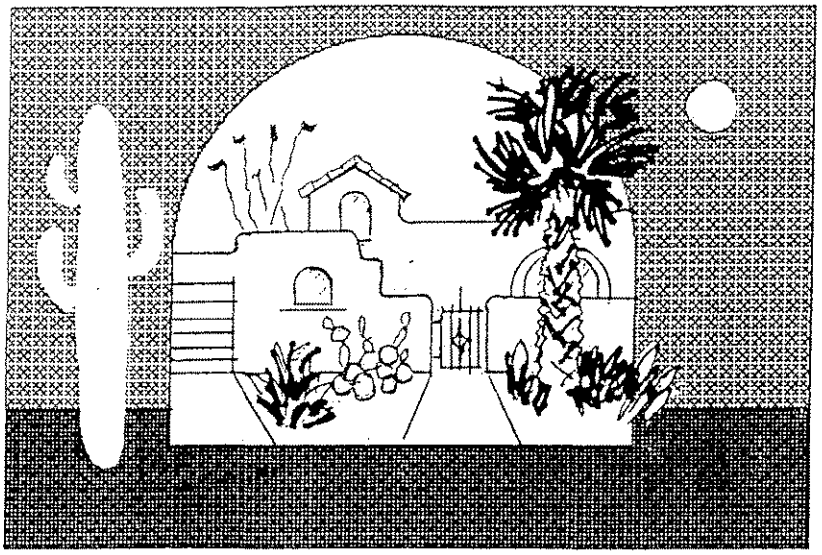

Esperanza Estates Homeowners' Association, inc.

amended and restated declaration of

COVENANTS, CONDITIONS, AND RESTRICTIONS

april 2001

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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GREEN VALLEY ESPERANZA ESTATES

This Amended and Restated Declaration of Covenants, Conditions and Restrictions was adopted on the 26th of April, 2001, by the affirmative vote of at least 51% of the members of ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC., ["Association"] an Arizona Nonprofit Corporation.

WHEREAS, a Revised and Restated Declaration of Covenants, Conditions and Restrictions was recorded on August 30, 1988 in Docket 8361 at Page 109, in the Office of the Pima County Recorder, which amended and superseded all previously adopted and recorded Declarations; and

WHEREAS, the Revised and Restated Declaration was amended on March 17, 1989 in Docket 8496 at Page 584 in the Office of the Pima County Recorder, and on May 30, 1989 in Docket 8547 at Page 463 in the Office of the Pima County Recorder ; and

WHEREAS, at least 51% of the members of the Association desire to amend and restate the Declaration, thereby revoking the Declaration recorded at Docket 8361 at Page 109, in the Office of the Pima County Recorder, as amended.

NOW, THEREFORE, the undersigned being the President and Secretary of the Association, certify that at least 51% of the Members of the Association have affirmatively voted in favor of adopting this Amended and Restated Declaration of Covenants, Conditions and Restrictions, thereby revoking the Revised and Restated Declaration of Covenants, Conditions and Restrictions for Green Valley Esperanza Estates recorded on August 30, 1988 in Docket 8361 at Page 109, Office of the Pima County Recorder and which was amended on March 17, 1989 in Docket 8496 at Page 584 and on May 30, 1989 in Docket 8547 at Page 463 *et. seq.*, declaring that such Revised and Restated Declaration, together with the amendments thereto, is null and void and this Amended and Restated Declaration shall supersede such previously recorded Declaration and amendments.

The following real property shall be held, sold and conveyed subject to the following assessments, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the property. These easements, covenants, restrictions and conditions shall run with the property and shall be binding upon all parties having or acquiring any right, title or interest in the described properties or any part thereof and shall inure to the benefit of each such party:

> Lots 1 through 100 and Common Areas "A" through "C" of Green Valley Esperanza Estates as shown on the map recorded in Book 28 of Maps and Plats at Page 4, in the office of the Pima County Recorder, Pima County, Arizona; Lots 101through 205 of Green Valley Esperanza Estates as shown on the map recorded in Book 28 of Maps and Plats at Page 83, in the office

of the Pima County Recorder, Pima County, Arizona; Lots 206 through 258 of Green Valley Esperanza Estates as shown on the map recorded in Book 29 of Maps and Plats at Page 88, in the office of the Pima County Recorder, Pima County, Arizona; and Lots 259 through 368 of Green Valley Esperanza Estates as shown on the map recorded in Book 30 of Maps and Plats at Page 53, in the office of the Pima County Recorder, Pima County, Arizona; all of this property will referred to in this Declaration as "Properties".

Article I
DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases have the following meanings:

Section 1.1 "Articles" mean the Articles of Incorporation of the Association and any amendments thereto which are filed in the Office of the Arizona Corporation Commission.

Section 1.2 "Association" refers to ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 1.3 "Board" means the Board of Directors of the Association.

Section 1.4 "By-Laws" means the By-Laws of the Association, together with any amendments thereto.

Section 1.5 "Common Area" or "Common Property" means Common Areas A through U, as shown on the Plats, title to which is vested in the Association and which is for the private use and enjoyment of each Owner. The Common Areas shall also include all recreational facilities and community facilities.

Section 1.6 "Declaration" means this instrument and any amendments thereto.

Section 1.7 "First Mortgagee" means the holder of any mortgage under which the interest of any Owner of a Dwelling Unit is encumbered and which mortgage has first and paramount priority, subject only to the lien of general or ad valorem taxes and assessments.

Section 1.8 "Governing Documents" refers to this Declaration, as amended from time to time, the Articles of Incorporation, Bylaws, and Rules.

Section 1.9 "Lot" means any numbered parcel of real property shown on the Plat, together with any improvements constructed on such Lot. There are two types of Lots within the subdivision:

1.9.1 A "Standard Lot" refers to any Lot which has common corners with no more than two adjacent Lots.

1.9.2 A "Quad Lot" means any Lot which is connected to three other lots all of which share a common corner.

1.9.3 If a Dwelling on a Standard or Quad Lot occupies two or more adjoining Lots or any portion of an adjoining Lot and title to such adjacent Lots is vested in the same Owner, such Lots are considered and treated as one Lot ["Joined Lots"] for the purpose of voting and computing that Lot's share of the annual and/or special assessments. The owner of such adjoining Lots is entitled to one vote for such Lots and shall be assessed one annual assessment regardless of the number of Lots on which the residence is located.

Section 1.10 "Member" means every person and/or entity who holds membership in the Association.

Section 1.11 "Mortgage" means any mortgage, deed of trust or other security instrument which encumbers a Lot.

Section 1.12 "Owner" means (1) the record Owner, whether one or more persons or entities, of equitable or legal title in fee simple of any Lot, or (2) the purchaser of a Lot under a recorded executory contract for the sale of real property. An "Owner" does not include: persons or entities who hold an interest in any Lot merely as security for the performance of an obligation; a lessee or tenant of an Owner as defined above; or a purchaser or vendee under any executory contract of sale which has not "closed" and/or been recorded in the office of the County Recorder of Pima County, Arizona.

Section 1.13 "Person" means a natural individual or any other entity with the legal right to hold title to real property.

Section 1.14 "Plat" means the subdivision plats covering the Property under the name "Green Valley Esperanza Estates" recorded in the office of the Pima County Recorder.

Section 1.15 "Property" or "Subdivision" means all that real property identified in the Plat.

Section 1.16 "Rules" means the rules adopted by the Board to govern the conduct of the Owners on the Lot and in the Common Areas.

Article II
MEMBERSHIP

Every Owner of a Lot subject to the Governing Documents is a member of the Association. Membership is appurtenant to and may not be separated from ownership of any Lot subject to assessment by the Association. Ownership of a Lot is the sole qualification for membership.

Article III
VOTING RIGHTS

Section 3.1 Each Owner is entitled to one vote for each Lot or Joined Lot owned by that Person, whether title to such Lot is held by one (1) person, by a husband and wife, by joint tenants, or in any other form of ownership.

Section 3.2 The Association may suspend the voting rights of any Member for any period during which any assessment against a Lot remains unpaid and delinquent. The Association may also suspend the voting rights of any Member for a period specified by the Board when, in the Board's discretion, such Member is in violation of the Governing Documents.

Article IV
EASEMENTS

Section 4.1 All Lots and the Common Areas are subject to an easement for encroachments created by construction activity, settling and overhangs as constructed by the Developer or as authorized by the Association. A valid easement for these encroachments and for the maintenance thereof exist so long as the encroachments are standing.

Section 4.2 There is a blanket easement upon, across, over and under all of the Common Areas for the use and enjoyment of all Owners of the Lots, their guests, invitees, licensees, emergency vehicles, for egress/ingress, and for installing, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephone, electricity and cable television distribution.

Article V
ASSESSMENTS

Section 5.1 Obligation to Pay Assessments. Each Owner upon the recordation of a deed to any Lot, whether or not it is stated in the deed, agrees to pay to the Association: (1) Annual Assessments or charges, (2) Reimbursement Assessments and (3) Special Assessments. These assessments shall be established and collected as provided in this

Article. All assessments, together with interest, late fees, costs, and reasonable attorney fees, shall be charged against the Lot and shall be a continuing lien upon the Lot. Delinquent assessments, together with interest, late fees, costs, and reasonable attorney fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment was levied.

Section 5.2 Purpose of Annual Assessments. The Annual Assessments levied by the Association shall be used for the benefit of the Members, their families, tenants and guests, for the improvement and maintenance of the Common Areas, for the payment of all expenses and charges which are the responsibility of the Association, and for all other purposes set forth in the Governing Documents. The Board shall include an adequate reserve fund for maintenance, repairs and replacement of those portions of the Common Areas which must be replaced on a periodic basis. All assessments shall be paid on a periodic basis in regular installments rather than by special assessments, unless otherwise determined by the Board.

Section 5.3 Assessments.

5.3.1 Annual Assessment.

5.3.1.1 The Board is vested with full authority and absolute discretion to determine the amount of the annual assessment, based upon the operating budget of the Association, including appropriate reserves, provided, however, that the amount of the annual assessment may not be increased more than the maximum amount set forth in Planned Communities Act, A.R.S. §33-1803, (which as of the date of the adoption of this Declaration is up to 20% of the previous year's assessment) without the approval of a majority of the members of the Association [or in compliance with any other voting requirements set forth in the Act, as amended from time to time].

5.3.1.2 Notification to Owners of Annual Assessments. The Board shall provide notice to the Owners of the amount of the Annual Assessment at least thirty days prior to January 1 of each year. The Board, in its sole discretion, may permit the Annual Assessment to be paid in equal monthly installments or on any other periodic basis.

5.3.1.3 Acceleration of Annual Assessment. In the event the Board determines that the annual assessments are payable in installments, at such time as any Owner is delinquent in the payment of such installments, the Board has the right, after notice to the Owner, to accelerate the balance of the year's assessment, all of which shall be due within fifteen days of written notice thereof by the Board.

5.3.2 Special Assessments. In addition to the Annual Assessments, the Board may levy Special Assessments for any of the following purposes: (1) constructing capital improvements; (2) correcting an inadequacy in the current operating account; (3) defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of improvements in the Common Area; or (4) paying for such other matters as the Board may deem appropriate. The Board shall determine the due date of any Special Assessment. Any Special Assessment must be approved by a majority of the Members who are voting in person or by proxy at a meeting called for the purpose of approving such Special Assessment.

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5.3.3 Uniform Rate of Assessment. All Assessments must be set at a uniform rate for all Lots, including the Joined Lots.

5.3.4 Due Dates for Annual Assessments. Each Owner shall begin making his/her payment of the Annual Assessments on the first day of the month following the conveyance of a Lot to that Owner. This amount shall be adjusted according to the number of months remaining in the calendar year.

5.3.5 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against any Owner if a failure to comply with the Governing Documents has (1) necessitated an expenditure of money by the Association to bring the Owner or his/her Lot into compliance, including any attorney fees which were incurred by the Association; or (2) resulted in the imposition of a fine or penalty by the Board, after notice of the violation and an opportunity for a hearing has been given to the Owner. Reimbursement Assessments may be collected in the same manner as Annual Assessments.

Section 5.4 Effect of Nonpayment of Assessments; Remedies of the Association. 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 by either or both of the following procedures:

5.4.1 By Suit. The Association may file a lawsuit 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, any additional charges incurred by the Association, attorney fees and court costs and any other amounts which the court may award. A proceeding to obtain a judgment for unpaid assessments may be maintained without the necessity of foreclosing or waiving the Association's lien.

5.4.2 By Lien. The Association's lien for any unpaid assessment arises when any assessment is not paid within fifteen days of its due date. As more fully provided for in A.R.S. §33-1807, the recording of the original Declaration in Docket 5306 at Page 802, *et. seq.* constitutes record notice and perfection of the Association's lien. The Association is not required to record a lien, but may do so to provide notice to third parties of its interest in the Lot. Except for the transfer of a Lot pursuant to a foreclosure proceeding, the sale or transfer of a Lot does not affect the Association's lien. The Association may commence and maintain proceedings to foreclose its lien in the same manner as the foreclosure of mortgages. The lien for assessments is prior and superior to all other liens, except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and (2) the lien of any mortgage or deed of trust which is recorded before the date this Declaration was recorded.

5.4.3 Additional Charges. In addition to any other amounts due or any other relief or remedy obtained against an Owner who is delinquent in the payment of any assessments, each Owner agrees to pay such additional costs, fees, charges and expenditures ("Additional Charges") as the Association may incur in the process of collecting funds from such Owner. All additional charges shall be included in any judgment in any suit to collect delinquent assessments or may be levied against a Lot as a reimbursement assessment. Additional charges shall include, but not be limited to: attorney fees; late charges in an amount to be determined by the Board if any assessment is not paid within fifteen days from the date it is due; costs of suit, including litigation expenses and court costs; interest on all sums due from the Owner, including delinquent assessments, costs of collection, attorney fees and late charges, at an annual percentage rate to be established by the Board; and any other additional costs which the Association may incur in the process of collecting delinquent assessments or other sums due to the Association.

5.4.4 Application of Payments. All payments received by the Association shall be applied first to the principal amount due which includes the late charges and any collection costs and attorney fees incurred by the Association, and then to any interest which has accrued on these sums.

5.4.5 Statement of Assessment Lien. Upon written request from any Owner, the Owner's agent, or the lienholder, the Association shall furnish the person who made the request with a written certificate, in a recordable form, signed by an officer or authorized agent of the Association, stating the amount of any assessment which is due and

any additional charges secured by the lien upon his/her Lot. The Board of Directors may impose a reasonable charge for the issuance of that certificate.

5.4.6 No Exemption of Owner. No Owner is exempt from liability for the payment of assessments because he/she does not use or enjoy the Common Areas, has abandoned his/her Lot, or for any other reason, including any allegation that the Board is not performing its obligations under the Governing Documents.

Section 5.5 Subordination of the Lien to Mortgages. The lien for assessments is subordinate to the lien of any first mortgage or deed of trust secured by a Lot. The sale or transfer of any Lot does not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure, or any proceeding in lieu thereof, extinguishes the lien for such assessments but only as to those payments which became due prior to such sale or transfer. No sale or transfer of any Lot shall relieve the Lot from liability for any assessments which become due before the sale or transfer, or from the lien for assessments.

Section 5.6 Mortgage, Protection and Additional Assessment as Common Expense. Notwithstanding any other provisions of the Governing Documents, the following provisions apply to all First Mortgagees:

5.6.1 The First Mortgagee is not personally liable for the payment of any assessment or charge accruing prior to the date of any foreclosure or deed in lieu of foreclosure, nor for the observance or performance of any provision of the Governing Documents, except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, except as hereinafter provided.

5.6.2 During the pendency of any proceeding to foreclose the first mortgage, including any period of redemption, the First Mortgagee may, but need not, exercise any or all of the rights and privileges of the Owner of the mortgaged Lot, including, but not limited to, the right to vote as a member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

5.6.3 At such time as the First Mortgagee becomes the record title owner of a Lot, such First Mortgagee shall be subject to all of the terms and conditions of the Governing Documents, including but not limited to the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any Owner.

5.6.4 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 the Governing Documents which secures 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. Any such unpaid assessment shall nevertheless continue to exist as the personal obligation of the defaulting Owner of the respective Lot to the Association, and the Board shall use reasonable efforts to collect the same from the Owner even after he/she is no longer a member of the Association. There shall be a lien upon the interest of the first mortgagee or other party which acquired title to a mortgaged Lot by foreclosure suit or by equivalent procedures for all assessments authorized by this Declaration or the By-Laws which accrue and are assessed after the date the acquirer has acquired title to the Lot free and clear of any right of redemption.

5.6.5 Any First Mortgagee, upon prior written notice to the Association setting forth the name of the First Mortgagee and the Lot number, is entitled to timely written notice of:

5.6.5.1 any proposed amendment of this Declaration; and

5.6.5.2 any default under the Declaration or Bylaws which gives rise to a cause of action against the Owner of a Lot subject to the mortgage of such holder, where the default has not been cured within sixty (60) days after its occurrence.

5.6.6 Each First Mortgagee shall, upon written notice to the Association, be entitled to inspect the books and records of the Association during normal business hours.

Article VI
INSURANCE

Section 6.1 Insurance Coverage for Common Areas: The Board has the power and duty to obtain and maintain insurance coverage in such types and amounts and on such terms as the Board determines suitable in its discretion for the following purposes:

6.1.1 to insure the property of the Association and all structures and other improvements in the Common Areas against loss, damage or destruction by fire or other casualty;

6.1.2 to insure the Association and its officers, directors and the Members against public liability for damage or injury sustained in the Common Areas or arising out of the actions or inactions of the Association or any of its officers, directors, agents, or employees; and

6.1.3 to insure the Association, its officers and directors and the Members from any liability from any cause which the Board deems necessary and proper in its discretion, including without limitation, errors and omissions of the Board of Directors and the officers of the Corporation.

Section 6.2 Insufficient Insurance Proceeds: In the event that the Board determines that insurance proceeds collected under the policy for damage to the Common Areas are insufficient to pay all costs for the adequate restoration of any damaged improvements to the same condition they were in prior to the damage, the Board shall levy a "special" assessment to cover the balance of the costs of restoration. Any deficiency to pay for restoration of improvements within the Common Areas shall be assessed against all the Owners in equal shares in the same manner as Annual Assessments. Such special assessment shall be billed by the Association within thirty (30) days from the date it is levied and paid within thirty (30) days thereafter. Collection of such special assessment may be enforced by the Association in the same manner as the collection of delinquent annual assessments.

Section 6.3 Insurance on Lots: Each Owner is responsible, at his/her own expense, to provide Owner's liability insurance, fire, theft, and other insurance covering the Lot and the Owner's personal property from all damage and loss. Any Owner may, if he/she wishes, at his/her own expense, carry any and all other insurance he/she deems advisable. However, if available, such policies for additional insurance shall provide that there shall be no contribution or offset between policies of the Association and policies the individual Owner has in effect. In the event of damage to an improvement on a Lot, the Owner shall promptly repair or rebuild the improvement to the same standards and specifications as the original improvement, unless otherwise permitted by the Board.

Article VII
PARTY WALLS

Section 7.1 General Rules of Law to Apply: Each wall which is built as a part of the original construction of any of the improvements on the Lot and placed on the dividing line between the Lots constitutes a Party Wall

and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions apply.

Section 7.2 Sharing of Repair and Maintenance: The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners of the Lots which are divided by the wall.

Section 7.3 Destruction by Fire or Other Peril: If a party wall is destroyed by fire or other peril, any Owner may restore it. Owners shall contribute to the cost of restoration in proportion to the use of the wall, without prejudice to the right of any such Owners to demand a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 7.4 Weatherproofing: Notwithstanding any other provision of this Article, an Owner who by negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 7.5 Right of Contribution Runs With Land: The right of any Owner to contribution from any other Owner under this Article is appurtenant to the land and passes to such Owner's successors in interest.

Section 7.6 Arbitration: In the event any dispute arises concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator and the two arbitrators shall choose a third arbitrator to resolve the dispute. The decision of a majority of the arbitrators is final and binding on all parties.

Section 7.7 Private Agreements: No private agreements between any Owners may modify the terms and provisions of the Governing Documents.

Article VIII
ARCHITECTURAL CONTROL

Section 8.1 Architectural Control Committee: Each year the Board shall appoint an "Architectural Control Committee," [ACC] consisting of no fewer than two Members. The Board may delegate to the ACC any of the Board's obligations under this Article VIII.

Section 8.2 Alterations and Additions: No Owner may make any changes, alterations or modifications to any exterior portion of the improvements on the Lot or any structural changes to the residence on the Lot unless such Owner first submits and obtains the written approval of plans and specifications from the Board or ACC. Such

plans and specifications shall show the type of improvement, its shape, color, height, materials and location on the Lot. All such improvements must be in harmony as to the external design and location in relation to the surrounding structures and topography. Such plans and specifications shall also comply with applicable Planning and Zoning Rules and Regulations, Building Codes and state law.

Section 8.3 Terms of Approval and Deviations: Approvals of plans are valid for one year from the date of the written approval. All work must be completed within one year from the date of commencement. If it is not completed within this time period, the plans must be resubmitted for the written approval of the Board. Any deviation from the approved plans and specifications must be submitted to the Board for its written approval.

Section 8.4 Defects in Plans. Neither the Association nor the ACC is responsible in any way for any defects in any plans or specifications submitted for approval, nor for any structural defects in any buildings or structures erected according to such plans or specifications.

Section 8.5 Exterior Painting: Any paint applied to any exterior portion of a structure or wall must be the same color and finish as the original color and finish. In the case of additions, the exterior walls must be of the same color and finish of paint as the existing structure. No Owner shall do, or have done, any repainting of the exterior of a structure including the walls without the written approval of the Board. Painting of wall exteriors shall be to a demarcation line indicated by the Board. "Touch-up" painting using the original color and finish is permitted without first obtaining the approval of the Board.

Article IX
USE RESTRICTIONS

Section 9.1 Private Residential Purposes.

9.1.1 Single Family Homes. Lots shall be occupied and used solely for the private residential use of the Owner, his/her family, tenants and social guests and for no other purpose.

9.1.2 Operation of a Home-based Business. No trade or business may be conducted on any Lot except that an Owner or occupant residing in any Lot may conduct business activities 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 for the Properties; (c) the

business activity does not involve any person conducting such business who does not reside on the Properties or door-to-door solicitation of residents of the Properties; (d) the existence or operation of the business does not increase that Lot's use of Common Area over that which is standard for a single family residence; (e) the existence or operation of the business does not require customers or delivery trucks to visit the residence; 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 Properties, as may be determined in the sole discretion of the Board.

9.1.3 Subdividing. No Owner is permitted to subdivide a Lot or Lots to construct an additional residence.

Section 9.2 Parking;

SECTION 9.2.1 AND 9.2.2 AMENDED JANUARY 16, 2006

PIMA COUNTY RECORDER DOCKET: 12725 PAGE 5348-51

PLEASE REFER TO THE ATTACHED FOUR (4) PAGES AT

THE END OF THIS DOCUMENT.

Section 9.3 Antennae: The installation of all exterior antennae and other devices for the transmission or reception of radio and television signals, including satellite dishes, are subject to the Telecommunications Act of 1996, as amended from time to time.

Section 9.4 Pets: No wild animals, farm type animals or poultry may be kept as pets anywhere in the subdivision. Pets may be kept on a Lot and are limited to no more than two (2) dogs or cats, two (2) domesticated birds other than poultry. Pets must be kept enclosed within the walls on the Lot, except when in transport or being walked. All pets must be leashed when being walked. Any excrement deposited by a pet anywhere within the subdivision must be removed at the time of deposit by the person in control of the animal or by the Owner and disposed of in the Owner's trash facilities. Owners must be responsible for their pets and prevent them from creating a nuisance. The Board has the discretion to determine if any animal is a nuisance and to request its removal from the Lot.

Section 9.5 Signs: No advertising signs, posters or billboards of any type may be erected or displayed within the properties, except for one "For Rent" or "For Sale" sign per Lot which shall not be larger than five (5) square feet in size.

Section 9.6 Noise: No Owner shall engage in any activity, or permit any activity to occur on a Lot which results in unusually loud or obtrusive sounds or which is a nuisance.

Section 9.7 Restrictions to Assure the Subdivision as Housing for Older Persons: It is declared, and each Owner acknowledges and agrees by acceptance of title to a Lot, that the Lots shall be used solely as housing for older persons within the meaning of the Federal Fair Housing Act of 1968, as amended in 1988, and as it may be otherwise amended. Accordingly, occupancy of each and every Lot in the subdivision, including occupancy under any oral or written rental agreement, shall be governed and restricted as follows:

9.7.1 No person under the age of fifty-five (55) may reside on any Lot unless a person who is age 55 or older, also resides on that Lot, except as provided for Section 9.7.3.

9.7.2 All Lots shall be used as housing for older persons, within the meaning of the Federal Fair Housing Act, as amended from time to time.

9.7.3 In the event of the death of a resident who is age 55 or older, or in the event of any other unforeseen event or circumstances ["Event"], the co-resident may continue to occupy the residence in violation of the restriction, provided that such person(s) shall vacate the Lot within nine-months from the date of the Event. As an exception to this Section, if the person age 55 or older dies or ceases to be a resident

and one of the co-residents is age 45 or older, the remaining resident(s) shall not be required to vacate the residence.

9.7.4 Each Owner acknowledges and agrees by acceptance of a deed to any Lot, that the subdivision was constructed with housing for older persons. Due to the design of the residences, the proximity of the residences to each other, and the nature of the Common Areas and facilities, each and every Owner desires to live in a neighborhood where minor children are precluded from living. The Association and Owners agree that the creation, maintenance and enhancement of a quiet and peaceful neighborhood occurs by eliminating to the extent practicable, the noise, distraction and disturbance of children at play and otherwise associated with and caused by children who are minors. Therefore, pursuant to the general plan for the development of this Property and as manifested by this Declaration, and otherwise for maximal enjoyment and improvement of the Properties, residence on a Lot or otherwise upon the Properties is restricted to persons over eighteen years of age. Accordingly, it is covenanted and declared, for the mutual benefit of the Properties, all Owners and all persons who may use or occupy the Properties, that no person under eighteen years of age may occupy a residence or use the Properties, except that any child who is a social guest of a person who is over eighteen years of age and residing on a Lot in accordance with the terms of this Section may temporarily occupy a residence.

9.7.5 It is recognized that despite the foregoing restriction prohibiting minors from living on the Properties, children may be born to adults qualified to live on a Lot. In the event a child is born to a person or persons qualifying to reside on the Properties, the person(s) and child shall vacate the Properties within nine months after the date of the child's birth.

9.7.6 This Section 9.7 is enforceable in the same manner as any other provision of the Governing Documents. However, if as a consequence of a hearing held by the Board pursuant to Governing Documents, and if the Board finds, in its sole and absolute discretion that the nine-month period within which a person in violation must vacate a Lot, should be extended for good cause, as a result of financial hardship or other factors, the Board has the right to extend the period for a reasonable time, but not more than an additional six months. Any such finding by the Board is final and binding on all parties.

9.7.7 Neither the Association, any Owner, nor any other resident on a Lot is liable to any person (including any minor child) for any expense, inconvenience or any other damage arising in any manner as a result of the requirements concerning vacating the Lot.

9.7.8 Nothing in this Section 9.7 affects the rights of any Person to occupy a residence if that person was occupying the residence in compliance with the Governing Documents, prior to the enactment of this provision in 1989.

Section 9.8 Clotheslines: No permanent clotheslines may be erected on any Lot or in the Common Area. Portable clotheslines may be used if they are not visible from any neighboring Lots and the streets.

Section 9.9 Soliciting, Peddling, Canvassing: "Door-to-door" canvassing, soliciting, peddling or distributing of any kind is strictly forbidden, except for material distributed by the Board or at the direction thereof which is pertinent to Association activities.

Section 9.10 Common Area Restrictions: No Owner may do any landscaping, building, or gardening of any type, or change the topography, or install any electrical, plumbing, mechanical or any other equipment in any Common Area without the prior written approval of the Board.

9.10.1 All buildings, recreational equipment, trees, shrubs, landscaping materials of all types, and all electrical and mechanical equipment in all Common Areas shall belong to the Association.

9.10.2 To protect and conserve the assets of beauty and indigenous wildlife, the best efforts shall be made to restore and maintain the natural beauty and wildlife protection of all Common Areas.

Section 9.11 Common Area Use: All Common Areas are for the use and enjoyment of Owners, Owner's family, guests and invitees. This includes the buildings, grounds and recreational facilities and equipment. The Board may adopt rules and regulations for their use.

Section 9.12 Renting:

9.12.1 Each Owner has the right to lease or rent his/her Lot, provided, however, that any Lease, including any agreement to lease the Unit on a month-to-month basis, must be in writing and must provide that the failure of any lessee or tenant to comply with the Governing Documents is a default under the lease.

9.12.2 In the event any Tenant or occupant violates the Governing Documents, the Board shall provide written notice to the Owner of the violation. The notice shall describe the violation and request that the Owner take the proper legal steps to alleviate the violation within 15 days of the date of the notice. Noncompliance by the Owner within

that fifteen days is deemed as the Owner's consent that the Association act as the agent of Owner, granted with the full authority to take proper legal steps to terminate the Lease. In the event of legal action by the Association to terminate the Lease as a result of the Owner's failure to do so, the Association is entitled to reimbursement for all attorney fees and court costs incurred in such action, such sums to be collected from the Owner as a Reimbursement Assessment.

9.12.3 Each Owner shall notify the Association of his/her intent to sell or lease the Lot.

9.12.4 No Lot may be leased for use as a hotel/motel or for transient purposes, which is defined as a period of less than thirty days.

9.12.5 To assure that the Lot is occupied by a single-family, no Owner shall occupy his/her residence and rent out a portion to any other person or family. Owners shall only lease their Lots to a single-family.

Article X
OPERATION OF THE ASSOCIATION

Section 10.1 Agreements or Contracts: No agreements or contracts made by the Board on behalf of the Association shall affect the right of any prior mortgagee of any Lot.

Section 10.2 Service Contract Agreements: Any agreement or contract entered into by the Board which provides for services, whether for repair, restoration or professional management of the property, shall not exceed a period of three years. Any such agreement or contract may provide for termination by the Board without cause and without payment of a termination fee, providing there is a thirty-day written notice provision.

Section 10.3 Restrictions: The following action requires the consent or written approval of at least fifty-one percent (51%) of the Owners:

10.3.1 by act or omission, seek to abandon, partition, subdivide, encumber, or transfer any of the Common Area owned directly or indirectly by the Association for the benefit of the Owners, except for easements or dedication to a governmental entity;

10.3.2 by act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design of structures or of the exterior maintenance thereof, the maintenance of the Common Areas, walks, plantings, common walls,

driveways, or the upkeep of yards which are outside of the walls on the lot lines (except in the case of Quads where all of the areas outside of the walls on the lot lines are Common Areas).

10.3.3 fail to maintain fire and extended coverage on insurable Common Area property on a current replacement cost basis in an amount not less than one-hundred percent (100%) of the insurable value (based on current replacement costs); or

10.3.4 use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of such Common Areas Property.

NEW SECTION 10.4 Project Committee – Major Projects 2013 AMENDMENTS

Article XI
ASSOCIATION'S RESPONSIBILITIES

Section 11.1 The Association is responsible for the control, maintenance, liability and upkeep of the property and improvements in the Common Areas and shall do all things necessary for the general benefit and welfare of the Owners using the Common Areas, and shall manage and maintain the Common Areas in accordance with the Governing Documents.

Section 11.2 The Association is responsible for maintaining and replacing the trees, shrubs and landscaping outside of the walls of the residences on the Quad Lots.

Section 11.3 The Association has the power and is required to levy assessments to underwrite all monetary costs to the Association.

Section 11.4 The Association is responsible for collecting delinquent assessments due from the Owners, by an action at law or otherwise.

Section 11.5 As specified in Article VI, the Association shall secure insurance policies for the adequate protection of the Common Areas, the structures and facilities thereon.

Article XII
OWNER RESPONSIBILITIES

Section 12.1 Each Lot Owner is responsible for utility costs, all taxes, insurance coverage as mandated under Article 6.3, repairs or replacement of heating and cooling equipment, water heater, range (cooking stove), garbage disposal and all appliances which are considered as "personal" property. In addition, the Owner is responsible for the maintenance, repair or replacement, if necessary, of the roof on the

improvements on the Lot, the sewer line from the point it enters the residence on the Lot to the main sewer line, and the water service line from the meter box to the residence on the Lot. If the roof must be replaced, it shall conform to the same architectural design and style as the original roof.

Section 12.2 Except as provided for in Article XI, each Owner is responsible for all exterior maintenance or repair of the buildings, walls or other structures, trees, shrubs, landscaping and walks, including painting.

Section 12.3 All maintenance, repair, replacement and repainting of a Lot and other improvements on a Lot shall be undertaken in a manner and with such frequency which will keep each Owner's Lot in an attractive, well-kept and maintained condition in conformity with all other Lots in the Subdivision. The Board has the right to determine whether or not a Lot is in need of maintenance, repair and upkeep, in order to conform to the standards in the Subdivision. The Board shall use a reasonably high standard to determine whether such maintenance, repair and upkeep is required so that the Lots as a whole will reflect a high pride of ownership.

Section 12.4 If any Owner fails to fulfill his/her obligations under this Section, the Association, after the approval of two-thirds of the Board, has the right through its agents and employees, to enter on the Lot and to repair, maintain and restore the Lot, including the perimeter yard walls or fences, and any other improvements. The cost of such exterior maintenance shall become a Reimbursement Assessment.

Section 12.5 The Owner shall maintain the lamppost as part of the Owner's responsibilities, including painting and light bulb replacement. Owners must keep lampposts operable. Any Owner who is absent from the residence for extended periods of time must make arrangements for the maintenance thereof. Electrical service shall not be disconnected. If an Owner fails to maintain the lampposts, the Board shall contract for such maintenance, the costs of which shall become a Reimbursement Assessment.

Section 12.6 Each Owner is responsible for and shall pay for all damage he/she, his/her family, tenants, guests, invitees, or agents may cause to the Common Area or to any other Owner's property. If the Board determines that maintenance or repair is required to be done to any other Owner's property or to the Common Areas as a result of the willful or negligent acts of the Owner, his/her family, guest, tenants or invitees, the Association shall perform such maintenance or repair, the costs of which shall become a Reimbursement Assessment.

Article XIII
COMPLIANCE, ENFORCEMENT

Section 13.1 Compliance With Organizational Instruments: All present and future Owners, tenants, occupants or any other person that might use the Properties in any manner are subject to the terms and provisions of the Governing Documents. The acceptance of a deed or conveyance, entering into of a lease, or occupancy of any Lot signifies that the provisions of the Governing Documents are accepted and ratified by the party taking title or assuming occupancy. All the provisions of this Declaration are covenants running with the land and binding on all persons who have any interest in a Lot.

Section 13.2 Relief for Noncompliance: In the event of any violation of, or failure to comply with, any of the provisions in the Governing Documents, the Association, the Board of Directors, or any aggrieved Owner or Owners, has the right to enforce such violation by filing an action in law or an action seeking an injunction or other equitable relief, provided that:

13.2.1 the exclusive remedies for nonpayment of assessments are described in Article V of this Declaration, and by the provisions of the other Governing Documents pertaining to the collection of assessments;

13.2.2 an Owner may file legal action against another Owner in violation of the Governing Documents only if the Board refuses or otherwise fails, after notice of the violation and demand for action has been given to the Association, or if the Board has been unsuccessful in obtaining compliance with the application of the internal administrative remedies, described in this Article.

Section 13.3 Enforcement.

13.3.1 The Association may enforce the Governing Documents in any manner provided for in the Governing Documents or by law or in equity, including, but not limited to:

13.3.1.1 imposing reasonable monetary penalties after notice and an opportunity to be heard is given to the Owner or other violator. An Owner is responsible for the payment of any penalty which is imposed against a Tenant or Resident of the Owner's Lot or by any guest or invitee of the Owner, Lessee or Resident;

13.3.1.2 suspending an Owner's right to vote;

13.3.1.3 suspending any Person's right to use any of the recreational facilities in the Common Area, provided, however, that the Board is not authorized to limit ingress or egress to or from a Lot;

13.3.1.4 suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than 15 days delinquent in paying any assessment or other charge owed to the Association;

13.3.1.5 exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

13.3.1.6 requiring an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of this Declaration and to restore the Lot to its previous condition. After Notice and a time within which the Owner must perform, if the Owner fails to take action, the Board or its designee has the right to enter the property, remove the structure or other improvement in violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

13.3.1.7 without liability to the Association or any Person, prohibiting any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Declaration or the Design Guidelines from continuing or performing any further activities in the Properties;

13.3.1.8 towing vehicles which are parked in violation of this Declaration or the Rules; and

13.3.1.9 filing a suit at law or in equity to enjoin a violation of the Governing Documents, to compel compliance with the Governing Documents, to recover fines or money damages or to obtain such other relief as to which the Association may be entitled.

13.3.2 The Association is not obligated to take any enforcement action if the Board determines, in its sole discretion, that because of the status of 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 factors deemed relevant by the Board, enforcement action would not be appropriate or in the best interests of the Association.

13.3.3 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. 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.

13.3.4 No delay or omission on the part of the Association or any Member in exercising its right to enforcement hereunder shall be construed as a waiver or breach of any of the provisions of the Governing Documents or an acquiescence in any breach of these Governing Documents and no right of action shall accrue against the Board, the Association or any Member for their neglect or refusal to exercise such right of enforcement.

13.3.5 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 Properties. Such provisions, conditions, restrictions and covenants shall be enforceable against any portion of the Properties acquired by any person through foreclosure for any breach occurring after such acquisition.

Section 13.4 Procedure for the Imposition of Fines. In the event the Board receives a written complaint from an Owner, or if the Board determines that an Owner is in violation of the Governing Documents, the Board shall meet in executive session, within a reasonable time, to determine whether there is probable cause to believe that a violation has occurred. Pending determination of probable cause by the Board, the complaint shall be held in confidence, and if the Board determines no probable cause exists, the complaint shall be dismissed, with notice thereof provided to the complainant. In the event that the Board determines that probable cause exists to believe that there is a violation, the Board has the right to take one of the following actions:

13.4.1 Informal Procedure: By letter or other informal action deemed suitable by the Board in its discretion, the Board shall request that the Owner take the appropriate action within a certain time. If, after notice, the Board ascertains that (1) a cure has not been made or undertaken within the allotted time; or (2) a satisfactory remedy which is acceptable to the Board in its discretion has not been made; or (3) the Owner requests a hearing, then the Board shall take the action prescribed in Section 13.4.2.

13.4.2 Formal Notice and Hearing Procedure: The Board shall advise the alleged violator [hereafter referred to as "Respondent"] that he/she

has the right to a hearing before the Board, in executive session, regarding the alleged violation(s).

13.4.2.1 Notice of Violation: Notice of the violation and the opportunity for a hearing shall consist of a written statement in ordinary and concise language delivered to each Respondent describing the acts or omissions which constitute the violation with which the Respondent is charged, together with a reference to the specific provision of the Governing Documents which the Respondent is alleged to have violated. The notice shall be delivered to the Respondent in accordance with the notice procedures set forth herein, and the notice shall state, in substance, the following:

> "Unless a written request for a hearing signed by or on behalf of the Respondent is delivered to the Board within ten (10) days after the date of delivery of this notice, you will have waived your right to a hearing and the Board will take action on the violation without any further notice to you. You may, but need not, be represented by counsel, in any proceedings on this matter."

13.4.2.2 Hearing Notice: The Respondent shall be entitled to a hearing on the merits of the matter if the request for a hearing is timely given to the Board. A Respondent may provide the Board with a written statement concerning the alleged violation, even if the Respondent fails to request a hearing. If the Respondent requests a hearing, the Board shall serve notice of the hearing on the Respondent and any other parties the Board believes have relevant information concerning the violation. The Notice shall be provided at least ten days prior to the hearing. The hearing shall be held as soon as practicable after the request for a hearing is received from the Respondent. The notice of hearing to the Respondent shall be substantially in the following form, but may include other information, as determined by the Board.

> "Please take notice that there will be a hearing before the Board at _____ on the_____ day of _____, 20___, at the hour of_____ __. m. regarding the matters set forth in the Notice of Violation previously served upon you, a copy of which is enclosed. You may be present at the hearing, you may be represented by counsel, and you may present any relevant evidence and/or testimony.

13.4.2.3 Hearing: The hearing shall be before the Board and shall be open to all Association members, unless the Respondent requests in his/her request for a hearing that the hearing be held in executive session.

During the hearing, the Respondent shall be given the opportunity to be heard and present evidence and testimony.

13.4.2.3.1 Proof of Notice. Proof of service of the Notice of Violation provided to the Respondent and the Notice of Hearing shall be placed in the minutes of the meeting. Such proof is adequate if a copy of the notice, together with a statement of the date and manner of its delivery, is entered into the minutes by the officer or director who mailed or otherwise delivered the notice.

13.4.2.3.2 Delivery of Notices. Any Notices required to be given to any Owner shall be in writing and shall be deemed to have been sufficiently given for all purposes when personally delivered to such Owner or sent by First Class U.S. Mail, postage prepaid, to the Owner at the Owner's address within the Subdivision or such other address provided by the Owner to the Association. Such notice shall be deemed to be received when delivered, if delivered personally, or five business days after the date mailed, if mailed The Owner waives the notice if he/she attends the hearing.

13.4.2.3.3 Minutes of the Hearing. The minutes of the hearing shall set forth the results of the hearing and the sanctions, if any, imposed by the Board.

13.4.3 Remedies:

13.4.3.1 Emergency Abatement: If the Board determines that a violation of the Governing Documents has occurred which has or may result in immediate injury to persons or has threatened or is causing irreparable damage to property, the Board has the right, without providing prior notice or affording the Respondent with an opportunity for a hearing, to take the following action:

13.4.3.1.1 to enjoin, abate or cure the violation by appropriate legal proceedings, either at law or in equity; and/or

13.4.3.1.2 to enter on any Lot, or any portion of the Properties to immediately repair or abate the violation, by exercising its right of self-help, which shall become a Reimbursement Assessment charged to the Owner. Neither the Association, the Board nor any of its officers, directors, employees or agents are liable for, or guilty in any manner of trespass.

13.4.3.2 Conditions Precedent to Non-emergency Remedies: Except in cases of emergency where harm to persons has occurred or is threatened or irreparable damage to property is threatened, the Board shall not file legal action or exercise its right to self-help until the Board:

13.4.3.2.1 gives the Owner Notice of the Violation and provides the Owner with the opportunity for a hearing, in accordance with Section 13.4.2;

13.4.3.2.2 finds probable cause to believe that the allegations in the complaint are true;

13.4.3.2.3 the Respondent fails to cure the violation within a reasonable time as determined by the Board and communicated to the Respondent;

13.4.3.3 Action by the Board. Once the conditions set forth in Section 13.4.3.2. have been met, the Board may take any or one or more of the following actions to cure the violation:

13.4.3.3.1 issue cease and desist orders to any Owner and the Owner's lessees, guests, and invitees, as well as any other parties deemed responsible;

13.4.3.3.2 enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any violation;

13.4.3.3.3 suspend or condition the Association voting privileges of the responsible Owner, and suspend or condition the right of the Owner to use any recreational facilities or other Common Areas maintained by the Association;

13.4.3.3.4 levy reasonable fines and penalties against the responsible Owner, in accordance with a schedule of fines which the Board may, in its discretion, adopt and amend from time to time. Such Fines shall constitute Reimbursement Assessments. In promulgating a schedule of fines, the Board shall consider the following:

13.4.3.3.4.1 amounts necessary, or anticipated to be necessary, to compensate the Association for exercising its authority under this Article as a result of the violation, including without limitation

expenses for legal advice and other out-of-pocket expenses;

13.4.3.3.4.2 the necessity and desirability to deter continuing or repeated offenses by the responsible Owner; and

13.4.3.3.4.3 the deterrent effect on all of the Owners arising out of imposing fines for violations of the Governing Documents.

Article XIV
GENERAL PROVISIONS

Section 14.1 Severability: Invalidation of any one or more of the provisions in the Governing Documents by a court of competent jurisdiction shall not affect any other provision which shall remain in full force and effect.

Section 14.2 Amendments: This Declaration may be amended at any time by vote of the Owners of 51% of the Lots. Such approval may be evidenced by a vote in person, by proxy or by a written ballot, with 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 have consented to the Amendment. Amendments shall become effective when recorded in the Office of the Pima County Recorder. In the event of any amendment to the Planned Communities Act and/or the Arizona Non-profit Corporation Act which conflicts with or modifies any of the provisions of this Declaration, the Board of Directors, upon the approval of two-thirds of the Directors, may elect to adopt such statutory provisions in lieu of the provisions set forth herein.

AMENDED 2013

Section 14.3 Term. The provisions, conditions, restrictions and covenants, and each of them set forth herein, shall run with the land and continue and remain in full force and effect at all times and against all persons.

Section 14.4 Association Action: Any action authorized and required by this Declaration to be taken by the Association shall be taken by the Board unless the pertinent provision of the Declaration makes it clear that the matter must be considered at and authorized by the vote of the Members.

Section 14.5 Attorney Fees, Costs and Litigation Expenses: In the event the Association incurs attorney fees to enforce the provisions of the Governing Documents, such attorney fees shall be paid by the Owner against whom the action is taken and shall be deemed

Reimbursement Assessments. If litigation is instituted, the Association shall be entitled to recover attorney fees, court costs and litigation expenses.

Section 14.6 Compliance. All provisions of the Governing Documents or any subsequent amendments thereto are subject to any and all applicable federal, state and local laws/ordinances, rules and regulations.

Section 14.7 Notice: Any notice required to be sent to an Owner is deemed to have been properly sent when personally delivered or when mailed by first class mail, postage prepaid, and addressed to the Owner at the last known address of the Owner as set forth in the records of the Association at the time of such mailing. Notice to one of the co-owners of a Lot constitutes notice to all co-owners. It is the obligation of every Owner to immediately notify the Secretary in writing of any change of address. The effective date of a mailed notice shall be five days after the date the notice is deposited in the U.S. Mail.

Section 14.8 Rules and Regulations: The Board may adopt such Rules as it deems appropriate to carry out the provisions of the Governing Documents. Notice of such Rules shall be provided to the Members.

Section 14.9 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of the subdivision. This Declaration shall be construed and governed by the laws of the State of Arizona. If there is any conflict between this Declaration, the Articles of Incorporation for the Association, the By-Laws, or the Rules, the provisions of this Declaration shall prevail; thereafter, priority shall be given first to the Articles of Incorporation, then to the By-Laws, and then to the Rules.

Section 14.10 Indemnification. The Association shall indemnify to the fullest extent allowed by law every officer, director and committee member against any and all expenses, including attorney 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 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. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. 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 each 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.

IN WITNESS WHEREOF, the undersigned, being the President and Secretary of ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC, attest that this Restated and Amended Declaration was approved by the Owners of at least 51% of the Lots, and execute this Restated and Amended Declaration of Covenants, Conditions and Restrictions for Green Valley Esperanza Estates on April 26, , 2001.

ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC.

By: _____
President

ATTEST:

Ben D Sheffield
Secretary

F. ANN RODRIGUEZ, RECORDER
RECORDED BY: JEB
DEPUTY RECORDER
2012 RO30
DOCKET: 11547
PAGE: 1857
NO. OF PAGES: 28
SEQUENCE: 20010920462
05/11/2001
ARSTRT 16:30

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

SUBSCRIBED, SWORN TO AN ACKNOWLEDGED before me this 1 day of May, 2001, by A. David Lantz, Jr and Ben D. Sheffield, President and Secretary, respectively, of ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC.

_____
Notary Public

OFFICIAL SEAL
DEBORAH A. MANWEILER
NOTARY PUBLIC - ARIZONA
PIMA COUNTY
My Comm. Expires Nov. 4, 2004

My Commission Expires: 11-4-2004

F. ANN RODRIGUEZ, RECORDER
RECORDED BY: NMB
DEPUTY RECORDER
1134 PE8

REZMS
EZ MESSENGER ATTORNEY SERVICE
EZ-DUNCAN

DOCKET: 12725
PAGE: 5348
NO. OF PAGES: 4
SEQUENCE: 20060141096
01/23/2006
AMEN 17:30

PICKUP
AMOUNT PAID $ 9.00

AMENDMENT TO AMENDED AND RESTATED DECLARATION FOR ESPERANZA ESTATES HOMEOWNERS ASSOCIATION

This Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions which were recorded on May 11, 2001 at Docket 11547 at Page 1857, was adopted on the 16th day of January, 2006 by the affirmative vote of more than 51% of the members of ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC., ["Association"] an Arizona Nonprofit Corporation, in the manner set forth in Section 14.2 of such Declaration.

NOW, THEREFORE, the undersigned being the President and Secretary of the Association, certify that more than 51% of the Members of the Association have affirmatively voted in favor of adopting this Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions.

Section 9.2 is deleted in its entirety and the following new Section 9.2 is substituted in its place.

9.2 Parking:

9.2.1 **AMENDED 2013** Statement of Policy: To promote uniformity within Esperanza Estates and to ensure the attractive appearance of the subdivision, it is the policy in Esperanza Estates that all vehicles must be kept in the garage whenever possible.

9.2.2. Restrictions on certain vehicles: No Owner can park or permit to be parked in any driveway, or on any street, or in any patio or front or rear yard of any lot, or on any common area, any of the following types of vehicles:

1. any vehicle containing living or sleeping, and/ or toilet areas;

2. boat trailer, luggage trailer, travel trailer, house trailer, mobile home or similar vehicle except for brief stops necessary for loading and unloading or preparing for a trip. Such vehicles may be parked in the garage or carport. The term "brief stops" means parked outside of the garage or carport for not more than 48 continuous hours. This period cannot be extended by moving the vehicle and returning it to circumvent the parking restriction. No more than four (4) Brief Stops of these vehicles in any calendar quarter are permitted up to a maximum of eight (8) Brief Stops in any

calendar year.

3. No vehicle with advertising or commercial lettering is allowed to park in any driveway, or on any street, unless parked temporarily while actually doing business with or providing services to an owner.

4. Any vehicle type which fits inside of the garage and will be regularly garaged, is authorized.

5. Any unregistered vehicle, or vehicle without current license plates is prohibited except in the enclosed garage.

6. Any pick-up which will be parked in the garage is allowed. Pick-up trucks are authorized to be parked in the driveway, unless:

   a. the pick-up truck has more than four wheels;

   b. the pick-up truck has advertising or commercial lettering on it;

   c. the pick-up truck has a visible load in the bed, except during the time that of actual loading or unloading.

   d. These prohibitions do not apply to yard workers or service personnel engaged in actual work at a Lot.

7. Parking in Quad Driveways. With regard to Lots with quad driveways, those driveways are located in the Common Areas. The Owners of such Lots may temporarily park authorized vehicles in the respective driveways, provided they park as close as possible to their garages and provided further that they do not block any other owner from reaching another garage. All other parking restrictions set forth in this section including recreational and other vehicle parking apply to the quad driveways. The right to park in the quad driveways located in the common areas does not negate the other restrictions set forth in this Declaration regarding the use and occupancy of the common areas.

8. Blocking of Sidewalks. No vehicle may be parked in the

subdivision in a manner that blocks or significantly impairs pedestrian travel on any sidewalk.

9. Storage of Vehicles in Driveways Prohibited. No vehicle may be stored on the Lot or left in the driveway in a condition where the immediate use of the vehicle is not possible, such as on blocks, or covered with a tarp.

10. Exemption for Emergency Vehicles. No restriction affects any emergency vehicle actively engaged within the subdivision.

11. Visitors & Guests. The Board of Directors may adopt rules regarding the issuance of permits to allow temporary, short-term parking of authorized vehicles by visitors and guests within the subdivision.

Effective date: These amendments to the Declaration become effective upon the recordation of this amendment in the Office of the Pima County Recorder in accordance with Article 14.2 of the Declaration.

Dated: January 18, 2006

ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC.

By: _____
President

ATTEST:

_____
Secretary

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

SUBSCRIBED, SWORN TO AN ACKNOWLEDGED before me this 18 day of January, 2006, by Max B. Perry and Sheila A. Bonnen, President and Secretary, respectively, of ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC.

Silvia Astorga
Notary Public

My Commission Expires:

OFFICIAL SEAL
SILVIA ASTORGA
NOTARY PUBLIC - ARIZONA
PIMA COUNTY
My Comm. Expires June 30, 2008

SECOND AMENDMENT TO AMENDED AND RESTATED DECLARATION
FOR ESPERANZA ESTATES HOMEOWNERS ASSOCIATION

This Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions ("Declaration") which was recorded on May 11, 2001 at Docket 11547 at Page 1857, Pima County, was adopted by the affirmative vote of more than 51% of the Members of ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC., ["Association"] an Arizona Nonprofit Corporation, in the manner set forth in Section 14.2 of the Declaration and affects the following described real property:

> Lots 1 through 100 and Common Areas "A" through "C" of Green Valley Esperanza Estates as shown on the map recorded in Book 28 of Maps and Plats at Page 4, in the office of the Pima County Recorder, Pima County, Arizona; Lots 101 through 205 of Green Valley Esperanza Estates as shown on the map recorded in Book 28 of Maps and Plats at Page 83, in the office of the Pima County Recorder, Pima County, Arizona; Lots 206 through 258 of Green Valley Esperanza Estates as shown on the map recorded in Book 29 of Maps and Plats at Page 88, in the office of the Pima County Recorder, Pima County, Arizona; and Lots 259 through 368 of Green Valley Esperanza Estates as shown on the map recorded in Book 30 of Maps and Plats at Page 53, in the office of the Pima County Recorder, Pima County, Arizona.

NOW, THEREFORE, the undersigned being the President and Secretary of the Association, certify that more than 51% of the Members of the Association have affirmatively voted in favor of adopting these Amendments to the Amended and Restated Declaration of Covenants, Conditions and Restrictions.

1 Section 9.2.1 as stated in the Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions recorded on January 23, 2006 in Docket 12725 at Page 5348, Pima County Recorder is deleted in its entirety and the following new Section 9.2.1 is substituted in its place.

9.2 Parking:

9.2.1 Statement of Policy: To promote uniformity within Esperanza Estates and to ensure the attractive appearance of the subdivision, it is the policy in Esperanza Estates that all vehicles must be kept in the garage, or parked on the driveway either over night and when not in use during the day. The Board has the right, upon receipt of a written application by an Owner, to grant special dispensations in hardship cases.

2 A new Section 10.4 is added to the Declaration:

10.4. Project Committee – Major Projects.

10.4.1. A Project Committee comprised of from three to five Members of the Association, will be appointed by the President. The Project Committee will appoint a chair and develop projects for the Association with the assistance of a member of the Board assigned by the President to serve on such Project Committee.

10.4.2. If the Board determines that it is in the best interests of the Members to borrow funds for improvements or major repairs to the Common Areas, the Board will have plans prepared and presented to the Members. The plans will be specific to the proposed project and will provide a mechanism by which the Board will obtain bids from appropriate contractors. The Board may rely upon the Project Committee to obtain the projected costs of such proposed project.

10.4.3. If the Project Committee determines that it will solicit funding for any proposed project from the Members, it will provide the Members with a prospectus showing the amount required and a minimum and maximum term of the loan. The prospectus will include a form for the Members to submit to the Association indicating the amount such Member agrees to loan the Association, the term of the loan and the interest rate that is acceptable to that Member.

3 Pursuant to Section 14.2 of the Declaration, the Board of Directors, upon the approval of two-thirds of the Directors, has the right to incorporate any provisions of the Planned Communities Act (A.R.S. §33-1801, *et. seq.*) adopted after the recordation of the Amended and Restated Declaration of Covenants, Conditions and Restrictions in 2001 that conflict with or modify any of the provisions of the Declaration, without the necessity of obtaining any of the consents of the Owners. Therefore, with the adoption of A.R.S. §33-1812, which prohibits the use of proxies by Members of the Association, the Board approved amendments at its November 19 2012 meeting, to the following Sections in the Declaration which refer to the use of proxies in voting. Such Sections are amended to require that all votes be cast in person, by absentee ballot, or by some other form of delivery:

a. Section 5.3.2. Special Assessments, which must now be approved by a majority of the Members who are voting in person, by absentee ballot, or by some other form of delivery, at a meeting called for the purpose of approving such Special Assessment.

b. Section 14.2. Amendments, which now must be approved by the Owners of 51% of the Lots, as evidences by a vote in person or by a written ballot, with one vote per Lot.

Effective date: These amendments to the Declaration become effective upon the recordation of this Second Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Green Valley Esperanza Estates, in the Office of the Pima County Recorder in accordance with Article 14.2 of the Declaration.

Dated: May 8, 2013

ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC.

By: _____
President

ATTEST:

_____
Secretary

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

SUBSCRIBED, SWORN TO AN ACKNOWLEDGED before me this 8th day of May, 2013, by Eric Ellingson, President of ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC.

_____
Notary Public

A House
Notary Public
Pima County, Arizona
My Comm. Expires 10-21-16

My Commission Expires: 10/21/2016

STATE OF ARIZONA)
) ss:
COUNTY OF PIMA)

SUBSCRIBED, SWORN TO AN ACKNOWLEDGED before me this 9 day of May, 2013, by Joe McCalpin, Secretary, of ESPERANZA ESTATES HOMEOWNERS ASSOCIATION, INC.

_____
Notary Public

My Commission Expires:
11-19-15

JUDY A FLORES
NOTARY PUBLIC - ARIZONA
Pima County
My Commission Expires
November 18, 2015