice and an opportunity to cure said violation as well as an opportunity to be heard by the Board of Directors.

- 5.4 <u>Purpose of Association</u>. The Association is a non-profit corporation which will serve as the governing body for all Owners for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of the Common Area, the assessment of expenses, and other matters as provided in the Governing Documents.
- 5.5 Rights and Responsibilities of Association. The Association, through the Board of Directors, unless specifically provided otherwise, shall have the right of enforcement of the Governing Documents and shall be responsible for the proper and efficient management and operation of the Common Area. The Association, through its Board of Directors is authorized to enter into such agreements and take such actions as are reasonably necessary and convenient for the operation and maintenance of the Properties.
- Association, including, without limitation, the use of the Common Area. The Rules may be adopted, amended, or repealed at any special or regular meeting of the Board upon a vote of a majority of all the Directors, and shall take effect after 30 days' written notice to the Owners, unless the rule(s) being adopted, amended or repealed has a compelling health or safety purpose, in which case seven days' notice to the Owners is required.

The Rules are deemed incorporated herein by this reference, and shall have the same force and effect as if they were set forth in and were part of this Declaration, and shall be binding upon all persons having any interest in, or making any use of, any part of the Properties, whether or not copies of the Rules are actually received by such persons. References to the covenants and restrictions contained herein shall be deemed to refer also to the Rules (except to the extent the Rules are in conflict herewith). The Rules, as adopted, amended or repealed, shall be available for review by each person reasonably entitled thereto, upon written request to the Board. It shall be the responsibility of each person subject to the Rules to review and keep abreast of any changes in the provisions thereof.

5.7 <u>Conflict Among Governing Documents.</u> In the event of any dispute or disagreement between any Owners or any other persons subject to this Declaration relating to the Properties, or any question of interpretation or application of the provisions of this Declaration and any of the other Governing Documents, this Declaration shall control. In the event of any conflict between the Articles and the Bylaws of the Association, the Articles shall control. In the event of any conflict between any provision of

the Rules and any provisions of the other Governing Documents, the provisions of the Rules shall be deemed to be superseded by the provisions of any other Governing Document, to the extent of any such conflict.

5.8 <u>Indemnification and Limitation of Liability</u>. The Association shall indemnify to the fullest extent allowed by law, every officer, director, and committee member, against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon, any officer, director, or committee member, in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been an officer, director or committee member. This provision shall not be deemed to include travel expenses to attend Association meetings or legal proceedings, and shall only include reasonable actual expenses. Neither officers, directors nor committee members shall be liable for any mistake of judgment, negligent or otherwise, unless they acted intentionally, with gross negligence, or with fraudulent or criminal intent in the matter that gave rise to the The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors, or committee members may also be members of the Association), and the Association shall indemnify and forever hold each such officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance, to also include committee members, to fund this obligation. The Association has the right to refuse to indemnify any person to whom indemnification would otherwise be provided if that person unreasonably refuses to permit the Association, at its own expense and through counsel of its own choosing, to defend him/her in the action, or if he or she does not reasonably cooperate with such defense or with reasonable settlement of the case.

ARTICLE VI COVENANTS FOR MAINTENANCE ASSESSMENTS

Owner, upon the recordation of a deed to any Lot, whether or not it shall be so stated in such deed, agrees and covenants to pay to the Association: (A) annual assessments or charges, (B) special assessments, and (C) reimbursement assessments. These Assessments shall be established and collected as provided in this Article. All Assessments levied against a Lot, together with interest from the date of delinquency until paid, late fees, costs and reasonable attorneys' fees, shall be charged against the Lot and shall be a continuing lien upon the Lot. Such lien shall be deemed to have attached as of the date of recordation of the Original Declaration, and shall be senior to all matters other than tax liens for real property taxes on the Lot, assessments on the Lot in favor of any municipal or other governmental assessing unit, reservations in patents, and the lien of any First Mortgage. Upon the voluntary conveyance of a Lot, the selling Owner and the buyer shall be and remain jointly and severally liable for the payment of all Assessments levied

against the Lot prior to the closing of said sale and unpaid at the time of the conveyance, subject to the provisions of this Article.

Delinquent Assessments, together with interest, late fees, costs, and reasonable attorneys' fees, also shall be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment was levied, and shall bind his/her heirs, devisees, personal representatives and assigns. Except as otherwise provided herein, the personal obligation for delinquent Assessments shall not pass to successors in title unless expressly assumed by them.

6.2 <u>Purpose of Assessments</u>. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, welfare, and enjoyment of the residents in the Property, for the improvement and maintenance of the Common Area, enforcement of the Governing Documents, and the establishment of reasonable reserves for anticipated future expenditures for such purposes.

6.3 Annual Assessment.

6.3.1 <u>Annual Assessment</u>. The Board shall determine the amount of the annual assessment, based upon the operating budget of the Association, including appropriate reserves. The amount of the annual assessment may not be increased more than five percent of the previous year's assessment without the approval of 2/3rds of the Members voting in a duly-held Association election (where the quorum requirement is met as set forth in the Bylaws). The Board of Directors may fix the annual assessment at an amount not in excess of the maximum referred to above. Except as otherwise set forth in this Section, the rate set for the annual assessment for any particular year may be revised periodically by the Board of Directors based on actual operating costs of the Association.

6.3.2 <u>Advance Payment Upon Purchase</u>. Each new Owner shall pay one-fourth of the annual assessment upon his/her purchase of a Dwelling Unit, so that all Owners' annual assessment account shall have a 90-day advance payment. The Board of Directors may discontinue this practice at any time, by adopting a resolution, which will detail how restitution will be made for the advance payments. Once the advance payments are discontinued, they cannot be reinstituted.

6.3.3 <u>Notification to Owners of Annual Assessments</u>. The Board shall provide notice to the Owners of the amount of the annual assessment with the annual budget, as provided in 6.3.4 below.

6.3.4 <u>Budgeting</u>. Each year the Board shall prepare, approve and make available to each Member, a budget containing: (A) estimated revenue and expenses; (B) the amount of total cash reserves of the Association currently available for replacement or repair of the Common Area or other areas within the Property which the Association is responsible to repair and maintain, and for contingencies; and (C) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common Area. The total amount needed to fund the annual budget shall be charged equally against all Lots as annual assessments, subject to any limitations set forth in the

Governing Documents. The Board shall prepare and approve the annual budget and distribute a copy to each Lot Owner, together with written notice of the amount of the annual assessment to be levied against the Owner's Lot, not less than 15 days nor more than 60 days prior to the beginning of the Assessment Period (March 1 through February 28 or 29 of each year).

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6.3.5 <u>Non-Waiver of Assessments</u>. If before the expiration of any Assessment Period, the Association fails to fix the annual assessments for the next Assessment Period, the annual assessment established for the preceding Assessment Period shall continue until a new annual assessment is fixed.

Board of Directors, in addition to the annual assessment for (A) constructing capital improvements; (B) correcting an inadequacy in the current operating account; (C) defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of improvements in the Common Area; or (D) paying for such other matters as the Board may deem appropriate for the Property or the good and welfare of the Members. Special Assessments require the approval of 2/3rds of the Members who are voting in person or by absentee ballot at an Annual Meeting or at a Special Meeting duly called for this purpose (at which a quorum is present). The vote also may be by mail ballot in place of a meeting. Monies collected as a Special Assessment shall be used only for the purpose(s) stated to the Members during the approval process.

Assessment if (A) Any Owner, his/her family member, tenant, guest or invitee, has failed to comply with the Association's Governing Documents, which failure has necessitated an expenditure of money by the Association to bring the Owner or his/her Lot into compliance; or (B) Any Owner, his/her family member, tenant, guest or invitee has caused damage to the Common Area. A Reimbursement Assessment shall not be levied by the Association until notice and an opportunity for a hearing has been given to the Owner. Reimbursement Assessments may be enforced in the same manner as annual assessments, except as provided in any superseding law.¹

6.6 <u>Special Service Assessments</u>. In addition to the annual assessments, special assessments, and reimbursement assessments, the Association may levy, in any assessment year, individual non-uniform assessments related to special services or to the

A.R.S. §33-1803 (Planned Communities Act) provides that penalties imposed for infractions of the Governing Documents are not part of the Assessment Lien and are enforceable only by a civil suit against the pertinent Owner.

construction, development, installation, maintenance or repair of certain unique amenities, improvements or facilities on Common Area(s), which benefit only specific Lots within the Property. These Special Service Assessments may be levied non-uniformly so as to affect only those certain Lots which are deemed by the Association, to benefit from such additional services or improvements. The Board of Directors may designate, by written notice, Lots subject to Special Service Assessments based upon particular factors or characteristics unique to such Lots including, but not limited to, proximity to facilities contained on Common Areas, or the size, location or topography of such Lots, or any additional feature unique to such Lots. No such Special Service Assessments may be levied unless the Lots so assessed share common or unique features warranting special treatment, all such affected Lots are treated equally, and the Board of Directors votes to create such Special Service Assessments for the assessment year in question. The Board of Directors' decision to levy Special Service Assessments against particular Lots shall be directly attributed to special services or unique amenities which benefit such Lots.

6.7 Reserve Fund.

- 6.7.1 Requirement for Reserve Fund. The Association shall maintain a separate reserve account with the funds therein being used for the periodic maintenance, repair and replacement of the Common Area, and any other property that is the maintenance obligation of the Association, as required hereunder.

- 6.7.2 <u>Funding the Reserves</u>. To the greatest extent possible, this reserve fund shall be funded by a portion of the <u>annual assessments</u> of Owners rather than by Special Assessments; provided however, that this provision shall not be deemed to limit the power of the Association to levy any Assessment or charge authorized by this Declaration. Board shall develop and periodically update a long range capital maintenance plan (the "Plan") on which to base reserve funding. Except in cases of emergency, reserve funds may be used only in accordance with the Plan.

- 6.7.3 Management of Reserves. The reserves which are collected as part of the annual assessments shall be deposited by the Association in a separate bank account to be held in trust for the purposes for which they are collected or allocated. Such reserves shall be deemed a contribution to the capital account of the Association by the Owners and, once paid, no Owner shall be entitled to any reimbursement of those funds. The Board is only responsible for providing for such reserves as the Board, in good faith, deems reasonable, and no member of the Board is liable to any Owner or to the Association if the amount in the reserve account proves to be inadequate.
- 6.8 <u>Uniform Rate of Assessment and Due Dates</u>. All annual assessments and special assessments must be fixed at a uniform rate for all Lots, except for those Lots with their own water meters. These Lot Owners pay for water directly to the City of Tucson and, therefore, the assessments for these Lots are reduced by the amount charged to other Lots for water usage. Annual assessments shall be collected on a monthly basis, and are due in the Association's office by the 1st of the month in which due, or on the first business day following the 1st of the month of any month in which the 1st is a weekend or holiday.

6.9 <u>Certificate of Payment</u>. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of the Assessments on a Lot is binding upon the Association as of the date of its issuance.

Assessment is not paid within fifteen (15) days of its due date, a late fee and interest may be charged, in an amount to be determined by the Board of Directors. If a check tendered for any Assessment is returned as unpaid for any reason, a charge shall be assessed, as determined by the Board of Directors. In the event the Association employs an attorney to collect a delinquent assessment, whether by foreclosure of the lien created herein or otherwise, the delinquent Owner shall pay, in addition to the Assessments and interest accrued thereon, such reasonable attorneys' fees and all other costs and expenses incurred by the Association as a result of such delinquency. In addition to all other remedies provided by law, the Association, or its authorized representative, may enforce the obligations of any Owner to pay the Assessments in any manner provided by law or in equity, or without any limitation to the foregoing, or by either or both of the following procedures:

6.10.1 <u>Civil Action</u>. The Board may cause a civil action to be commenced and maintained in the name of the Association against any Owner who is personally obligated to pay delinquent Assessments. Any judgment obtained in the Association's favor shall include the amount of the delinquent Assessments, interest and late fees; any additional charges incurred by the Association; and any other amounts the court may award, including reasonable attorneys' fees and court costs. A proceeding to recover a judgment for unpaid Assessments may be maintained without the necessity of foreclosing or waiving the Association's lien.

6.10.2 <u>Enforcement of Lien</u>. As provided in 6.1 above, all Assessments, plus late fees, interest and costs connected therewith, shall be a continuing lien upon the Lot assessed.

6.10.2.1 <u>Notice and Perfection of Lien</u>. As more fully provided in A.R.S. §33-1807, the recording of the Original Declaration constitutes record notice and perfection of the Association's lien. The Association is not required to record a notice of lien, but may do so to provide notice to third parties of its interest in a Lot. The Association's lien is senior to all matters other than tax liens for real property taxes on the Lot, Assessments on the Lot in favor of any municipal or other governmental assessing unit, reservations in patents, and the lien of any First Mortgage. Except for the transfer of a Lot pursuant to a foreclosure of a First Mortgage, the sale or transfer of a Lot does not affect the Association's lien.

6.10.2.2 <u>Foreclosure of Lien</u>. The Association's lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a realty mortgage, as set forth by the laws of the State of Arizona, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Owners. The Association shall have the

power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each owner hereby expressly waives any objection to the enforcement and foreclosure of this lien.

6.11 No Offset and No Exemption of Owner. No offset against any Assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties. No Owner is exempt from liability for payment of Assessments because he/she does not use or enjoy the Common Area, or has abandoned his/her Lot, or for any other reason, including (but not limited to) any allegation that the Board of Directors is not performing its obligations under the Association's Governing Documents. Payment of Association Assessments shall not be contingent on the performance by the Association of any obligations under the Governing Documents.

6.12 Subordination of the Lien to First Mortgages; Sale or Transfer of Lots. The lien for Assessments provided for herein, including without limitation any fees, costs, late charges, or interest which may be levied by the Association in connection with unpaid Assessments, shall be subordinate to the lien of any First Mortgage. Sale or transfer of any Lot pursuant to foreclosure of any such First Mortgage or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of such executory land sales contract, shall extinguish the lien of Assessments or charges which became due prior to any such sale or transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract; provided, however, that any such delinquent Assessments or charges, including interest, late charges, costs, and reasonable attorneys' fees, which are extinguished as provided herein, may be reallocated and assessed to all Lots as a common expense or may be expressly assumed by a Successor Owner. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture of such executory land sales contract, shall relieve any Owner of a Lot from liability for any Assessments or charges thereafter becoming due, nor from the lien thereof. In the event of foreclosure of a First Mortgage or the taking of a deed in lieu thereof, such First Mortgagee shall not be liable for unpaid Assessments or other charges which accrued prior to the acquisition of title to the Lot in question by such First Mortgagee.

6.13 <u>Mortgage Protection and Additional Assessment as Common Expense.</u>
Notwithstanding and prevailing over any other provisions of this Declaration, or the Association's Articles or Bylaws, or the Rules, the following provisions shall apply to and benefit each First Mortgagee of a Lot:

6.13.1 First Mortgagees shall not be personally liable for the payment of any Assessment or charge, nor for the observance or performance of any covenant, restriction, regulation, Rule, Article or By-Law, except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, nor shall a First Mortgagee be liable for any violation of the Restrictions that occurred prior to such First Mortgagee acquiring title.

6.13.2 During the pendency of any proceeding to foreclose the first mortgage, including any period of redemption, the mortgagee (or receiver appointed in such action) may, but is not required to, exercise any or all of the rights and privileges of the Owner of the mortgaged Lot, including (but not limited to) the exclusion of the Owner's exercise of such rights and privileges.

- 6.13.3 At such time as the first mortgagee becomes the record Owner of a Lot, he, she or it shall be subject to all of the terms and conditions of this Declaration, including but not limited to, the obligation to pay for all Assessments and charges accruing thereafter, in the same manner as any Owner.
- 6.13.4 The first mortgagee, or any other party acquiring title to a mortgaged Lot through foreclosure suit or through any equivalent proceeding arising from said first mortgage, such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title to the mortgaged Lot free and clear of any lien authorized by or arising out of any of the provisions of this Declaration or Bylaws which secured the payment of any Assessment for charges accrued prior to the final conclusion of any such foreclosure suit or equivalent proceeding, including the expiration date of any period of redemption.
- 6.13.5 First mortgagees are entitled to pay taxes or other charges which are in default and which may or have become a charge against any Common Area owned by the Association, and such first mortgagees may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area, and any first mortgagees making such payment may be owed immediate reimbursement from the Association.
- 6.13.6 Nothing in this Declaration shall in any manner be deemed to give an Owner, or any other party, priority over any rights of a first mortgagee of a Lot pursuant to the terms of such first mortgagee's mortgage in the case of a distribution to an Owner of insurance proceeds or condemnation awards for losses or to a taking of any Lot or any part of the Common Area owned by the Association. Each first mortgagee shall be entitled to timely written notice of such loss or taking.

ARTICLE VII INSURANCE

7.1 Common Area Insurance. The Board of Directors shall secure policies of insurance and shall maintain the same so that a policy is in force at all times providing, to the extent that the same is available at reasonable cost, liability insurance coverage for the Common Areas and all insurable facilities and improvements thereon. Such insurance shall have a minimum of One Million Dollars coverage, insuring against liability for bodily injury and property damage resulting from the use of the Common Areas or the maintenance or operation thereof, and any liability arising from a contract of employment between the Association and another person or entity. The Association also shall secure fire and extended coverage, together with a standard "all risk" endorsement and, to the extent the same can be obtained, "agreed amount" and "inflation guard" endorsements, and any construction code endorsements required under law, which coverage shall be in an amount to be determined by the Board of Directors of the Association, but in no event

less than 100% of the current replacement value of Common Areas and facilities so that the same will adequately and properly insure all structures, equipment and improvements on the Common Areas. The cost of such insurance shall be paid by the Association. The Board of Directors shall have authority to negotiate with the insurance carrier and to adjust losses, make settlements and give releases to the insurance carrier. Each policy of insurance provided for under this Section shall recite that the same may not be canceled or benefits hereunder be alterable without ten days notice in writing to the Association.

7.2 <u>Damage or Destruction of Common Area</u>. In the event of damage to or the destruction by fire or other casualty of Common Area facilities or Improvements covered by the described insurance policies, the Board of Directors shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed property to as good a condition as formerly existed. However, in the event that the proceeds of such insurance shall be insufficient to substantially restore or repair the damaged or destroyed facilities, the Board of Directors of the Association shall call a meeting for the purpose of levying a special assessment as provided in Section 6.4, for the difference between the sum received as insurance proceeds and the reasonable cost of repair or replacement of the damaged or destroyed Common Area facilities. In the event that the Members do not consent to the special assessment, no such assessment shall be made and the Board of Directors of the Association may determine to only partially restore or replace the damaged or destroyed facilities or to make some other use of the affected Common Area(s).

7.3 Insurance of Lots. Each Owner of a Lot within the Property is responsible to insure said Lot and Improvements thereon against any and all hazards, in an amount sufficient to cover the full replacement cost or any repair or reconstruction work in the event of damage or destruction. The Association shall in no event be required to replace or restore real or personal property located upon any Lot. In the event of damage to an Improvement on a Lot, the Owner thereof shall promptly repair or rebuild the Improvement to the same standards and specifications of the original Improvement, unless otherwise permitted by the Architectural Committee. If the Owner desires construction changes or is required to make changes in accordance with applicable building codes, he or she shall be responsible for all costs that exceed insurance proceeds and for obtaining all required approvals from the Architectural Committee for exterior modifications. If the Owner of a damaged or destroyed structure fails to repair or rebuild the structure, then the Owner must remove the remaining portion of the damaged or destroyed structure, and maintain the Lot in a clean and orderly condition. Each Owner also is responsible to insure his/her Lot for liability and for protection of personal property and other interior damage or loss. Each Lot Owner must provide to the Association, a Certificate of Insurance evidencing the foregoing required coverage on an annual basis.

ARTICLE VIII LOT MAINTENANCE

8.1 <u>Lot Maintenance</u>. Each Owner shall be solely responsible for all costs and expenses relating to the maintenance, repair, upkeep, taxation and assessment of his/her Lot(s) and any Improvements thereon, including but not limited to, the payment of utility costs, ad valorem taxes, roof maintenance and repair, maintenance and repair of building exteriors, fences and walls, walks and other exterior portions of and structures on his Lot,

unless otherwise provided herein. All exterior repairs shall be made in conformance with the original architectural design and style of the structure being repaired. Except as otherwise provided herein, each Owner is solely responsible for maintenance of landscaping within the patio on his/her Lot (including, but not limited to, upkeep of trees, shrubs, and other plantings), and shall keep the landscaping and patio areas in a neat, clean and well-maintained condition. The Association is responsible for landscaping maintenance, control and replacement on all other areas of the Property. See Article X for further provisions pertaining to landscaping on a Lot.

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8.2 <u>Utilities</u>. Each Owner is responsible for maintenance, repair, replacement, etc. of all plumbing, electrical, gas, water, and sewer lines on his/her Lot.

8.2.1 <u>Electric and Gas Lines</u>. Outside the boundaries of each Owner's Lot, he/she is responsible for maintenance, repair, replacement, etc. of all electric and gas lines from the pertinent meter to the Unit, no matter where the meter is located.

8.2.2 <u>Water and Sewage Lines</u>. Outside the boundaries of each Owner's Lot, he/she is responsible for maintenance, repair, replacement, etc. of all water lines from the Unit to the nearest connection valve for water, and from the Unit to the nearest cleanout access point for sewage. This provision does not apply to Owners of Colonia Verde Plaza Units which have individual water and sewer meters.

8.2.3 <u>Telephone and Cable</u>. Telephone and cable services, including all wiring and other equipment that is not maintained and repaired by the service provider, are the responsibility of Unit Owners.

8.3 Failure to Maintain. Each Owner shall be responsible for assuring that all construction, alteration, modification or addition to the Lot itself, or to buildings, walls, fences, copings, roads, driveways, or other structures on the Lot, including but not limited to the addition of improvements such as antennas, satellite dishes and landscaping, conform to the use restrictions of Article XI herein. If an Owner fails or refuses to remove or repair any nonconforming Improvement, the Board of Directors may, in its sole discretion, have the nonconforming Improvement repaired or removed after notice to the Lot Owner, and the cost of removal or repair shall be added to and become a Reimbursement Assessment and shall be collected in accordance with Section 6.10, if delinquent.

ARTICLE IX ARCHITECTURAL REVIEW

9.1 <u>Architectural Committee</u>. The Board of Directors may appoint an Architectural Committee, which shall be composed of a minimum of three Members. The Board of Directors may act as the Architectural Committee, in which case all references to the Architectural Committee in this Declaration shall mean the Board.

9.2 <u>Architectural Guidelines</u>. All architectural matters within the Property shall be subject to the discretionary review of the Architectural Committee, except as otherwise provided herein. The Architectural Committee may promulgate and amend written rules and regulations concerning the construction, alteration, repair, modification or addition of

any exterior Improvement ("Architectural Improvement"), subject to the approval of the Board of Directors. Such rules and regulations shall be promulgated in accordance with Section 5.6 of this Declaration.

9.3 <u>Architectural Review.</u> Prior to the construction, installation or modification of any Architectural Improvement upon a Lot, the Owner is required to obtain the written approval of the Architectural Committee, which approval may be given in the sole discretion of the Architectural Committee. For purposes of this Article, Architectural Improvements shall be deemed to include, but are not limited to, buildings, fixtures, radio antennae, television antennae, satellite stations or dishes, walls, fences, copings, awnings, sunshades, flagpoles, or any similar structures, and any and all other related matters. Improvements may be made within the enclosed boundaries of a Lot without approval of the Architectural Committee only if said Improvements are not visible from any Common Area.

9.3.1 <u>Required Submittal</u>. The Owner shall submit to the Architectural Committee two complete sets of plans for the proposed Architectural Improvements, specifications (including exterior color schemes); plot plans, which shall include the location of all major structures; and a construction schedule.

9.3.2 <u>Approval by Committee</u>. Approval of the plans and specifications shall be evidenced, if at all, by the written endorsement of the Architectural Committee made on the plans and specifications. One set of the endorsed plans shall be returned to the Owner of the Lot proposed to be improved prior to the beginning of any construction. One set of plans and specifications shall be retained by the Architectural Committee.

9.3.3 <u>Nonconforming Architectural Improvements</u>. In the event that an Owner makes unapproved Architectural Improvements upon his/her Lot, or Architectural Improvements that do not conform to the plans and construction schedule submitted to and approved by the Architectural Committee, the Committee shall give written notice to the Owner of the property upon which such Architectural Improvements have been made. Such notice shall specify the nature of the nonconformity of the Architectural Improvements and shall grant the Owner an opportunity for a hearing before the Board of Directors. If the matter is not resolved, the Association has the right to avail itself of all applicable legal and equitable remedies (see Article XIII, Enforcement).

9.4 <u>Standards of Review.</u> In reviewing plans for Architectural Improvements or other exterior changes upon a Lot, the Architectural Committee shall exercise its discretion in deciding whether or not the proposed modification is in harmony with the overall scheme of the subdivision development. The Architectural Committee shall have the right to deny alterations or modifications for purely aesthetic reasons, if (A) the Architectural Committee considers the alteration or modification to be unattractive in relation to the overall scheme of development; (B) the Committee considers the alteration or modification to be a nuisance or upset of design; or (C) the Committee considers the alteration or modification to be in contrast to or out of harmony with the style of existing structures. The Architectural Committee may elicit the opinion of other Owners, including the neighbors of the Owner submitting the plan for alteration or modification, as to the conformity and harmony of the proposed plan with the overall scheme of development, and the effect that the proposed

plan might have on the physical views of other Owners. After eliciting these opinions, the Architectural Committee may, but need not, take them into account in making its final decision. While the opinion of no single Lot Owner will control a decision of the Architectural Committee, within its own discretion, the Architectural Committee may, but need not, attach whatever significance it deems appropriate to the statements of residents and/or neighbors of the Owner submitting the proposed alteration or modifications to an existing structure.

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9.5 Requirements for Plans and Specifications: All plans must meet the following minimum criteria and such further criteria as the Architectural Committee promulgates:

9.5.1 The plans shall be in accordance with the provisions of this Declaration and written rules and regulations of the Architectural Committee, and shall not involve material changes to models designed or built by Declarant without specific waiver of this sub-Section by the Architectural Committee, such waiver being at the absolute discretion of the Architectural Committee;

9.5.2 The plans shall be in sufficient detail to permit the Architectural Committee to make its determination; and

9.5.3 The plans, as submitted to the Architectural Committee, shall be complete and ready for submittal to obtain a building permit from Pima County or other competent jurisdiction. The Architectural Committee shall review and shall either approve or disapprove all plans and specifications within 45 days after submission and issuance by the Association of a receipt indicating the date received. Any plans not so approved or disapproved shall be deemed approved, and the provisions of this Section shall be deemed waived.

9.6 <u>Cost Recovery</u>. If the Association incurs any costs for review of submitted plans and specifications due to the need for professional services, the Association may charge a reasonable fee to a petitioning Owner for the review of the plans and specifications. This fee shall be paid in advance at the time the plans and specifications are submitted for approval.

9.7 <u>Limitation of Liability</u>. Although the Architectural Committee shall have the right to reject plans and specifications for reasons which may include their failure to comply with zoning or building ordinances or other governmental regulations or restrictions, or on the basis that such plans and specifications are defective or not prepared in accordance with sound engineering practices, the approval of plans and specifications shall not constitute a representation, warranty or guarantee that such plans and specifications comply with proper engineering or design principles, with zoning or building ordinances or with other governmental regulations or restrictions. By approving plans and specifications, neither the Board of Directors, the Architectural Committee, nor any of its members assumes any liability or responsibility therefor, or for any defect in the structure constructed from such plans and specifications.

Neither the Board of Directors, the Architectural Committee, nor any of their members shall be liable for damages or otherwise to any person submitting requests or

plans for approval, or to any Owner of land subject to these covenants, by reason of any action, mistake in judgment, negligence, failure to act, approval, disapproval or failure to approve or disapprove with respect to any matter within their jurisdiction under the terms of this Declaration. Any Owner submitting plans to the Architectural Committee, and any Owner, by acquiring title to any Lot, waives his/her claim for damages or other relief arising under the architectural review process established in this Declaration or by the Board of Directors.

9.8 <u>Submittal by Member of Committee</u>. In the event a conflict of interest arises wherein a member of the Architectural Committee wishes to alter, remodel, and/or add to his existing structure, a substitute member shall be appointed by the Board of Directors to the Architectural Committee to, in conjunction with the remaining members of the Committee, approve or disapprove said plans and specifications.

9.9 Appeal. Any Owner whose proposal has been disapproved or has received a decision that he or she considers adverse, may appeal the decision to the Board of Directors within 30 calendar days of receipt of the original decision. The appeal must be in writing and state the reasons for the request for reconsideration or appeal of the Architectural Committee's decision and the relief requested. The Board shall set the appeal for a public hearing and give the applicant and any interested party or parties, notice of said hearing. The applicant and any other interested party or parties may testify and present evidence at the hearing. The date of the hearing shall not be sooner than 10 days nor later than 20 days following the receipt by the Board of the appeal. The Board shall issue a written decision within seven days after the hearing has been completed. Failure to do so shall mean that the original decision is affirmed. Decisions of the Board in this regard shall be binding and conclusive.

 9.10 <u>Inspection</u>. In order to inspect the Architectural Improvements being constructed or recently completed on a Lot (to ascertain that such Improvements have been, or are being built in compliance with the Rules, plans and specifications approved in accordance with this Article, and any other pertinent provision of this Declaration), any authorized officer, director, employee or agent of the Association, may at any reasonable time and without being deemed guilty of trespass, enter on any Lot, after reasonable notice to the Owner of such Lot..

9.11 <u>Building Requirements</u>. In addition to the requirements in the Architectural Guidelines, the following restrictions shall apply:

9.11.1 No improvement or structure whatever, other than one first-class private Dwelling Unit, patio walls, and customary outbuildings (including garage or carport) may be erected, placed or maintained on any Lot. No free-standing sheds that are visible from the street or from any Common Area, are allowed on any Lot. First-class materials and workmanship are required. No pre-fabricated or mobile homes may be erected or maintained on the Property. No swimming pools have been allowed to be constructed after April 7, 2003; however Owners of pools existing on Lots prior to this date may retain their pools. These Owners are still liable for their share of assessments for the swimming pools on Common Area and may be subject to any Special Service Assessment for their increased water use.

- 9.11.2 No fence or wall may exceed the height approved by the Architectural Committee. Any planting used to form a hedge will be subject to the same setback and height requirements as applied to a fence or wall. In determining the height of a wall or other such item, the natural ground level shall be used. Bare concrete walls, woven metal, and chain link fences are prohibited on individual Lots.
- 9.11.3 Patio walls and other additions and modifications shall be constructed of the same materials as used in the construction of the principal residence and original improvements placed on the Lot, unless waived in writing by the Architectural Committee.
- 9.11.4 Mechanical and electrical equipment to be installed by an Owner, other than Declarant in the original construction, shall, where possible, be concealed from the view of any adjoining street front or Lot, as required by the Architectural Committee. Included within this restriction are air conditioning, evaporative coolers and pool pump or heating equipment. No such equipment shall be permitted to remain exposed at the side or rear of any Lot unless reasonably concealed by planting or fence. Notwithstanding the above, equipment or other improvements originally installed by Declarant, or later replaced or repaired, shall be acceptable without the necessity of screening.
- 9.11.5 All exterior lights must be located and maintained so as not to be directed toward or interfere with surrounding Property or the Common Areas, including streets.
- 9.11.6 No garage or other building or structure shall be erected, placed or maintained on any Lot until the construction and completion of the principal residence thereon, except that the necessary outbuildings, garage or other structures relating to the principal residence may be simultaneously constructed, and nothing herein shall be construed to prevent the incorporation and construction of a garage in and as part of such residence. The Architectural Committee may require that any garages and other accessory buildings be incorporated as a part of and attached to the Dwelling Unit, in a manner approved by the Architectural Committee, rather than located apart from the Dwelling Unit.
- 9.11.7 No building of any nature shall be constructed or removed from within or without the Property to any Lot within the Property, without the consent of the Architectural Committee, and in the event a building shall be so placed from without on any Lot, said building shall comply in all respects with each and every provision of this Declaration relating thereto.
- 9.11.8 No mobile home, manufactured or prefabricated home shall be permitted or placed upon any Lot or anywhere else in the Property. No residence placed or erected on any Lot shall be occupied in any manner at any time prior to its being completed in accordance with approved plans, as hereinafter provided, nor shall any residence, when completed, be in any manner occupied until made to comply with all requirements, conditions and restrictions set forth herein; provided that, during the actual construction or alteration of a building or buildings on any Lot, necessary temporary buildings for storage of materials and equipment may be erected and maintained by the person doing such

work. The work of constructing, altering or remodeling any building on any part of the Property shall be prosecuted diligently from the commencement thereof until the completion thereof, which shall be within six months from the start. The Architectural Committee may extend this time limit if, in its discretion, conditions warrant such an extension of time.

9.11.9 The Architectural Committee shall determine the location, color, size, design, lettering and all other particulars, of all mail and paper delivery boxes, standards and brackets, name signs, and house number signs so that there shall be strict uniformity in appearance with respect thereto.

9.11.10 Asphalt shingle roofs and siding are not permitted. The Association assumes no responsibility or liability for damages arising from an Owner's failure to maintain, repair or replace a roof. Unless approved by the Architectural Committee, no evaporative cooler or air conditioner shall be placed or installed unless concealed or architecturally blended with the Dwelling Unit. The pertinent Owner is responsible for the maintenance, repair and replacement of any enclosures constructed to conceal such units. In all cases, repair or change that constitutes a modification from original construction or installation, shall require the prior written approval of the Architectural Committee.

9.12 <u>Variances</u>. Any or all of the restrictions of this Article and Articles 10 or 11, are subject to waiver by the Architectural Committee, and any such waiver may apply at the option of the Architectural Committee to fewer than all of the Lots without waiver of such restriction as to any other Lot(s).

ARTICLE X LANDSCAPING REVIEW

10.1 <u>Landscaping Committee</u>. The Board of Directors may appoint a Landscaping Committee, which shall be composed of a minimum of three Members. The Board of Directors may act as the Landscaping Committee, in which case all references to the Landscaping Committee in this Declaration shall mean the Board.

 10.2 <u>Landscaping Guidelines</u>. All landscaping matters within the Property shall be subject to the discretionary review of the Landscaping Committee, except as otherwise provided herein. The Landscaping Committee may promulgate and amend written rules and regulations concerning the installation, alteration, modification and addition of plantings, pathways, decorative rocks and other landscaping Improvements (Landscaping Improvement"), subject to the approval of the Board of Directors. Such rules and regulations shall be promulgated in accordance with Section 5.6 of this Declaration.

 10.3 <u>Landscaping Review</u>. Prior to the installation, planting or other modification of any Landscaping Improvement on Common Area by a Lot Owner, or on a portion of a Lot that is visible from outside the patio walls of the Lot, the Owner is required to obtain the prior written approval of the Landscaping Committee, which approval may be given at the sole discretion of the Landscaping Committee. For purposes of this Article, Landscaping Improvements shall be deemed to include, but not be limited to, trees, shrubs, plants, flowers, cacti, succulents, concrete, brick, asphalt, gravel or otherwise un-surfaced

pathways, statues, benches, pots, fountains, garden ornaments, stones and rocks, landscape lights, and any and all other related matters.

10.3.1 Required Submittal. The Owner shall submit to the Landscaping Committee two complete sets of plans for the proposed Landscaping Improvements, and specifications (including planting specifications consistent with water conservation requirements and plant selections currently approved for use by the Association). The plans shall include the location of all major paths, plantings and ornaments; and a construction and planting schedule as applicable.

10.3.2 <u>Approval by Committee</u>. Approval of plans and specifications for Landscaping Improvements shall be evidenced by the written endorsement of an authorized representative of the Landscaping Committee made on the plans and specifications. One set of the endorsed plans shall be returned to the Owner of the Lot proposed to be improved, prior to the beginning of any construction or planting. One set of plans and specifications shall be retained by the Landscaping Committee.

10.3.3 Nonconforming Landscaping Improvements. In the event that an Owner makes unapproved Landscaping Improvements upon his/her Lot or adjacent thereto, or makes Landscaping Improvements that do not conform to the plans, specifications, and construction schedule submitted to and approved by the Landscaping Committee, the Committee shall give written notice to the Owner of the property upon which or adjacent to which such Landscaping Improvements have been made. Such notice shall specify the nature of the nonconformity of the Landscaping Improvements and shall grant the Owner an opportunity for a hearing before the Board of Directors. If the matter is not resolved, the Association has the right to avail itself of all applicable and equitable remedies.

Standards of Review. In reviewing plans for Landscaping Improvements or other changes upon the Lot or adjacent to it, the Landscaping Committee shall exercise its discretion in deciding whether or not the proposed modification is in harmony with the overall landscaping scheme of Colonia Verde. The Landscaping Committee shall have the right to deny alterations or modifications for purely aesthetic reasons, if: Landscaping Committee considers the plans or plantings to be unattractive in relation to the overall scheme of development in Colonia Verde; (B) the Committee considers the plans or plantings to be a nuisance or upset of design; (C) the Committee considers the plans or modifications to be in contrast to or out of harmony with the overall desert landscaping style of Colonia Verde; (D) the plans or plantings will cause an unreasonable increase in water use; or (E) the plans or plantings may impede storm water runoff or drainage. The Landscaping Committee may elicit the opinion of other Owners, including the neighbors of the Owner submitting the plan for landscaping alteration or modification, as to the conformity and harmony of the proposed plan with the overall scheme of landscaping, and the effect that the proposed plan might have on the physical views of other Owners. After eliciting these opinions the Landscaping Committee may, but need not, take them into account in making its final decisions. While the opinion of no single Lot Owner will control a decision of the Landscaping Committee, within its own discretion, the Landscaping Committee may, but need not, attach whatever significance it deems

appropriate to the statements of residents and/or neighbors of the Owner submitting the proposed alteration or modifications to existing landscaping.

10.5 Requirements for Plans and Specifications. All plans must meet the following minimum criteria and such further criteria as the Landscaping Committee promulgates.

10.5.1 The plans shall be in accordance with the provisions of this Declaration and written rules and regulations of the Landscaping Committee; and

10.5.2 The plans shall be in sufficient detail to permit the Landscaping Committee to make its determination; and

10.5.3 The Landscaping Committee shall either approve or disapprove all plans and planting specifications within 45 days after submission and issuance by the Association of a receipt indicating the date received. Any plans not so approved or disapproved within 45 days shall be deemed approved, and the provisions of this Section shall be deemed waived.

10.6 <u>Cost Recovery</u>. If the Association incurs any costs for review of submitted plans and planting specifications due to the need for professional services, the Association may charge a reasonable fee to a petitioning Owner for the review of the plans and specifications. This fee shall be paid in advance at the time the plans and specifications are submitted for approval.

10.7 <u>Limitation of Liability</u>. Although the Landscaping Committee shall have the right to reject plans and planting specifications for reasons which may include their failure to comply with zoning or other governmental regulations or restrictions, or on the basis that such plans and specifications are defective or not prepared in accordance with sound construction, drainage, or planting practices, the approval of plans and specifications shall not constitute a representation, warranty or guarantee that such plans and specifications comply with proper landscaping design and drainage principles, zoning or ordinances or with other governmental regulations or restrictions. By approving plans and planting specifications, neither the Board of Directors, the Landscaping Committee, nor any of their members assume liability or responsibility therefore, or for any defect in the landscaping design resulting from such plans and specifications.

Neither the Board of Directors, the Landscaping Committee, nor any of their members shall be liable for damages or otherwise to any person submitting requests or plans for approval, or to any Owner of land subject to these covenants, by reason of any action, mistake, negligence, failure to act, approval, disapproval or failure to approve or disapprove with respect to any matter within their jurisdiction under the terms of this Declaration. Any Owner submitting plans to the Landscaping Committee, and any Owner, by acquiring title to any lot, waives his/her claim for damages or other relief arising under the landscaping review process established in this Declaration or by the Board of Directors.

10.8 <u>Submittal by Member of Committee</u>. In the event a conflict of interest arises wherein a member of the Landscaping Committee wishes to alter, redesign, change planting specifications or make other landscaping modifications to his/her existing

landscaping, a substitute member shall be appointed by the Board of Directors to the Landscaping Committee to, in conjunction with the remaining members of the Committee, approve or disapprove said plans and specifications.

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a decision that he or she considers adverse, may appeal the decision to the Board of Directors within 30 calendar days of receipt of the original decision. The appeal must be in writing and state the reasons for the request for reconsideration or appeal of the Landscaping Committee's decision and the relief requested. The Board shall set the appeal for a public hearing and give the applicant and any interested party or parties notice of said hearing. The applicant and any other interested party or parties may testify and present evidence at the hearing. The date of the hearing shall not be sooner than 10 days nor later than 20 days following the receipt by the Board of the appeal. The Board shall issue a written decision within seven days after the hearing has been completed. Failure to do so shall mean that the original decision is affirmed. Decisions of the Board in this regard shall be binding and conclusive.

10.10 <u>Landscaping Requirements</u>. In addition to the requirements in the Landscaping Guidelines, the following restrictions shall apply:

10.10.1 No planting used to form a hedge may exceed the height approved by the Landscaping Committee. Any planting used to form a hedge will be subject to the same setback height requirements as specified in Article IX, Section 9.11.2. In determining the height of a wall or hedge or other such item, the natural ground level shall be used.

10.10.2 Mechanical and electrical equipment to be installed by an Owner shall, within reason, be concealed from the view of adjoining street front or lot. Included within this restriction are irrigation system controls, fountain pumps, lighting controls or other such equipment. No such equipment shall be permitted to remain exposed at the side or rear of any Lot unless reasonably concealed by planting or other approved enclosure.

10.10.3 All landscaping lights must be located and maintained so as not to be directed toward or interfere with surrounding Property and Common Areas, including streets.

 10.11 <u>Landscaping Restrictions</u>. No shrubs, trees or obstructions of any kind shall be placed on corner Lots in such places as to cause a traffic hazard. No grass shall be grown on any Lot. No grasses shall be grown on the Common Area or other areas maintained by the Association. All trees and other vegetation planted by an Owner on his/her Lot shall be kept trimmed to a height which will not materially interfere with views from neighboring Lots. The Landscaping Committee may forbid the planting or maintenance of certain plants, trees and shrubs, or restrict the propagation of such plants, trees and shrubs to native or indigenous species. See Section 8.1 for further provisions pertaining to landscaping on a Lot.

10.12 <u>Natural Vegetation</u>. The natural growth on Common Area shall not be destroyed or removed by any Lot Owner, except as approved in writing by the Landscaping

In the event natural growth is removed without the approval of the Landscaping Committee, the Committee may require the replanting or replacement of same; the cost thereof to be borne by the person responsible for such removal.

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ARTICLE XI USE RESTRICTIONS

The Property shall be held, used and enjoyed, subject to the following restrictions:

11.1 Animals.

- 11.1.1 Animal Restrictions. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that a reasonable number of dogs, cats or other generally-recognized household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, and further provided that such pets do not create a nuisance for any other resident within the Property. A "reasonable number" as used in this Section shall ordinarily mean no more than two pets per household; however, the Board may determine that a reasonable number in any instance may be more or less. The Board of Directors, in its sole discretion, is authorized to determine whether the presence of a particular pet constitutes a nuisance and whether an animal is a "generallyrecognized household pet."
- 11.1.2 Required Use of Leash and Clean-Up. All pets shall be restrained on a hand-held leash when outside a Lot, and shall be directly under control at all times. An owner must clean up after his/her pet and dispose of excrement, bagged, in a trash receptacle. Any Lot where a pet is kept or maintained shall at all times be kept in a neat and clean condition.
- 11.1.3 No Structures for Animals. No structure for the care, housing, confinement, or training of any animal or pet shall be maintained on any portion of the Property.
- 11.1.4 Rules and Regulations. The Board of Directors shall have the right to adopt, amend and repeal rules and regulations governing the keeping of pets, and such rules and regulations may include an enforcement procedure. Such rules and regulations shall be promulgated in accordance with Section 5.6 of this Declaration.
- 11.2 Antennas and Exterior Devices. Subject to the Telecommunications Act of 1996 and any other applicable law, no exterior antennas or other devices for the transmission or reception of communication, television or radio signals, including satellite dishes, which are not in keeping with similar devices already present and approved within the Property, shall be erected or maintained without prior written authorization of the Board of Directors or the Architectural Committee. No other exterior devices, modifications, or additions, shall be constructed on the exterior of a Lot (including the roof) without the prior written authorization of the Board or the Architectural Committee. To the extent that reception of an acceptable signal would not be impaired, an antenna permissible pursuant to rules of the Association may only be installed in a side or rear yard location, not visible

from the street or (when reasonably feasible) from neighboring property or integrated with the Dwelling Unit and surrounding landscaping to prevent or limit such visibility.

11.3 <u>Business Activities</u>. All Lots shall be used for single-family residential purposes only. The following applies with respect to home business activities within the Property:

11.3.1 <u>Criteria for Home Business</u>. No trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in any Lot may conduct business activities within the Lot so long as (A) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (B) the business activity conforms to all zoning requirements and any other governmental requirements for the Property; (C) the business activity does not involve any person conducting such business who does not reside in the Lot or door-to-door solicitation of residents of the Property; (D) the existence or operation of the business does not increase that Lot's use of Common Area facilities over the standard for a single family dwelling; (E) the existence or operation of the business does not require more than a reasonable number of customers or delivery trucks to visit the Lot; and (F) the business activity does not constitute a nuisance, or a hazardous or offensive use, or cause the owners to violate any other provisions of this Declaration, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board.

11.3.2 <u>Pertinent Definitions</u>. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally-accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (A) such activity is engaged in full or part-time; (B) such activity is intended to or does generate a profit; or (C) a license is required therefor. Notwithstanding the above, the leasing of a Lot shall not be considered a trade or business within the meaning of this Section.

11.3.3 <u>Yard Sales or Garage Sales</u>. Yard sales and garage sales are prohibited. Estate sales are allowed only in accordance with guidelines that shall be set forth in the Rules.

11.4 <u>Clothestines</u>. Clothestines shall be of a retractable type concealed from view of neighboring Lots and streets.

11.5 <u>Diseases and Insects</u>. No Owner shall permit anything or any condition to exist upon the Property, which shall induce, breed or harbor infectious plant diseases or noxious insects.

11.6 <u>Drainage</u>. No structure, planting or other material, except as installed by Declarant, shall be placed or permitted to remain within any drainage-way which may change the direction of flow or which may obstruct or retard the flow of water. In general, there shall be no interference with the established drainage pattern over any property within the Property, unless adequate provision is made for proper drainage conforming to

Pima County rules, regulations, ordinances and drainage criteria. For purposes hereof, "established drainage" is defined as the drainage which existed at the time the overall grading of the Property was originally completed, or which is shown on the Plat or on any plans conforming to Pima County rules, regulations, ordinances and drainage criteria, which are approved by Pima County Building Services or its duly appointed representative. Drainageways shall conform to the requirements of all lawful and applicable public authorities, including the Engineering Departments of the City of Tucson, County of Pima, and State of Arizona.

11.7 <u>Drilling.</u> No derrick or other structure designed for use in drilling shall be erected, placed or permitted upon any part of the Property. No water, oil, natural gas, petroleum, asphaltum, hydrocarbon products or other mineral substances shall be produced or extracted therefrom.

11.8 <u>Inspection</u>. During reasonable hours, any member of the Board of Directors of the Association, or any authorized representative, shall have the right to enter upon and inspect any Lot within the subdivision (not including the interior of any Dwelling Units erected thereon) for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

11.9 Leases.

11.9.1 <u>Obligations of Tenants</u>. All provisions of the Governing Documents which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to tenants. The Owner shall provide his/her tenant with copies of the Governing Documents. In the event the Owner fails to do so, the Association shall provide copies to the tenant and charge the Owner the cost of doing so.

11.9.2 <u>Requirements for Leases</u>. All leases shall be in writing and shall specifically provide:

11.9.2.1 The lease is subject in all respects to the provisions of the Declaration and Rules.

11.9.2.2 The failure of the tenant to comply with the terms and conditions of the Declaration and Rules constitutes a material default of the lease, and the Owner shall be entitled to reenter and retake possession of the premises pursuant to the provisions of the Arizona Landlord Tenant Act, A.R.S. Section 33-1301 *et seq.*

11.9.3 <u>Notification to Association</u>. Within 15 days of lease inception, an Owner leasing his/her Lot, shall give the Association, in writing, the name of the tenant of the Lot and such other information as the Association may reasonably require.

11.9.4 <u>Enforcement of Leasing Restrictions</u>. An Owner shall provide a copy of an operative lease within 10 days of the Association's written request therefor. An Owner shall be responsible for any violation of the Declaration and Rules by his/her lessee or tenant or any other persons residing in the Lot, and their guests or invitees. In the event

of any violation, the Owner, upon demand of the Association, shall immediately take all necessary actions to correct any such violations.

11.10 <u>Noise</u>. No Owner shall engage in any activity or permit any activity to occur on the Property which shall result in unusual, loud or obtrusive noises or sounds.

 11.11 <u>Nuisances and Offensive Activity</u>. No nuisance shall be permitted to exist or operate upon the Property, nor shall any activity be conducted which is offensive or detrimental to any portion of the Property or any Owner, lessee or resident, or is an annoyance to any Owner, lessee or resident.

 11.12 <u>Resubdivision</u>. No Lot or Lots shall be subdivided except for the purpose of combining the re-subdivided portions with another adjoining Lot or Lots, provided that no additional Lot is created thereby. Any ownership or single holding by any Person comprising parts of two adjoining Lots, or of the whole of one Lot and part or parts of two adjoining Lots, shall, for all purposes of this Declaration, be deemed as constituting a single Lot.

11.13 Rubbish, Garbage and Storage. No Lot shall be used in whole or part for the storage of construction materials, rubbish, or garbage of any character whatsoever, nor for the storage of anything which will cause the Lot to appear in an unclean or untidy condition or that will otherwise be obnoxious. No trash, yard waste, or rubbish of any kind may be dumped or otherwise discarded anywhere in the Property. No obnoxious or offensive activity shall be conducted on any Lot, nor shall anything be done, placed or stored thereon which may become an annoyance or nuisance to the neighborhood or occasion any noise, or odor which will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding Lots. No storage of any item or material is permitted outside the walls of a Lot.

11.14 <u>Sales of Lots</u>. Each Owner shall notify the Association, not less than 10 business days prior to the closing of any sale or transfer of his/her Lot, of the name and address of the purchaser or transferee, as well as the scheduled closing date for the sale, and any other information as may be reasonably required by the Association. The Board may charge a reasonable transfer fee to compensate the Association for changing its records and providing the new Owner with copies of all Association documents and other disclosure information required by applicable law.

11.15 <u>Security</u>. The Association may, from time to time, provide measures of security on the Property; however, the Association is not a provider of security and shall have no duty to provide any security on the Property. The obligation to provide security lies solely with each Owner individually. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or as a result of the ineffectiveness of security measure undertaken.

11.16 <u>Signs</u>. No sign of any kind shall be on a Lot or Common Area, unless the sign has been approved by the Board, except signs from a security company indicating the house is protected by security devices, signs or other postings which may be required by legal proceedings, or "Open House" signs which are in place not more than two hours before and after the time of the event. No sign may exceed more than three square feet in

size. The placement of any sign shall not obstruct sidewalks or any other area of public access. A name and address sign, as designed and installed by the Association, shall be furnished to each Owner. Political signs are only allowed in accordance with City of Tucson sign ordinances. Final sign approvals rest with the Board of Directors or its designated representative or committee.

11.17 <u>Sports Courts or Facilities.</u> No permanent basketball backboards with hoops or courts, tennis courts, golf backstops or other sports courts or facilities may be constructed on any Lot. Portable equipment must be concealed when not in use.

11.18 <u>Storage Tanks.</u> No elevated tanks of any kind shall be erected, placed or permitted on any part of the Property. No tanks may be erected, placed or buried in the Lots for the storage of any flammable product (such as gas, oil, etc.), except small tanks, such as those containing flammable substances for use in outdoor grills, recreational vehicles or medical purposes which may be exempt from this restriction.

11.19 <u>Temporary Housing</u>. No vehicle, trailer, camper, basement, tent, shack, garage, carport or outbuilding or any structure of a temporary character shall be used on any portion of the Property at any time as a residence either temporarily or permanently.

11.20 <u>Trash and Recycling</u>. All equipment for the storage or disposal of garbage or other waste shall be kept in a clean and sanitary condition. All containers, except when set out for collection, shall be kept enclosed by an approved fence or other structure, out of view of any other Lot or street. The Board may adopt rules and regulations governing use and placement of trash receptacles. Such rules and regulations shall be promulgated in accordance with Section 5.6 of this Declaration.

11.21 <u>Unsightly Objects or Articles</u>. No unsightly articles or objects shall be permitted which are visible from adjoining Lots or from the street or any public way. The Board shall have the sole discretion in determining if any activity by an Owner, his/her family, invitees or lessees is in violation of this Section.

11.22 <u>Vehicles and Parking</u>. The use of all vehicles, including but not limited to trucks, automobiles, bicycles and motorcycles, shall be in accordance with the Rules, which may prohibit or limit the use of said vehicles, provide parking regulations or adopt other restrictions regulating the same.

11.22.1 <u>Parking</u>. Street and cul-de-sac parking shall be on a "first come, first served" basis and there is no guarantee by the Association of parking spaces for any Owner.

11.22.3 Off-Road Vehicles. Motorized vehicles may not be used on the Common Area (except streets) or in washes within or adjacent to any of the Property.

11.22.4 <u>Recreational Vehicles</u>. Except as other provided in this Declaration, no recreational vehicle, or mobile or stationary trailers of any kind shall be permitted within the Property, unless approved in writing by the Board of Directors. This Section shall not exclude the placing of any of the foregoing types of vehicles in an enclosed portion of

Common Area, designated for such items, under written contract with the Association and upon payment of a reasonable fee in addition to any Assessments due from the Owner. All such vehicles must be licensed, insured, and roadworthy. For purposes of this Section, the term "recreational vehicle" shall not include: (1) pick-up trucks with no more than a 3/4 ton capacity with camper shells attached that are no more than seven feet in height as measured from ground level, or (2) mini-motorhomes that are no more than seven feet in height and no more than eighteen feet in length, so long as said pick-up or minimotorhome is used on a regular and recurring basis for regular transportation and is parked in accordance with the provisions of this applicable to vehicles in general. Recreational vehicles may be parked on a driveway or street for loading and unloading for no more than 48 hours in any 30-day period.

11.22.5 Prohibition Against Inoperable & Stored Vehicles. No inoperable, unlicensed, junked or wrecked vehicles shall be parked on any portion of the Property. Nor shall any repair or maintenance work be done to any vehicle except as provided in Section 11.22.4. No vehicles shall be located on the Property or on any street within Colonia Verde, in any state of disrepair or disassembly. No motorized or non-motorized vehicle (whether for recreational use or otherwise), aircraft, motorcycle, trailer or boat may be stored anywhere upon the Property.

11.22.6 <u>Commercial Vehicles</u>. Except as otherwise provided by applicable law, no commercial, construction or like vehicles (including, but not limited to, pickup-type vehicles in excess of 3/4-ton capacity, and vehicles bearing commercial signs, advertising or other business insignia, and any commercially licensed vehicle) shall be parked or stored on the Property or on any street within Colonia Verde, except with the permission of the Board of Directors. This restriction does not apply to delivery or service provider trucks that are parked on a temporary basis.

11.22.7 <u>Enforcement of Parking Restrictions</u>. In the event any Owner, occupant, guest or lessee violates this Section regarding vehicle parking and storage, the Association may take any action which is necessary to obtain compliance of this Section, including the removal of vehicles in violation of this Section, the cost of which shall become the responsibility of the owner of the Lot where the vehicle owner resides or is visiting.

11.22.8 <u>Penalties for Non-Compliance with Parking Restrictions</u>. After notice and an opportunity to be heard, the Association may impose a fine for each violation of these Restrictions pertaining to vehicle parking and storage.

11.23 Variances. See Section 9.14.

ARTICLE XII PARTY WALLS

12.1 <u>Definition of "Party Wall"</u>. Each wall, whether a patio yard wall or bearing wall of a Dwelling Unit, which is built as a part of the original construction of a building upon the Property and placed on or immediately adjacent to the dividing line between Lots, shall constitute a party wall. For purposes of this Article, eaves, steps and open porches shall not be considered to be part of a Dwelling Unit.

12.2 <u>Alteration of Party Walls</u>. No Owner may alter the appearance or structure of a party wall (except that landscaping shall not be precluded) without the consent of the Architectural Committee. The Committee may, but is not obligated to, deny approval if all Owners having an interest in the party wall have not consented to the alteration. No Owner shall take any action which may destroy the integrity of a party wall or pose an unsightly appearance or threaten its strength, durability or lasting life. Without limitation, no Owner shall place any plants or shrubs close to a party wall in a fashion that watering of said plants will threaten the foundation of the party wall or cause the foundation to be undermined.

- 12.3 <u>Repair and Maintenance of Party Walls</u>. The cost of ordinary repair and maintenance of a party wall shall be shared equally by the Owners of the Lots which are divided by the wall.
- 12.4 <u>Damage by Adjoining Owner</u>. This Section applies in the event any party wall is damaged or destroyed through the act of one adjoining Owner, or any of his/her guests or agents or members of his/her family so as to deprive the other Owner of the full use and enjoyment of such wall. The Owner responsible for the damage shall immediately proceed to rebuild and repair the party wall, or cause it to be rebuilt or repaired, to as good condition as formerly without cost to the other Owner.
- 12.5 <u>Damage by Outside Causes</u>. In the event any party wall is damaged or destroyed by some cause other than the act of one of the adjoining Owners, his/her agents, guests or family (including ordinary wear and tear and deterioration from lapse of time), both adjoining Owners shall proceed immediately to rebuild or repair the common wall to as good condition as formerly, at their joint and equal expense.
- 12.6 <u>Dispute Resolution</u>. In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of applicable costs, then upon written request of one of such Owners delivered to the other such Owner, the matter shall be heard and determined by a mutually-selected arbitrator, under mutually-agreeable rules of procedure. If the parties cannot agree on an arbitrator or on rules of procedure, the American Arbitration Association shall provide an arbitrator and/or rules of procedure. The arbitrator's decision shall be final and binding on all parties.
- 12.7 <u>Private Agreements</u>. Private agreements between Owners may not modify the provisions of this Article.

ARTICLE XIII ENFORCEMENT

13.1 Right of Association to Enforce. The Association or any Owner has the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by the provisions of this Declaration. This shall include enforcement of Rules and Regulations promulgated by the Association to carry out its purposes and duties under this Declaration.

13.1.1 <u>Attorney Fees</u>. The prevailing party in any Court action shall be awarded reasonable attorneys' fees and costs. If no Court action is brought, the Association shall be reimbursed by the pertinent Owner(s), all reasonable attorneys' fees and costs it incurs in enforcing the Governing Documents.

- 13.1.2 <u>Waiver</u>. No delay or omission on the part of the Association in exercising its right to enforcement of this Declaration shall be construed as a waiver of or acquiescence in any breach of any of the restrictions and covenants, and no right of action shall accrue against the Board of Directors, the Association or any Owner for their neglect or refusal to exercise such right of enforcement.
- 13.1.3 Protection of Mortgagee. No breach of the foregoing provisions, conditions, restrictions or covenants shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value as to any portion of the Property. Such provisions, conditions, restrictions and covenants shall be enforceable against any portion of the Property acquired by any person through foreclosure for any breach occurring after such acquisition.
- 13.2 <u>Fines and Penalties</u>. If any Owner, his/her family, or any licensee, invitee, tenant or lessee violates the Governing Documents, the Board may levy a fine/penalty upon the Owner of the Lot for each violation and/or may suspend the right of such person to use the Common Area, under such conditions as the Board may specify, but for no longer than 30 days. Each day a violation continues after written notice to cease has been mailed shall be considered a separate violation and shall be subject to the imposition of a fine. Any fines which remain unpaid for a period of 10 days after notice to pay, including the imposition of late fees and interest, shall be deemed delinquent and subject to collection by the Association by any lawful means.
- 13.3 <u>Enforcement Procedures</u>. Before a fine or penalty is levied, the following enforcement procedure will be followed:
- 13.3.1 <u>Notice</u>. Written notice to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (A) the provision of the Governing Documents that has been violated; (B) the date of the violation or the date the violation was observed; (C) the first and last name of the person(s) who observed the violation; (D) the action required to abate the violation, (E) the process the Owner must follow to contest the notice; and (F) if the violation is a continuing one, a time period of not less than 10 days in which to cure the violation, unless the violation constitutes a safety or health hazard, or if the violation is not a continuing one, a statement that any further violation of the same provision of the Governing Documents may result in the imposition of sanctions after notice and hearing.
- 13.3.2 Owner's Right to Respond. An Owner receiving notice of a violation may provide the Board of Directors with a written response by certified mail within 10 business days after the date of the notice. The Owner's response must be sent to the Association's address of record. Within 10 business days after receipt of the Owner's response, the Association shall respond to the Owner's questions or assertions. Except as otherwise provided by applicable law, the Association may not proceed with any action to

enforce the Governing Documents against the violation, including the collection of attorney fees, before or during the time limits prescribed for the exchange of information between Board and the Owner.

13.3.3 <u>Notice of Hearing</u>. If the violation continues past the period allowed in the Association's notice for abatement without penalty, or if the same provision of the Governing Documents is subsequently violated, the Board shall serve the violator with written notice of a hearing to be held by the Board in executive session. Service may be made personally or by first class mail to the violator's address of record. The notice shall contain: (A) the nature of the alleged violation; (B) the time and place of the hearing, which time shall be not less than ten days from the giving of notice; (C) an invitation to attend the hearing and produce any statement, evidence and witnesses on his/her behalf; and (D) the proposed sanctions to be imposed, which may include the imposition of a fine.

13.3.4 <u>Hearing</u>. The hearing shall be held in executive session of the Board of Directors, pursuant to the aforesaid Notice, thereby affording the Owner a reasonable opportunity to be heard. Protocol of the hearing will be set by the Board of Directors. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered into the minutes by the officer or director who delivered such notice. If the Owner does not appear at the hearing, the Board will presume the validity of the Notice of Violation and may levy a fine or penalty.

29. 13.4 <u>Notice of Violation</u>. In the event that any Owner, his/her guests, tenants or family members are in violation of any of the provisions of the Governing Documents, the Association, after providing notice and an opportunity to cure the violation, has the right to record a "Notice of Violation" with the Pima County Recorder's Office, stating the name of the Owner, the Lot and the nature of the violation, and the Association's intent not to waive any of its rights of enforcement. The Notice shall remain of record until the violation is cured.

13.5 No Obligation to Enforce. The Association is not obligated to take any enforcement action if the Board determines, in its sole discretion, that because of considerations pertaining to the Association's finances, possible defenses, the time and expense of litigation or other enforcement action, the likelihood of a result favorable to the Association, or other facts deemed relevant by the Board, enforcement action would not be appropriate or in the best interests of the Association. The failure of the Association or an Owner 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 Owner to enforce the Governing Documents in the future.

13.6 <u>Cumulative Rights and Remedies</u>. All rights and remedies of the Association under the Governing Documents or at law or in equity are cumulative, and the exercise of one right or remedy shall not waive the Association's right to exercise another right or remedy.

13.7 <u>Violation of Law</u>. Each and every provision of this Declaration, as amended from time to time, is subject to any and all applicable federal, state and local governmental rules and regulations, ordinances and subdivision regulations. Any violation of any federal, state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Subdivision is declared to be a violation of the Governing Documents and subject to any and all enforcement procedures set forth in such Governing Documents.

ARTICLE XIV GENERAL PROVISIONS

- 14.1 <u>Binding Effect</u>. By acceptance of a deed or acquiring any ownership interest in any Lot, each person or entity, for himself or itself, his or its heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme to the development of the Property and hereby evidences his intent that all restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future owners, grantees, purchasers, assignees and transferees thereof.
- 14.2 <u>Severability</u>. Invalidation of any covenant, restriction, provision or term of this Declaration by judgment or court order shall not affect any other covenant, restriction, provision or term hereof which shall remain in full force and effect.
- 14.3 <u>Term</u>. The aforesaid provisions, conditions, restrictions and covenants, and each and all thereof, as they are from time to time amended in accordance with the provisions of Section 14.4 hereof, shall run with the land and continue and remain in full force and effect at all times and against all persons, unless at least 2/3rds of the Lot Owners shall agree in writing to terminate them.
- 14.4 Amendment. This Declaration may be amended at any time by the affirmative vote of 2/3rds of the Owners, casting one vote per Lot. Any amendment to this Declaration shall be evidenced by a written document signed by the President and Secretary of the Association, attesting that the requisite number of Owners consented to such amendment. Any such amendments shall be effective when duly recorded in the office of the Pima County Recorder, and no such amendment made pursuant to the provisions hereof shall be deemed void or ineffective merely because such amendment is non-uniform as to all Lots and Dwelling Units.
- 14.5 <u>Captions and Titles</u>. All captions and titles used in this Declaration are intended solely for convenience or reference purposes only and in no way define, limit or describe the true intent and meaning of the provisions hereof.

1	
2	IN WITNESS WHEREOF, the undersigned certify that at least 2/3rds of the Owners
3	have voted to approve this Amended and Restated Declaration, thereby superseding the
4	Original Declaration.
5	
6	COLONIA VERDE HOME OWNERS ASSOCIATION,
7	an Arizona non-profit corporation
8	
9	
10	~ 0.0
11	By Jocy Curles
12	/ President
13 14	ATTECT
15	ATTEST:
16	
17	
18	By Skinda Tache
19	Secretary
20)

1	STATE OF ARIZONA)
. 2	: ss:
3 4	County of Pima)
5	The foregoing instrument was acknowledged before me this <u>28Th</u> day of
6 ·	FEBRUARY , 2007, by JOEY CURTIS ,
7	President, of COLONIA VERDE HOME OWNERS ASSOCIATION, an Arizona non-profit
8	corporation, on behalf of the corporation.
9	Notary Public State of Arizons
10	Pima County
11	Dona J Malazian Expires October 05, 2007
12	Expires October 05, 2007 Dona g. Malagran
13	Notary Public
14	
15	STATE OF ARIZONA)
16	: ss:
17	County of Pima)
18	
19	The foregoing instrument was acknowledged before me this $\frac{281}{}$ day of
20	TEBRUARY , 2007, by DORINDA RUELAS , Secretary, of
21	COLONIA VERDE HOME OWNERS ASSOCIATION, an Arizona non-profit corporation, on
22	behalf of the corporation.
23	
24	
25	Notary Public State of Arizons
26	Pima County Hona J. Malagran
27	Dona J Malazian Expires October 05, 2007 Notary Public