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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

FOR

COLONIAS LA CANADA

**LOTS 83-156, COMMON AREA 'A' (OPEN SPACE AND LANDSCAPE)
AND A PORTION OF COMMON AREA 'B' (DRAINAGE)**

Dated: May 8, 1998

WHEN RECORDED MAIL TO:

Christopher Marrs
A. W. Marrs, Inc.
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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
COLONIAS LA CANADA
LOTS 83-156 AND COMMON AREAS "A AND B"**

THIS DECLARATION, made this day of May 1998, by Chicago Title Insurance Co., as Trustee under Trust No. 12,093, and Santo Tomas Limited Partnership, an Arizona Limited Partnership, and Santo Tomas Joint Venture, an Arizona Joint Venture as Beneficiary, its successors and assigns, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in the County of Pima, State of Arizona, described as Colonias La Canada, Lots 83-156 and Common Area A (Open Space and Landscaping) and that portion of Common Area B (Drainage) which lies west of the east boundary of Lots 120 through 130, as shown on the Plat of record in Book 51 of Maps and Plats at Page 2 of the Pima County Recorders Office which shall hereinafter be referred to as the "Property"; and

WHEREAS, Declarant, or its designee, proposes to construct individual Dwelling Units upon the subdivided portion of the Property and to sell and convey the same, subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitude, charges and liens, hereinafter set forth, each of which is for the benefit of the Property and the subsequent owners thereof.

WHEREAS, the Colonias La Canada Homeowners Association, a nonprofit corporation, is incorporated under the laws of the State of Arizona for the purpose of exercising such powers and functions as provided herein.

NOW, THEREFORE, Declarant hereby declares that the Property is and shall be held, conveyed, encumbered, and used subject to the following covenants, conditions, restrictions, uses, limitations, obligations, easements, equitable servitude, charges and liens, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. The covenants, conditions, restrictions, uses, limitations, obligations, easements, equitable servitude, charges and liens set forth herein having or acquiring any interests in the Property of any part thereof, shall inure to the benefit of and be binding upon Declarant, and its successors in interest; and may be enforced by Declarant or its successors in interest by any owner or his successors in interest or by any entity having an interest in their enforcement. No provision contained herein shall be construed to prevent or limit Developer's right to complete development of the Property or the construction of improvements and Recreational area and/or facilities, if any, thereon, or to modify the design of the homes or Dwelling Units to be built upon said Property, nor Developer's right to do anything that it may, in its sole discretion, deem necessary and proper for the full development of the Property.

**ARTICLE I
DEFINITIONS**

Unless the context otherwise specifies or requires, the following words and phrases when used herein assigned.

- Section 1.01. "Annual Assessments" shall mean those assessments levied by the Association and used to promote the recreation, health, safety and welfare of the Members and their guests and family, for the improvement of the Common Area and for all other purposes set forth in the Articles, Bylaws and this Declaration.
- Section 1.02. "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.
- Section 1.03. "Association" shall mean the Colonias La Canada Homeowners Association, an Arizona nonprofit corporation, which shall be formed prior to the conveyance of the first Lot, its successors and assigns.
- Section 1.04. "Board" shall mean the Board of Directors of the Association.
- Section 1.05. "Bylaws" shall mean the code of rules adopted for the regulation and management of the affairs of the Association, and any amendments thereto.
- Section 1.06. "Common Area" shall mean all real property as shown on the recorded plat, whether improved or unimproved, and all improvements owned by the Association for the common use and enjoyment of the Owners.
- Section 1.07. "Declarant" shall mean Chicago Title Insurance Company, a Missouri Corporation, as Trustee under Trust No. 12,093, and Santo Tomas Limited Partnership, an Arizona limited partnership, and Santo Tomas Joint Venture, an Arizona joint venture as Beneficiary, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.
- Section 1.08. "Declaration" or "Restrictions" shall mean this instrument and any amendments thereto.
- Section 1.09. "Developer" shall mean KE & G Homes, Inc., an Arizona corporation, or its nominees, successors or assigns.
- Section 1.10. "Dwelling Unit" shall mean all of that permanent physical structure located on the property of the Owner, including but not limited to, the single-family residential dwelling.
- Section 1.11. "Lot" shall mean any plot of land shown upon the recorded Plat of the Subdivision and all improvements thereon which are conveyed or to be conveyed to the Owners by Declarant or Developer, with the exception of the Common Areas as provided herein.

Section 1.12. "Member" shall mean the Owner of a Lot who is entitled to membership in the Association, who has the privileges of the use and enjoyment of the Common Area, and who has a duty to pay assessments for said privileges, as further provided herein.

Section 1.13. "Owner(s)" or "Lot Owner" shall mean and refer to (1) the record owner, whether one or more persons or entities, or (2) the holder of equitable or beneficial title (or legal title if same has merged) of any Lot under an executory contract for the sale of real property. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation, or a lessee or tenant of any owner as defined above.

Section 1.14. "Person" shall mean a natural individual or any other entity with the legal right to hold title to real property.

Section 1.15. "Plat" shall mean the subdivision plat of Colonias La Canada, Lots 83 thru 219 and Common Areas "A" and "B", which plat has been recorded at Book 51, of Maps and Plats, Page 2, in the office of the Pima County Recorder, Pima County, Arizona.

Section 1.16. "Property" or "Subdivision" shall be described as Colonias La Canada, Lots 83-156 and Common Area A (Open Space and Landscaping) and that portion of Common Area B (Drainage) which lies west of the east boundary of Lots 120 through 130.

Section 1.17. "Reconstruction Assessments" shall mean those assessments levied by the Association against all Lot Owners to cover additional costs of repair or replacement of damaged or destroyed parts of the Common Area when insurance proceeds are insufficient to cover the costs of the same.

Section 1.18. "Rules" shall mean the rules adopted by the Board pursuant to the Bylaws.

Section 1.19. "Special Assessments" shall mean those assessments which the Association may levy for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of the capital improvements upon the Common Area, including fixtures and personal property related thereto, provided that such assessment shall have the assent of the Members set forth in Section 6.04 herein.

ARTICLE II GENERAL RESTRICTIONS

All property within the Subdivision shall be held, used and enjoyed subject to the following limitations and restrictions.

Section 2.01. Insurance Rates. Nothing shall be done or kept on any Lot or upon the Common Area which will increase the rate of or which will result in the cancellation of insurance on any such property or which would be in violation of any law.

Section 2.02. Signs. No signs of any kind shall be displayed which are visible from neighboring property without the approval of the Board except:

- A. Such signs as may be required by legal proceedings;
- B. Such signs as may be used by Developer in connection with the development of the Subdivision and sale of Lots; and
- C. Such signs as may be approved by the Board indicating a Lot is for sale or lease.

Where the Board's approval is required, it shall approve the nature, composition, number, size and location of all signs, unless excepted hereunder.

Section 2.03. Animals. No animals of any kind shall be raised, bred, or kept, except that a reasonable number of generally recognized house or yard pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. No animal shall be allowed to become a nuisance. A "reasonable number" as used in this Section shall ordinarily mean no more than two pets per household; provided, however, that the Board may determine, in its sole and absolute discretion, whether a particular animal is a generally recognized house or yard pet or a nuisance, or whether the number of animals is reasonable.

Section 2.04. Trash Containers. No garbage or trash shall be placed or kept on any property within the Subdivision, except in covered containers of a type, size, and style which have been installed by the Developer or approved by the Board, and containers shall at all times be hidden from view except on days of trash pick-up. All rubbish, trash or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No incinerators shall be allowed.

Section 2.05. Vehicles. The use of all vehicles, including but not limited to trucks, automobiles, bicycles, and motorcycles shall be subject to the Rules, which may prohibit or limit the use of said vehicles, provide parking regulations, or adopt other rules regulating same.

Section 2.06. Basketball Backboards. Basketball backboards shall be permitted on a Lot subject to the following: All backboards shall be located not less than twenty (20) feet from a public right-of-way, and the erection of backboards shall be subject to prior review and approval by the Board of Directors as provided in Section 3.05.

Section 2.07. Garage Doors. All garage doors of the Dwelling Units shall remain fully lowered and closed at all times unless the door is being used for purposes of ingress and egress.

Section 2.08. Antennas. No antenna, satellite dish or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any Lot or property, whether attached to a building or structure or otherwise, unless approved by the Board of Directors, which approval may be withheld in the Board's sole discretion, except as provided in this Section. The Board of Directors may regulate, but not prohibit, so long as such prohibition is contrary to local,

state or federal law, the installation and use of satellite dishes less than one meter in diameter. However, such dishes must be located so as to be as unobstructive as possible, preferably in rear yards, and installation and use of such dishes remains subject to the prior review and approval of the Board as provided in Section 3.05.

Section 2.09. Nuisance. After completion of construction of any Dwelling Units and landscaping of Lots, no rubbish or debris of any kind shall be placed or permitted to arise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon such property so as to be offensive or detrimental to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such property without the prior written approval of the Board. The Board in its sole discretion shall have the right to determine the existence of any such nuisance.

Section 2.10. Unsightly Articles. No unsightly articles shall be permitted to remain so as to be visible from adjoining Lots or from the street or public way, including trash containers, except as otherwise provided herein. No clotheslines shall be permitted without approval of the Board. At no time shall there be any outside storage of commercial vehicles, trailers, motor vehicles, mobile homes or house trailers of any type on the Property or adjacent thereto. Recreational vehicles (RV's) may be permitted on specific lots if properly screened or covered. Approval of RV's on specific lots to be at the sole discretion of the Declarant and/or Board of Directors. At no time shall there be any outside storage of motor vehicles in stages of construction, reconstruction, modification or rebuilding of parts of motor vehicles such as frames, bodies, engines or other parts of accessories. Any and all items stored in a carport or garage area shall be stored so as to conceal the same from view from adjoining property or and from the street or public way. Grass, shrub or tree clippings and all clotheslines, machinery, storage piles, wood piles, garbage or trash containers shall be kept within an enclosed structure or appropriately screened from view of adjoining property or from the street or public way except when necessary to make available for collection and then, only the shortest time reasonably necessary to effect such collection. The Board shall have sole discretion in determining if any activity by an Owner is in violation of this Section 2.10.

Section 2.11. Diseases and Insects. No Owner shall permit any thing or condition to exist up on any property within the Subdivision which shall induce, breed or harbor infectious plant diseases or noxious insects.

Section 2.12. Native Growth and Plantings. The native growth and/or plantings upon the Common Areas shall not be destroyed or removed. Maintenance of Common Areas to be at the direction of the Board. Owners must obtain the Board's written approval before planting upon the Common Area. This provision shall not apply to Developer.

Section 2.13. Drainage. There shall be no interference with the established

drainage pattern over any property within the Subdivision unless adequate provision is made for proper drainage conforming to applicable Town of Sahuarita or Pima County rules, regulations, ordinances, and drainage criteria. For purposes hereof, "established drainage" is defined as the drainage which exists at the time the overall grading of the Property is completed, or which is shown on any plans conforming to county rules, regulations, ordinances, and applicable drainage criteria.

Section 2.14. Modification of Exterior Wall. No Dwellings Unit Owner shall alter or modify the exterior wall of a Dwelling Unit by cutting any opening in or placing any window of any kind in said exterior wall if the wall is less than three and one-half feet (3-1/2') from the Owner's property line.

Section 2.15. Obstruction of Fire Safety Route. No addition to or alteration of the garage/carport portion of any Dwelling Unit, nor the placement of any structure (permanent, semi permanent, movable or immovable, including but not limited to temporary storage sheds, playhouses and pet houses) machinery, equipment, tools or materials shall be made upon any Lot of the Property with the effect of leaving less than a thirty-six inch (36") wide, safe, accessible and unobstructed fire escape route parallel to the exterior front wall of the living quarters of any Dwelling Unit.

Section 2.16. Utility Easements. There is hereby created a blanket easement upon, across, over and under the Property for ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and systems, including but not limited to water, sewers, gas, telephones, electricity, television cable or communication lines and systems, etc. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain facilities and equipment on the Property and to affix and maintain wires, circuits and conduits on, in, and under the roofs and exterior walls of Dwelling Units. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on the Property except as initially designed and installed or thereafter approved by the Board. This easement shall in no way effect any other recorded easements on the Property. In no event shall any portion of the above-mentioned easements for utilities be construed to authorize the placing or installing of sewers, electrical lines, water lines and other utilities under any permanent building structure constructed on the Property. This easement shall be limited to improvements as originally constructed. There shall be an access easement for the delivery and collection of the U.S. Mail.

Section 2.17. Electrical Service and Telephone Line. All electrical service and telephone lines shall be placed underground and no outside electrical lines shall be placed overhead; provided, however, that if the provisions hereof are waived by the Declarant, it shall not be prohibited from erecting temporary power or telephone structures incident to construction; and further provided, however, that one such waiver shall not constitute a waiver as to other Lots or lines.

Section 2.18. Right of Inspection. During reasonable hours, any member of the Board, or any authorized representative of any of them shall have the right to enter upon and inspect any property within the Subdivision (except the interior of

Dwelling Units), 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.

Section 2.19. Violation of Rules. If any Owners, his family, or any licensee, tenant, or lessee or invitee violates the Rules, the Board may impose a special assessment upon such Owner of not more than Fifty Dollars (\$50. 00) for each violation. Before invoking any such assessment or suspension, the Board shall give such person notice and a hearing. Any assessment imposed hereunder which remains unpaid for a period of thirty (30) days or more, shall become a lien upon the Owner's Lot and recorded pursuant to this Declaration.

Section 2.20. Exemption of Developer. Nothing in these restrictions shall limit the right of Developer to complete excavation, grading, and construction of improvements to any property within the Subdivision owned by Declarant, or to alter the foregoing, including alterations of design or materials or both, or to construct such additional improvements as Developer deems advisable in the course of development of the Subdivision so long as any Lot or Dwelling Unit therein remains unsold, or to use any structure in the Subdivision as a model home or real estates sales or leasing office. The rights of Developer hereunder or elsewhere in the Restrictions may be assigned.

Section 2.21. Front Yard Light/Mailbox and Landscaping. A one (1) year curb post light with mailbox shall be installed according to design and location as approved by the Developer or Association. This light shall burn continuously at night and shall operate by photoelectric switch. Landscaping is required for the front and side yard areas that are visible from the public streets or were cleared/graded during construction. Such landscaping should be completed no less than 60 days of original occupancy unless otherwise agreed to in writing by the Declarant or Association.

Section 2.22. Tile Roofs. All exposed pitched roofs shall be covered with an 'S' style tile of color approved by the Declarant.

ARTICLE III OWNERS' PERMITTED USES, RESTRICTIONS AND RIGHTS OF DWELLING UNITS AND LOTS

Section 3.01. Private Residential Purposes. Except as provided for in Section 4.01, no business or business activity shall be carried on upon any lot at any time, and no trade or business may be conducted on any lots or from any Dwelling Unit.

"Home Occupations" will be permitted subject to the following restrictions and definition.

a) the existence or operation of the business activity is not apparent from the outside of the Dwelling Unit, and no sound or smell from the outside of the Dwelling Unit indicating the conduct of business is detectable;

b) the business activity conforms to all zoning requirements for the Properties;

c) the business activity does not involve frequent or annoying traffic, as determined by the Board of Directors, by persons coming on the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties;

d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance or hazardous or offensive use, nor threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

No Home Occupation may involve heavy equipment or machinery, manufacturing, drilling, burning or conversion of any garage or carport into a business office or room.

"Home Occupation" as permitted by this Section means private consultation and advice in trades and professions, and the sales or creation of art work, small wares and miscellaneous goods at a retail level.

This includes consultation by professionals such as accountants, lawyers, and doctors, but no portion of the Properties, nor any Dwelling Unit, shall be used for the full-time general practice of any profession, nor as a lodge, regular club meeting place, religious institution, revivalist, cult or sect meeting place, nor may the interior of any Dwelling Unit be used for medical surgical treatment or procedures.

The Board of Directors shall have the power, notwithstanding the foregoing, to prohibit any Home Occupation or business activity which in its judgment involves excessive noise, traffic, or poses a nuisance within the Properties or causes disharmony with respect to the overall design and peacefulness of the Properties.

The prohibitions of this Section shall not apply to the Declarant or its successors or assigns, or any activity conducted by the Declarant upon the Properties or in any Dwelling Units upon the Properties, nor shall it prohibit the Owner of any Dwelling Unit from leasing same.

No business conducted upon the Properties or in any Dwelling Unit by persons other than the Declarant or its successors and assigns, may result in any change to the exterior appearance of any Dwelling Unit or lot, and no business conducted, except by the Declarant, shall involve signs, buildings, or structures in addition to the Dwelling Unit.

Section 3.02. Renting. The Owner shall have the right to lease or rent this Dwelling Unit; provided, however, that any lease agreement, verbal or written with a tenant or lessee shall provide by reference that any such tenant or lessee shall abide by the Rules, Bylaws, Articles of the Association and the provisions of this Declaration. In the event any such lease agreement does not contain the provisions as described in the preceding statement, such lease agreement shall, at the option of the Declarant or the Board, be null and void.

Section 3.03. Common Walls. The rights and duties of the Owners with respect to

common walls shall be as follows:

A. Each wall, including patio walls, which is constructed as part of the original construction of the Dwelling Unit, any part of which is placed on the dividing line between separate Dwelling Units, shall constitute a common wall. With respect to any such wall, each of the adjoining Owners shall assume the burden and be entitled to the benefits recited in this Section 3.03, and to the extent it is consistent with this Section, the general rules of law regarding common walls shall be applied.

B. The Owners of contiguous Dwelling Units who have a common wall shall have reciprocal easements for support and an equal right to use such wall provided that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner.

C. Unless other provisions of this Section 3.03 area applicable, the costs of reasonable repair and maintenance of a common wall shall be shared equally by the Owners who make use of the common wall.

D. In the event any common wall is damaged or destroyed through the act of one adjoining Owner, or any of his guests or agents or members of his family (whether or not such act is negligent or otherwise culpable (so as to deprive the other Owner of the full use and enjoyment of such wall, then the first of such Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly without cost to the other Owner.

E. In the event any common wall is damaged or destroyed by some cause other than the act of one of the adjoining Owners, his agents, guests or family (including ordinary wear and tear and deterioration from lapse of time), then in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense.

F. Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any common wall without the prior consent of the Board. In addition to meeting the other requirements of these Restrictions and of any building code or similar regulation or ordinances, any Owner proposing to modify, make additions to or rebuild his Dwelling Unit in any manner which requires the extension or other alteration of any common wall shall first obtain the written consent of the Board which shall determine the adjoining Owner's preference concerning the proposed modification, extension or alteration of the common wall prior to giving any written consent thereto.

G. In the event of a dispute between Owners with respect to the repair or rebuilding of the common wall or with respect to the sharing of cost thereof, upon written request of one of such Owners delivered to the Association, the matter shall be heard and determined by the Board; the judgment of the Board in this matter shall be final and binding.

Section 3.04. Easement for Encroachments. Each Lot shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the Developer. A valid easement for said

encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event Dwelling Units are partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of the adjacent Dwelling Units due to construction shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist.

Section 3.05. Architectural Control. Following the original construction and buildout of the Property by Developer, or its assigns and successors in interest, no building, fence, wall, or other structure shall be commenced, erected or maintained upon a Lot, nor shall any exterior addition to, or change in, or alteration of a Dwelling Unit or the exterior color scheme, roof or finish thereof be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors, or by an architectural committee composed of three (3) or more representatives appointed by the Board. Provided, however, that so long as Declarant owns any Lots, it retains the exclusive right to select the style and architecture of newly constructed homes on lots owned by the Declarant or its assignee. In the event the Board or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Section will be deemed to have been fully complied with. Improvements constructed or to be constructed by Declarant do not require architectural committee approval.

ARTICLE IV OWNERSHIP, USE AND MANAGEMENT OF THE COMMON AREA

Section 4.01. Conveyance of the Common Areas. Declarant shall grant and convey to the Association, and the Association shall receive, ownership of the Common Areas, as shown on the plat, prior to the sale of any Lot in the Subdivision.

Upon such conveyance and grant, the Association shall succeed to all rights, duties and powers with respect to the Common Areas as prescribed by law, and set forth in the Articles, Bylaws and this Declaration.

Section 4.02. Management. The Board of the Association shall control, maintain, manage and improve the Common Areas as provided in this Declaration, the Articles and Bylaws. Such right and power of control and management shall be exclusive. In managing the Common Areas, the Association hereby accepts all responsibility for the control, maintenance, safety and liability of such Common Areas, including the collecting and paying of the taxes assessed by the County Assessor on the Common Areas, and the insurance coverage as provided in Section 5.05.

Section 4.03. Damages. Each Owner shall be liable to the Association for any damage to the Common Area which may be sustained by reason of the negligence or willful misconduct of said Owner of his family and guests, both minor and adult. In the case of joint ownership of a Lot, the liability of such Owners shall be joint and several, except to the extent that the Association has previously

contracted in writing with such joint Owners to the contrary. The amount of such damage shall be an assessment against the Lot and may be collected in the manner provided for the collection of other assessments.

Section 4.04. Restrictions on Conveyance of Common Areas. The Common Areas, title to which is held by the Association, may not be alienated, released, transferred, hypothecated or otherwise encumbered without the affirmative vote of two-thirds (2/3) of the votes entitled to be cast by each class of Members, except that the Association shall at all times have the right to grant and convey to any person or entity easements, or rights of way, in, over, or under any Common Area for the purpose of constructing, erecting, operating or maintaining thereon, therein, and thereunder (1) roads, streets, walks, pathways, driveways, parkways, recreational facilities and park areas; (2) Temporary overhead or permanent underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone, cable television, and other purposes; (3) sewers, storm drains and pipes, water systems, water, heating and gas lines or pipes; (4) any similar public or quasi - public improvements or facilities; and (5) such improvements as may be permitted under Section 5.04 of this Declaration, provided that if ingress or egress to any residence is through the Common Areas then any conveyance is subject to the Lot Owner's easement for the same.

**ARTICLE V
THE ASSOCIATION: ORGANIZATION, VOTING, &
MAINTENANCE RESPONSIBILITIES**

Section 5.01. Organization.

A. Association. The Association is or shall be a non stock, non-profit Arizona corporation charged with the duties set forth in the Articles, Bylaws, and this Declaration. The Association shall be legally constituted and in existence prior to the conveyance of the first Lot.

B. Board of Directors and Officers. The affairs of the Association shall be conducted by the Board of Directors and such officers and committees as the Board may elect or appoint, in accordance with the Articles and Bylaws, as same may be amended from time to time. The composition of the Board shall be defined in the Bylaws, but so long as Declarant retains the Class B membership, Declarant reserves the right to appoint the Board of Directors.

C. Personal Liability. No member of the Board or any Committee of the Association or any officer or employee of the Association, or the Declarant shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, or any representative or employee of the Association, or any committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

Section 5.02. Membership.

A. Qualification. Each Owner of a Lot (which is subject to assessment)

shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned.

B. Transfer of Membership. Membership of each Owner (including Declarant) in the Association shall be appurtenant to the Lot owned and shall not be transferred, pledged, or alienated in any way except upon the transfer of ownership to said Lot, and then only to the transferee thereof. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Lot shall operate automatically to transfer said membership to the new Owner thereof.

Section 5.03. Voting Rights. The Association shall have two classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When more than one person hold an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B: The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equal the total outstanding in the Class B membership; or
- (b) on December 31, 2005.
- (c) upon written notice from the Class B member to the Association.

Section 5.04. Maintenance, Repair and Upkeep.

A. Responsibilities of Owner. Maintenance, repair and upkeep of the Lots and Dwelling Units, including landscaping, except as otherwise specifically provided for in Paragraph C of this Section, shall be the sole responsibility of each Owner. All fixtures and equipment installed or located within a Lot, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the Owner's Lot line shall be maintained and kept in repair by the Owner thereof. Termite control shall be the responsibility of the Owner. All maintenance and repair of the Property within each Owner's Lot including but not limited to, carport beams, fascia and other carport components, driveways, sidewalks, utilities and the Dwelling Unit itself shall be the sole obligation and expense of the individual Dwelling Unit Owners. Each Owner shall be responsible for the maintenance and repair, including replacement of light bulbs, of all exterior lighting fixtures located within the Owner's Lot.

B. Failure to Maintain Standard of Upkeep. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the Lot and Dwelling Unit or impair any easement or hereditaments, nor do any act nor allow any condition to exist which will adversely affect the other Lots and Dwelling Units or their Owners. In the event any Owner fails to maintain the Lot or the exterior of his Dwelling Unit in a manner in keeping with the general neighborhood, then the Association, after approval by two thirds (2/3) of the vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon the subject property, and to repair, maintain, and restore the Lot, and the exterior of the Dwelling Unit, and any other improvements erected on said Lot. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject. The Board in its sole discretion shall also have the right to determine whether or not a Lot or the exterior of a Dwelling Unit is in need of maintenance, repair and upkeep in order to conform to the standards of the general neighborhood, and 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.

C. Responsibilities of Association. The Association shall maintain the Common Area.

This article shall in no way be construed to mean that the Association is responsible for those duties of the Owner to maintain those portions of the Property, equipment and fixtures set forth in Section 5.04 (A) above.

D. Easement for Maintenance. There is hereby created an easement of ingress, egress and maintenance upon, across, over, and under those portions of the Property which are to be maintained by the Association pursuant to the foregoing paragraph. Said easement shall inure to the benefit of the Association and its agents, employees, independent contractors or assigns.

Section 5.05. Insurance Requirements.

A. Casualty Insurance on Insurable Common Area. The Association shall keep all Common Area, whether real or personal, insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the Annual Assessments made by the Association.

B. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Reconstruction Assessment against all Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other assessment made

against such Owner.

C. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

ARTICLE VI COVENANTS FOR ASSESSMENTS

Section 6.01. Creation of the Lien and Personal Obligation to Pay Assessments. Each Owner, except as provided herein, by acceptance of a deed to any Lot, whether or not it shall be so expressed in such deed is deemed to covenant and agree to pay the Association: (1) Annual Assessments or charges, and (2) Special Assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The Annual and Special Assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Lot and shall be a continuing lien upon the property against which each assessment is made. Delinquent assessments, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment was levied. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 6.02. Purpose of Annual Assessments. The Annual assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Members and their guests, for the improvement and maintenance of the Common Area, and for all other purposes set forth in the Articles, Bylaws and this Declaration.

Section 6.03. Basis and Maximum of Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum Annual Assessment shall be one hundred dollars (\$100.00).

A. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment may be increased effective January 1 of each year without a vote of the membership to no more than Five Percent (5%) of the preceding year.

B. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above that established in Paragraph A above by a vote of the Members for the next succeeding two (2) years and at the end of each such period of two years, for each succeeding period of two years, provided that any such change above said index shall have the assent of two-thirds (2/3) of the votes entitled to be cast by each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to

participate under its Articles of Incorporation.

C. The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum.

Section 6.04. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, Provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6.05. Notice and Quorum for Any Action Authorized Under Sections 6.03 and 6.04. Written notice of any meeting called for the purpose of taking any action authorized under Sections 6.03 or 6.04 shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first meeting called, the presence of Members or of proxies entitle to cast twenty-five percent (25%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements. The required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Such subsequent meeting shall be held not more than sixty (60) days following the preceding meeting).

Section 6.06. Uniform Rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots (except as provided herein, including as provided in Section 7.08) and may be collected on a monthly, semi-annual, or annual basis as the Board may determine.

Section 6.07. Date of Commencement of Annual Assessments: Due Dates. The Annual Assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a Lot to an Owner. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto in the event of its increase or decrease from the last Annual Assessment. The due dates of such assessments, partial payment for which may become due on a periodic basis, shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 6.08. Effect of Nonpayment of Assessments: Remedies of the Association. Each Owner shall be deemed to covenant and agree to pay to the Association the assessments provided for herein, and hereby agrees to the enforcement of the

assessments in the manner herein specified. If an assessment is not paid within thirty (30) days after the due date, the assessment is deemed delinquent and shall bear interest at the rate of ten percent (10%) per annum. Late payments shall first be credited toward interest due, then toward assessments first due. In the event the Association employs an attorney for collection of any assessments, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures.

A. Enforcement by Suit. The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of delinquency, together with interest thereon at the maximum rate permitted by law from the date of the delinquency until paid, court costs, and reasonable attorneys' fees in such amount as the court may adjudge against the delinquent Owner of Member.

B. Enforcement by Lien. There is hereby created a right and claim of lien, with power of sale, on each and every Lot to secure payment to the Association of any and all assessments levied against any and all Owners together with interest thereon at the maximum rate permitted by law per annum from the date of delinquency until paid, and costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time within ninety (90) days after the occurrence of any default in the payment of any such assessment, the Association, or any authorized representative may, but shall not be required to, make a written demand for payment to the defaulting Owner, on behalf of the Association. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for demand or claim of lien but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid within ten (10) days after delivery of such-demand, or, even without such a written demand being made, the Association may elect to file such a claim of lien on behalf of the Association against the Lot of the defaulting Owner. Such a claim of lien shall be executed and acknowledged by an officer of the Association, and shall contain substantially the following information:

- 1) The name of the delinquent Owner;
- 2) The legal description of the Lot against which claim of lien is made;
- 3) The total amount claimed to be due and owing for the amount of delinquency, interest thereon, collection costs, and reasonable attorneys' fees (with any proper offset allowed);
- 4) That the claim of lien is made by the Association pursuant to this

Declaration; and,

5) That a lien is claimed against said Lot in an amount equal to the amount stated

Upon recordation of a duly executed original or copy of such a claim of lien, and mailing a copy thereof to said Owner, the lien, claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot. Such a lien shall have priority over all claims of liens created subsequent to the recordation of the claims of lien thereof, except only tax liens for real property taxes on any Lot, assessments on any Lot in favor of any municipal or other governmental assessing unit, and the lien of any first action in court or in the manner provided by Law for the foreclosure of a realty mortgage or trust deed as set forth by the laws of the State of Arizona, as they 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 in 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 in this matter. Notwithstanding the foregoing, the failure by an Owner to pay assessments provided for herein shall not constitute a default under any federally insured mortgage.

Section 6.09. No Exemption of Owner. No Owner is exempt from liability for payment of assessment by waiver of the use of enjoyment of the Common Area, or by abandonment of his Lot except as specifically provided in Section 7.08.

Section 6.10. Subordination of the Lien to Mortgages. The Lien of the Assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer of any Lot shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 6.11. Mortgage Protection and Additional Assessment as Common Expense. Notwithstanding and prevailing over any other provision of this Declaration, or the Association's Articles or Bylaws, or the Rules, the following provisions shall apply to and benefit each holder of a first mortgage upon a Lot (called the first mortgagee):

A. The first mortgagee shall not in any case of manner 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 bylaw, except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, except as hereinafter provided.

B. During the pendency of any proceeding to foreclose the first mortgage,

including any period of redemption, the first mortgagee (or receiver appointed in such action) 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.

C. At such time as the first mortgagee shall become record Owner of a Lot, said first mortgagee shall be subject to all of the terms and conditions of these Restrictions, including but not limited to the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any Owner.

D. The first mortgagee, or any other party acquiring title to a mortgaged Lot through judicial or non-judicial foreclosure or through any equivalent proceeding 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 of Bylaws 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, except as follows: Any such unpaid assessment against the Lot foreclosed against may be treated as an expense common to all of the Lots, which expense may be collected by a prorata assessment against each of the Lots, including the Lot foreclosed against which pro rata assessment may be enforced as a lien against each Lot in the manner provided for other assessments.

Any such unpaid assessment shall nevertheless continue to exist as the personal obligation of the defaulting Owner of the respective Lot to the Association, the Board shall use reasonable efforts to collect the same from the Owner even after he is no longer a Member of the Association. There shall be a lien upon the interests of the first mortgagee or other party which acquires title to a mortgaged Lot by foreclosure suit or by equivalent procedures for all assessments authorized by these Restrictions which accrue and are assessed after the date the acquires has acquired title to the Lot free and clear of any right of redemption.

ARTICLE VII GENERAL PROVISIONS

Section 7.01. Term. The covenants, conditions, and restrictions of this Declaration shall remain in full force and effect for a period of twenty (20) years from the date this Declaration is recorded. Thereafter, they shall be deemed to have been renewed and automatically extended for successive periods of ten (10) years each.

Section 7.02. Amendments. This Declaration may be amended by an instrument in writing signed and acknowledged by the President and Secretary of the Association certifying that such amendment has been approved by the vote or written consent of the then Owners of not less than two-thirds (2/3) of the Lots and such amendment shall be effective upon its recordation with the Pima County Recorder. If the Subdivision is approved by the Federal Housing Administration or the Veterans Administration, then any amendment to this Declaration shall require the prior approval of the Federal Housing Administration or the Veterans

Administration as long as there is a Class B. membership.

Notwithstanding the foregoing, Declarant reserves the right to amend this Declaration of its own volition, and without any consent or approval of members or other owners, if such amendments are necessary in order for the Property and all mortgages thereon to comply with and be eligible for sale, guaranty, insurance or other participation to or from the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation. Federal Housing Administration or Veterans Administration.

Section 7.03. Exercise of Declarant's Rights. Santo Tomas Limited Partnership and Santo Tomas Joint Venture, as beneficiaries of Chicago Trust No. 12,093, shall have the complete authority to exercise Declarant's rights arising out of this Declaration, the Articles or Bylaws.

Section 7.04. Enforcement and Non-Waiver.

A. **Enforcement.** Except as otherwise provided herein, the Association, or any Owner, shall have 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 provision of this Declaration.

B. **Prerequisite to Litigation.** In the event of a dispute between an Owner, the Board of Directors, the Association, the Declarant or the Developer, the complainant, as an absolute condition precedent to instituting a legal action against respondent, must first serve notice in writing on respondent in the manner hereinafter provided, advising him of the alleged grievance, the action or results desired and a date and time convenient for a meeting; the respondent shall have a minimum of fifteen (15) days, but not to exceed thirty (30) days, from receipt of said notice, in which to schedule a meeting for the purpose of arriving at a settlement of the controversy with complainant.

C. **Violation and Nuisance.** Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association, or any Owner or group of Owners of Lots within the Subdivision.

D. **Violation of Law.** Each and every provision of this Declaration and any amendment hereto shall be subject to all applicable state, county, municipal and local ordinances and Subdivision regulations and any future amendments thereto. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Subdivision is hereby declared to be a violation of these Restrictions and subject to any or all of the enforcement procedures set forth herein or in the bylaws.

E. **Remedies Cumulative.** Each remedy provided by these Restrictions is cumulative and not exclusive.

F. **Non-Waiver.** Failure by Declarant, the Board, the Developer, the

Association or by any Owner to enforce any of the provisions of these Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provisions of these Restrictions.

Section 7.05. Easements. Declarant expressly reserves reciprocal easements of access, ingress and egress for the benefit of Declarant, its agents, successors or assigns the Developer, and all Owners, their guests, tenants and invitees for pedestrian walkways, vehicular access, and such other purpose reasonably necessary to the use of a Lot and the Common Area.

Section 7.06. Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat and render invalid the rights of the beneficiary under any Deed of Trust or mortgage upon a Lot made in good faith for value, and recorded prior to the recordation of such amendment, provided that after the foreclosure of any such Deed of Trust or mortgage such Lot shall remain subject to this Declaration as amended.

Section 7.07. Construction.

A. **Interpretation.** The provisions of this Declaration shall be literally construed to effectuate the purpose of creating a uniform plat for the development and operation of the Subdivision. This Declaration shall be construed and governed by the laws of the State of Arizona.

B. **Restriction Severable.** Notwithstanding the provisions of the foregoing Paragraph A, each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial in validity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

C. **Rule Against Perpetuities.** In the event the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then in that event said periods of time shall be reduced to a period of time which shall not violate the rules against perpetuities as set forth in the laws of the State of Arizona.

D. **Singular Includes Plural.** Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

E. **Captions.** 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 intent and meaning of the provisions hereof.

Section 7.08. Savings Clause and Obligation of Developer to Pay Assessments. Notwithstanding anything stated herein to the contrary, Developer shall have full and complete authority to perform such acts which it deems necessary for the development, and sale of Lots and Dwelling Units within the Subdivision. Developer shall be responsible for payment of any assessments established

pursuant to this Declaration or the Bylaws on Completed Lots owned by Developer, excepting Lots with improvements thereon used by Developer as models and sales offices. For purposes of this Section 7.08, "Completed Lots" shall mean any Lot with a Dwelling Unit ready for occupancy as a home that is in the condition of any other Dwelling Unit sold to persons living in the Subdivision (e.g., carpet, kitchen countertops and cabinets, plumbing and lighting fixtures, etc., installed).

Although Developer may contribute to the maintenance of the Common Area, it is understood that Developer and Declarant are not and shall not be held liable for the payment of any assessment provided for in this Declaration or Bylaws by virtue of its ownership of Lots within the Subdivision unless such ownership is of Completed Lots as herein defined, and that Developer's or Declarant's failure to pay said assessments shall not give rise to any right of imposing any lien or encumbrance upon Lots owned by Developer or Declarant as security for the payment of said assessment unless Developer has failed to pay said assessments on Completed Lots as herein defined.

Section 7.09. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in the United States mail; postage paid, certified or registered mail addressed as follows: If to the Association:

Colonias La Canada Homeowners Association
P.O. Box 478
Sahuarita, AZ. 85629

If to an Owner, to the address of any Lot within the Subdivision Owned, in whole or in part, by him or to any other address last furnished by an Owner to the Association; and if the Declarant:

Santo Tomas Joint Venture
Santo Tomas Limited Partnership
3573 E. Sunrise Drive, #233
Tucson, AZ 85718

provided, however, that any such address may be changed at any time by the party concerned by delivering written notice of change of address to the Association.

Each Owner of a Lot association shall promptly notify the Association in writing of any subsequent change of address.

Section 7.10. Right to Change Project Name. For purposes of this Declaration and the Bylaws, the project has been named "Las Colonias" for marketing purposes. Declarant hereby reserves the right to change the marketing name of the project to any other name of its choosing at any time in the future.

Section 7.11. FHA/VA Approval. As long as there is Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional

properties, dedication, mortgage, or conveyance of the Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 7.12. Binding Effect. By acceptance of a deed or acquiring any ownership interest in any of the property included within this Declaration, each person or entity, for himself, or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, all of the provisions, restrictions, covenants, conditions, rules or regulations now or hereafter imposed by this Declaration and amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration puts forth a general scheme for the Property and hereby evidences his interest 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. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

CHICAGO TITLE INSURANCE COMPANY,
a Missouri Corporation,
as Trustee under Trust No. 12093, as Trustee
only, and not in its corporate capacity and not personally

By: 

Its: Trust Officer

**Santo Tomas Limited Partnership, an
Arizona Limited Partnership, as
Beneficiary under Trust No. 12,093.**

By: 
Christopher D. Marrs, General Partner

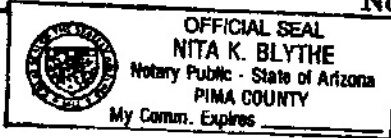
**Santo Tomas Joint Venture, an
Arizona Joint Venture
Partnership, as Beneficiary
under Trust No. 12,093.**

By: 
Christopher D. Marrs, General Partner

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

Acknowledged before me this 8th day of May 1998, by James V. Stokanoff
authorized agent for Chicago Title Insurance Company, a Missouri Corporation,
as Trustee under Trust No. 12,093, only and not in its corporate capacity.

My Commission Expires: 4-23-2002
Nita K. Blythe
Notary Public



STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

Acknowledged before me this 8th day of May 1998, by Christopher D.
Marrs, as General Partner of the Santo Tomas Joint Venture, an Arizona
General Partnership, and as General Partner of the Santo Tomas Limited
Partnership, an Arizona Limited Partnership.

4-23-2002
My Commission Expires: _____
Nita K. Blythe
Notary Public

