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**RANCHO VILLAS-UNIT TWO CONDOMINIUM
OWNERS ASSOCIATION**

**AMENDED AND RESTATED DECLARATION OF
CONDOMINIUM AND OF COVENANTS, CONDITIONS,
AND RESTRICTIONS**

Contents

ARTICLE I - DEFINITIONS	5
1.1 General Definitions	5
1.2 Defined Terms	5
ARTICLE II - SUBMISSION OF PROPERTY; UNIT BOUNDARIES; ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND COMMON EXPENSE LIABILITIES	7
2.1 Name of Condominium	7
2.2 Name of Association	7
2.3 Identification of Units	8
2.4 Unit Boundaries	8
2.5 Interior of Units	8
2.6 Allocation of Common Element Ownership Percentages	9
2.7 Allocation of Votes in the Association	9
2.8 Allocation of Limited Common Elements	9
2.9 Ownership of Common Elements	9
ARTICLE III - EASEMENTS	10
3.1 Utility Easement	10
3.2 Easements for Ingress and Egress	10
3.3 Unit Owners' Easement of Enjoyment	10
3.4 Easement for Support	10
3.5 Common Elements Easement in Favor of the Association	11
3.6 Common Elements Easement in Favor of Unit Owners	11
3.7 Units and Limited Common Elements Easement in Favor of Association	11
3.8 Easement for Unintended Encroachments	12
ARTICLE IV - USE AND OCCUPANCY RESTRICTIONS	12
4.1 Rules and Regulations	12
4.2 Use Restrictions	12
4.3 Animals and Pets	12
4.4 Antennas	12
4.5 Commercial Business	12
4.6 Diseases and Insects	12
4.7 Improvements and Alterations	13
4.8 Lawful Use	13
4.9 Leasing of Units	13
4.10 Parking	14
4.11 No Obstructions	14
4.12 Nuisances and Offensive Activity	14
4.13 Machinery and Equipment	14
4.14 Removal of Minerals	14
4.15 Residential Use	14
4.16 Signs	15
4.17 Sonoran Desert Conditions	15
4.18 Temporary Occupancy	15
4.19 Towing of Vehicles	15
4.20 Trash Containers and Collection	15
4.21 Trucks, Trailers, Campers, Boats and Horse Trailers	15
4.22 Utility Service	16

4.23 Window Coverings	16
4.24 Prohibition of Damage and Certain Activities.	16
ARTICLE V – DUTES OF THE ASSOCIATION.....	16
5.1 Common Elements Maintenance and Repair.....	16
5.2 Building Maintenance and Repair	16
5.3 Unit Maintenance and Repair.	16
5.5 Utilities.	17
5.6 Granting Easements.....	17
ARTICLE VI - DUTIES OF OWNERS	17
6.1 Duties of Unit Owners	17
6.2 Repair or Restoration Necessitated by Unit Owner.....	18
6.3 Unit Owner's Failure to Maintain.....	18
6.4 Pest and Termite Treatment.....	18
6.5 Emergency Services.....	18
6.6 Owner Expenses and Board Approval	18
ARTICLE VII - THE ASSOCIATION; RIGHTS AND DUTIES, MEMBERSHIP	19
7.1 Rights, Powers and Duties of the Association.....	19
7.2 Directors and Officers	19
7.3 Rules.....	19
7.4 Composition of Members.....	19
7.5 No Duty of Protection or Security	19
7.6 Miscellaneous Goods and Services.	19
7.7 Real or Personal Property.	20
7.8 Property and Association Management.....	20
ARTICLE VIII – ASSESSMENTS.....	20
8.1 Preparation of Budget.....	20
8.2 Common Expense Assessment.....	21
8.3 Special Assessments.....	22
8.4 Exceptional Maintenance Assessments	22
8.5 Resale Assessment.....	22
8.6 Reserve Fund	22
8.7 Effect of Non-Payment of Assessments; Remedies of the Association	23
8.8 Subordination of Assessment Lien to Mortgages	23
8.9 No Exemption of Unit Owner	24
8.10 Certificate of Payment	24
8.11 No Offsets.....	24
8.12 Surplus Funds.....	24
8.13 Monetary Penalties	24
ARTICLE IX – INSURANCE.....	24
9.1 Scope of Coverage.....	24
9.2 Payment of Premiums	26
9.3 Insurance Obtained by Unit Owners.....	26
9.4 Payment of Insurance Proceeds.....	26
9.5 Restoration.....	26
9.6 Certificate of Insurance.....	26
9.7. Name of Insured.	26
9.8 Deductible.....	26
9.9. Review of Insurance.	26

ARTICLE X - RIGHTS OF MORTGAGEES	27
10.1 Notification to Mortgagees	27
10.2 Approval Required for Amendment to Declaration	27
10.3 Right of Inspection of Records	28
10.4 Prior Written Approval of Mortgagees	28
10.5 Liens Prior to First Mortgage	28
10.6 Condemnation or Insurance Proceeds	28
10.7 Limitation on Partition and Subdivision	29
10.8 Conflicting Provisions	29
ARTICLE XI - CLAIM AND DISPUTE RESOLUTION-LEGAL ACTIONS	29
11.1 Alternative Dispute Resolution	29
ARTICLE XII - GENERAL PROVISIONS	29
12.1 Enforcement and Nonwaiver	29
12.2 Severability	29
12.3 Duration	29
12.4 Termination of Condominium	29
12.5 Amendment	29
12.6 Remedies Cumulative	30
12.7 Notices	30
12.8 Binding Effect	30
12.9 Gender	30
12.10 Topic Headings	30
12.11 Survival of Liability	31
12.12 Construction	31
12.13 Joint and Several Liabilities	31
12.14 Guests and Tenants	31
12.15 Attorneys' Fees	31
12.16 Number of Days	31
12.17 Notice of Violation	31

AMENDED AND RESTATED DECLARATION OF CONDOMINIUM AND OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR

RANCHO VILLAS-UNIT TWO CONDOMINIUM OWNERS ASSOCIATION

This Amended and Restated Declaration of Condominium and of Covenants, Conditions and Restrictions for RANCHO VILLAS – UNIT TWO CONDOMINIUM is made as of February 19, 2020.

Whereas, a Declaration of Covenants, Conditions and Restrictions for RANCHO VILLAS – UNIT TWO CONDOMINIUM was recorded on June 4, 1986, as recording number 86-278881 in the records of Maricopa County, Arizona, and that Declaration was amended of record since then;

Whereas, Article XVII, Section 17.05 of such Declaration provides that it may be amended with the approval of the Owners of sixty seven (67%) of the Unit Owners provided that the amendment is signed by the President and Secretary of RANCHO VILLAS – UNIT TWO CONDOMINIUM, certifying that such amendment was approved by the requisite percentage of Owners; and

Whereas, the Owners of not less than sixty seven (67%) of the Unit Owner desire to amend the Declaration of Covenants, Conditions and Restrictions for RANCHO VILLAS – UNIT TWO CONDOMINIUM; NOW THEREFORE, all of the property described as Units 1 through 52 and all Common Elements of RANCHO VILLAS – UNIT TWO CONDOMINIUM, a subdivision of Maricopa County, Arizona, as shown on the plat recorded Book 378 of Maps and Plats at Page 28, Office of the Maricopa County Recorder, shall be held, sold, and conveyed subject to the following easements, 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 title to any Unit within the Property, shall bind all parties having or acquiring any right, title, or interest in the Property and shall inure to the benefit of each such Owner; and

The Declaration of Covenants, Conditions and Restrictions for RANCHO VILLAS – UNIT TWO CONDOMINIUM, which was recorded in the office of the Maricopa County Recorder on June 4, 1986 in as recording number 86-278881, and all Amendments thereto, are superseded in its entirety by this Amended and Restated Declaration and such previously recorded Declaration and Amendments will no longer be in effect as of the date of recording of this Amended and Restated Declaration.

ARTICLE I - DEFINITIONS

1.1 General Definitions. Capitalized terms not otherwise defined in this Declaration shall have the meanings specified for such terms in the Arizona Condominium Act, A.R.S. §331201, et seq., as amended from time to time ("Act").

1.2 Defined Terms. The following capitalized terms shall have the general meanings described in the Act and for purposes of this Declaration shall have the specific meanings set forth below:

- (a) "Articles" means the Articles of Incorporation of the Association, as amended from time to time.
- (b) "Assessments" means the Common Expense Assessments, Special Assessments, Exceptional Maintenance Assessments levied and assessed against each Unit pursuant to Article 7 of this Declaration.
- (c) "Assessment Lien" means the lien granted to the Association by the Members to secure the payment of Assessments, monetary penalties and other charges owed to the Association.
- (d) "Association" means Rancho Villas-Unit Two Condominium Owners Association dba Villas at Black Mountain, an Arizona non-profit corporation, its successors and assigns.
- (e) "Board of Directors" or "Board" means the Board of Directors of the Association.
- (f) "Building" means a structure containing one or more Units that have been constructed on the land included in the Condominium, as shown on the Plat.
- (g) "Bylaws" mean the Bylaws of the Association, as amended, modified, supplemented, restated or replaced from time to time.
- (h) "Common Elements" means all portions of the Condominium other than the Units. Any portion serving more than one Unit is part of the Common Elements. The plat contains a description of the Common Elements.
- (i) "Common Element Ownership Percentage" means each Unit's percentage interest in the Common Elements pursuant to Section 2.5 of this Declaration.
- (j) "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves. "Common Expense Assessment" means the assessment levied against the Units pursuant to Section 7.2 of this Declaration.
- (k) "Common Expense Liability" means the liability for Common Expenses allocated to each Unit by this Declaration.
- (l) "Common Facilities" means all furniture, furnishings, equipment, facilities, and other property (real, personal, or mixed) and interests therein at any time leased, acquired, owned, or held by the Association for the use and benefit of the Owners and all other property purchased from the Common Expense Fund. Common Facilities are part of the Common Elements.
- (m) "Condominium" means the real property located in Maricopa County, Arizona, which is more particularly described in Exhibit A attached to this Declaration, together with all Buildings and other Improvements located on the real property.
- (n) "Condominium Act" or "Act" means the Arizona Condominium Act, A.R.S. §33-1201, et seq., as amended from time to time.
- (o) "Condominium Documents" means this Declaration, the Articles, the Bylaws and the Rules.
- (p) "Declaration" means this Declaration of Condominium and of Covenants, Conditions and Restrictions, as amended from time to time, together with the exhibits.
- (q) "Eligible Insurer or Guarantor" means an insurer or governmental guarantor of a First Mortgage who has requested notice of certain matters.
- (r) "Eligible Mortgage Holder" means a Mortgagee who has requested notice of certain matters from the Association.
- (s) "First Mortgage" means any mortgage or deed of trust on a Unit with first priority over any other mortgage or deed of trust on the same Unit.

(u) "Improvement" means any physical structure, fixture or facility existing or constructed, placed, erected or installed on the land included in the Condominium, including, but not limited to, buildings, private drives, paving, fences, walls, hedges, plants, trees and shrubs of every kind.

(v) "Limited Common Elements" mean any portion of the Common Elements designated as a Limited Common Element as described in Section 2.7.

(w) "Member" means any Person who is or becomes a member of the Association.

(x) "Mortgagee" means the holder of any First Mortgage.

(y) "Person" means a natural person, corporation, Limited Liability Company, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

(z) "Plat" means the "Amended Final Plat for Rancho Villas – Unit Two Condominiums, which plat has been recorded on June 17, 1995 in Book 378 of Maps, Page 28, Instrument No. 19940474345, Official Records of Maricopa County, Arizona, and any amendments, supplements or corrections thereto.

(aa) "Purchaser" means any Person who by means of a voluntary transfer becomes a Unit Owner.

(bb) "Reserve Fund" means the fund or funds set aside by the Association to pay for the replacement or repair of community property.

(cc) "Rules" means the rules and regulations adopted by the Association, as amended from time to time.

(dd) "Structure Assessment" means the portion of the Common Expense Assessment levied and assessed against each Unit pursuant to Article 7 of this Declaration.

(ee) "Unit" means a portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in Section 2.4 of this Declaration.

(ff) "Unit Owner" means the record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Unit. "Unit Owner" shall not include Persons having an interest in a Unit merely as security for the performance of an obligation. "Unit Owner" shall not be deemed to include for any purpose a lessee or tenant of a Unit, or an owner of a timeshare interest in a Unit. "Unit Owner" shall include a purchaser under a contract for the conveyance of real property, a contract for deed, a contract to convey, an agreement for sale or any similar contract. "Unit Owner" shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to executory contracts pending the closing of a sale or purchase transaction. In the case of Units, the fee simple title to which is vested in a trustee pursuant to A.R.S. §33-801, et seq., the trustor shall be deemed to be the Unit Owner.

ARTICLE II - SUBMISSION OF PROPERTY; UNIT BOUNDARIES; ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND COMMON EXPENSE LIABILITIES

2.1 Name of Condominium. The name of the Condominium created by this Declaration is RANCHO VILLAS – UNIT TWO CONDOMINIUM.

2.2 Name of Association. The name of the Association is RANCHO VILLA CONDOMINIUM ASSOCIATION.

2.3 Identification of Units. The identifying numbers of the Units are 1 through 52, inclusive. The legal description of a Unit which shall be used to describe the Unit and all Common Elements, rights, obligation and interests appurtenant to that Unit shall be as follows: "Unit ___, RANCHO VILLAS – UNIT TWO CONDOMINIUM, according to the Declaration of Condominium and of Covenants, Conditions and Restrictions recorded as Document No. 86-278881 and as shown on the Plat recorded in Book 378 of Maps, Page 28, Instrument No. 19940474345 records of Maricopa Pima County, Arizona; together with an undivided 1/52 interest in the Common Elements as set forth in said Declaration and as shown on the Plat."

2.4 Unit Boundaries.

(a) The boundaries of each Unit are the individual air space of the Units, consisting of enclosed rooms occupying part of a building and bounded by the unfinished interior surfaces of the walls, floors, ceilings, windows and doors along the perimeter boundaries of the air space, as said boundaries are shown on the Plat, together with all fixtures and improvements contained therein. All lath, furring, wallboard, drywall, plasterboard, plaster, paneling tiles, wallpaper, paint, finished flooring and other wall, ceiling, or floor coverings on the interior surfaces shall be deemed to be part of the Unit. All other portions of the walls, floors, or ceilings are a part of the Common Elements. All Improvements or alterations constructed or installed within such boundaries, demising walls, air conditioning or heating units, and all chutes, flues, pipes, ducts, wires, and conduits (but excluding any such items serving another Unit or other Units) are part of that Unit.

(b) Section (a) also pertains to the Garages assigned to each Unit. Each unit shall have a two-car garage which is either part of the Unit or appurtenant to it and reserved for its exclusive use as a Limited Common Element allocated exclusively to the Unit served.

(c) Except as otherwise provided in this Declaration or Plat, any air conditioning or heating unit, chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column or other fixture, whether located within or outside of the boundaries of a Unit, which serve only one Unit, is a Limited Common Element allocated exclusively to the Unit served, and any portion serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.

(d) Subject to the provisions of Subsection 2.4(b) of this Declaration, all spaces, interior partitions and other fixtures and Improvements within the boundaries of a Unit are part of the Unit.

(e) In the event of any inconsistency or conflict between the provisions of this Section and the Plat, the Plat shall control.

(f) The physical boundaries of a Unit shall be the proper boundaries regardless of the settling, rising or lateral movement of the Buildings and regardless of any variances between the boundaries shown on the Plat and the actual physical boundaries.

2.5 Interior of Units. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper, carpet, or otherwise decorate the interior surfaces of the walls, ceilings, floors, and doors forming within the boundaries of their Unit. Each Owner shall also have the right to construct partition walls, fixtures, and improvements within the boundaries of their Unit; provided, however, that such partition walls, fixtures and improvements (i) shall comply with all applicable laws, ordinances, and building codes, (ii) shall not interfere with facilities necessary for the support, use, or enjoyment of any other part of the Building, (iii) shall not impair the structural soundness or integrity of the Building in which it is located, and (iv) shall not encroach upon the Common Elements or any part thereof, unless the Board of Directors consents in writing to such encroachment. This section also pertains to the Garages assigned to each Unit.

2.6 Allocation of Common Element Ownership Percentages. Subject to adjustment for any subdivision or adjustment and for the addition of Units pursuant to the Condominium Act, each Unit interest in the Common Elements is 1/52.

2.7 Allocation of Votes in the Association. The total votes in the Association shall be fifty-two (52). Each Unit shall be allocated one vote.

2.8 Allocation of Limited Common Elements.

(a) The following portions are Limited Common Elements and are allocated to the exclusive use of one Unit as follows:

(i) Any air conditioning or heating unit and related components, fireplace, screen door, window screen, fountain, exterior island or table structure, awning, shade fixture, chute, flue, pipe, duct, wire, conduit, water feature, bearing wall, bearing column or other fixture, whether located within or outside of the boundaries of a Unit.

(ii) If any air conditioning or heating unit and related components, fireplace, screen door, window screen, fountain, water feature, exterior island or table structure, awning, shade fixture, chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column or other fixture serves more than one Unit the portion serving each Unit shall be the Limited Common Element of the Unit served.

(iii) Any balconies, patios, awnings, entryways, exterior doors and windows, including glass and related window components, or other fixtures designed to serve a single Unit, but which are located outside the boundaries of the Unit, are Limited Common Elements allocated exclusively to the Unit served and their use is limited to that Unit.

(iv) The Garage or Garage Building for the exclusive use of a Unit, as assigned by the Plat, as amended, is a Limited Common Element allocated exclusively to the Unit served and their use is limited to that Unit.

(b) A Limited Common Element may be reallocated by an amendment to this Declaration made in accordance with the provisions of the Act.

(c) Any portion of the Common Elements not previously allocated as a Limited Common Element may be allocated as a Limited Common Element by an amendment to this Declaration and an amendment to the Plat if required by the Act.

2.9 Ownership of Common Elements. The undivided interest appurtenant to each Unit shall have a permanent character and shall not be altered except with the unanimous written consent of all Owners. Except as otherwise provided in this Declaration, any Owner shall be entitled to nonexclusive use of the Common Elements (other than Limited Common Elements) in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to any rules and regulations set by the Association. Common Elements may only be conveyed (to an Owner or otherwise) pursuant to the requirements of the Condominium Act and any other requirements at law or in this Declaration.

ARTICLE III - EASEMENTS

3.1 Utility Easement. There is hereby created an easement upon, across, over, under, and through the Common Elements for reasonable ingress, egress, installation, replacing, repairing or maintaining of all utilities, including, but not limited to, gas, water, sewer, chilled water, telephone, fiber optic cable or other communications facilities, cable television, connections to antennae permitted hereunder, and electricity. By this easement, it shall be expressly permissible for the providing utility company or the Association to erect and maintain the necessary equipment on the Common Elements, but no sewers, electrical lines, water lines, or other utility or service lines may be installed or located on the Common Elements except as initially designed, approved and constructed by the Declarant or as approved by the Association. This easement shall in no way affect any other recorded easements on the Common Elements.

3.2 Easements for Ingress and Egress. There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes that from time to time may exist upon the Common Elements. There is a created easement for ingress and egress for pedestrian traffic to and from the U.S. Post Office mailbox. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes except that such easements shall not extend to any parking facilities that are Limited Common Elements, which are reserved exclusively for the use of the applicable Unit. Such easements shall run in favor of and be for the benefit of the Unit Owners and occupants of the Units and their guests, families, tenants, invitees, and contractors.

3.3 Unit Owners' Easement of Enjoyment.

(a) Every Unit Owner shall have a right and easement of enjoyment in and to the Common Elements, which right and easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

- (i) The right of the Association to adopt reasonable rules and regulations governing the use of the Units and Common Elements; and
- (ii) The right of the Association to convey the Common Elements or subject the Common Elements to a mortgage, deed of trust or other security interest, in the manner and subject to the limitations set forth in the Condominium Act.
- (iii) The right of the Association to suspend a Unit Owner's right to use the Common Elements and parking spaces if the Unit Owner is delinquent on any obligation owed to the Association. The Association may also suspend utilities and services to the delinquent Unit Owner.

(b) A Unit Owner's right and easement of enjoyment in and to the Common Elements shall not be conveyed, transferred, alienated or encumbered separate and apart from a Unit. Such right and easement of enjoyment in and to the Common Elements shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Unit, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to such right and easement.

3.4 Easement for Support. To the extent necessary, each Unit shall have an easement for structural support over every other Unit in the Condominium, the Common Elements and the Limited Common Elements, and each Unit and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the Condominium, the Common Elements and the Limited Common Elements.

3.5 Common Elements Easement in Favor of the Association. The Common Elements shall be subject to an easement in favor of the Association and the agents, employees and independent contractors of the Association for the inspection, upkeep, maintenance, repair and replacement of the Common Elements and for the purpose of exercising all rights of the Association and discharging all obligations of the Association.

3.6 Common Elements Easement in Favor of Unit Owners. The Common Elements shall be subject to the following easements in favor of the Units benefited:

(a) Written notice to the Association, for the installation, repair, maintenance, use, removal or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or serve any Unit and which pass across or through a portion of the Common Elements; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or impair or structurally weaken the Building.

(b) Written notice to the Association, for the installation, repair, maintenance, use, removal or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of a Common Element adjacent to such Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or impair or structurally weaken the Building.

(c) For driving and removing nails, screws, bolts and other attachment devices into the Unit side surface of the stone, block, brick or other masonry walls bounding the Unit and the Unit side surface of the studs which support the dry wall or plaster perimeter walls bounding the Unit, the bottom surface of floor or roof joists or concrete floors (as applicable) above the Unit and the top surface of the floor joists or concrete floors below the Unit to the extent such nails, screws, bolts and other attachment devices may encroach into a part of a Common Element adjacent to such Unit; provided that any such action will not unreasonably interfere with any other Unit, the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or impair or structurally weaken the Building.

(d) For the maintenance of any lighting devices, outlets, medicine cabinets, exhaust fans, grease traps, ventilation ducts, registers, grilles and similar fixtures which serve only one Unit, but which encroach into any part of the Common Elements.

(e) For the performance of the Unit Owners' obligation to maintain, repair, replace and restore those portions of the Limited Common Elements that the Unit Owner is obligated to maintain under this Declaration.

3.7 Units and Limited Common Elements Easement in Favor of Association. The Units and the Limited Common Elements are hereby made subject to the following easements in favor of the Association and its directors, officers, agents, employees and independent contractors:

(a) For inspection of the Units and Limited Common Elements to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible;

(b) For inspection, maintenance, repair and replacement of the Common Elements or the Limited Common Elements situated in or accessible from such Units or Limited Common Elements;

(c) For correction of emergency conditions in one or more Units or Limited Common Elements or casualties to the Common Elements, the Limited Common Elements or the Units.

(d) For the purpose of enabling the Association, the Board of Directors or any other committees appointed by the Board of Directors to exercise and discharge their respective rights, powers and duties under the Condominium Documents.

(e) For inspection, at reasonable times and upon reasonable notice to the Unit Owner, of the Units and the Limited Common Elements to verify that the provisions of the Condominium Documents are being complied with by the Unit Owners, their guests, tenants, contractors, invitees and the other occupants of the Unit.

3.8 Easement for Unintended Encroachments. To the extent that any Unit or Common Element encroaches on any other Unit or Common Element because of original construction, shifting or settling, or alteration or restoration authorized by this Declaration or any reason other than the intentional encroachment on the Common Elements or any Unit by a Unit Owner, a valid easement for the encroachment, and for the maintenance thereof, exists.

ARTICLE IV - USE AND OCCUPANCY RESTRICTIONS

4.1 Rules and Regulations. Each Owner shall comply with all rules and regulations adopted by the Board for the governance of the Units and the Common Elements. The rules and regulations may be amended, modified, and construed at the sole discretion of the Board.

4.2 Use Restrictions. No Unit shall be used for any purpose prohibited by this Declaration.

4.3 Animals and Pets. No non-domestic animals, birds, fowl, poultry or livestock shall be maintained or kept in any Units or on any other portion of the Condominium. A maximum of two household pets may be kept or housed in Units. All pets are permitted on Common Elements, but only if carried or on a leash. If a pet disturbs other Owners by making noise, biting, or in other ways becoming obnoxious or destructive, the Board of Directors will give notice to the Owners to have the annoyance discontinued. If the annoyance is not discontinued, the Board of Directors shall remove the Owner's permission to keep the pet on the Association grounds and Owner's unit, and the pet shall be removed.

4.4 Antennas. No antenna, satellite television 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 portion of the Condominium whether attached to a Unit, Building, structure or otherwise, unless approved by the Association, except as may be permitted by law.

4.5 Commercial Business. No commercial business is permitted within the Owner's unit or on the property.

4.6 Diseases and Insects. No Unit Owner shall permit anything or condition to exist upon the Condominium that could induce, breed or harbor infectious plant diseases or noxious insects.

4.7 Improvements and Alterations. Each owner shall have the exclusive right to paint, repaint, tile, wax, paper, carpet, or decorate the interior surfaces of the walls, ceilings, floor, and doors forming the boundaries of their Unit and the surfaces of the walls, ceilings, floors, and doors within such boundaries. Unit Owners may make non-structural additions, alterations and improvements within their Units without the prior written approval of the Board. Each owner shall also have the right to construct partition walls, fixtures, and improvement within the boundaries of their Unit; provided, however, that such partition walls, fixtures, and improvements will not impair the structural integrity of the Building within which such addition, alteration or improvement is to be made.

No Unit Owner shall make any addition, alteration or improvement to the Common Elements without the prior written approval of the Association. No Unit Owner shall make any structural additions, alterations or improvements within a Unit, unless approved by the Board. Prior to the commencement of each addition, alteration or improvement, the Unit Owner must provide plans and specifications for the proposed alteration, addition or improvement to the Association, an architect or engineer, licensed in Arizona, certifies that such addition, alteration or improvement will not impair the structural integrity of the Building within which such addition, alteration or improvement is to be made. The Board may, in its discretion, establish a deposit for any structural additions, alterations or improvements. The Board may, in its discretion, establish guidelines for types of additions, alterations, or improvements that may be exempt from such approval requirement. The Unit Owners shall, to the extent permitted by Arizona law, be responsible for any damage to other Units and to the Common Elements and, if an addition, alteration or improvement voids a warranty, for the cost to obtain a replacement warranty that results from any such additions, alterations or improvements.

Owners shall have the right to landscape the Limited Common Elements appurtenant to their respective Units without obtaining in each specific instance the prior approval of the Board so long as the landscaping undertaken in such Limited Common Elements does not create a harmful or unsafe condition.

4.8 Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of any part of the Condominium. All laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the Condominium shall be observed. Any violation of such laws, zoning ordinances or regulations shall be a violation of this Declaration.

4.9 Leasing of Units. A Unit Owner may only lease an entire Unit. All leases shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Condominium Documents, and any failure by the lessee to comply with the terms of the Condominium Documents shall be a default under the lease. No unit may be leased for any purpose other than those uses allowed in section 4.15. The Unit Owner shall also promptly notify the Association of the commencement date and termination date of the lease and the names of each lessee or other person who will occupy the Unit during the term of the lease. Leases and advertisements for leases shall be for a minimum term of thirty (30) days or more. No Owner may enter into any timeshare or other transaction that has the effect of a leasehold or rental transaction to circumvent the thirty (30) day requirement. Unit Owners are responsible for their Lessee's compliance with the Declaration and all Association Rules and Regulations. Action by the Association relating to any noncompliance with this Declaration or the Association Rules or Regulations may be against the Unit Owner who shall be responsible for his Lessee and such action may be in addition to any action against a Lessee.

4.10 Parking.

(a) The Board of Directors shall have the right to establish and enforce rules and regulations relating to parking in the Common Elements that are consistent with this Declaration.

(b) There shall be no parking by anyone on the roads and passageways used for vehicle traffic except for temporary and emergency services or deliveries. Commercial vehicles, moving vans, motor homes, trailers RV's and other over-sized vehicles shall not be parked anywhere without Board approval.

(c) Except for emergency repairs, no automobile, motorcycle, motorbike, or other motor vehicle shall be constructed, reconstructed, serviced or repaired on any portion of the Condominium. No inoperable vehicle may be stored or parked on any portion of the Condominium. The Board shall have the authority to define the term "inoperable vehicle" by rule.

4.11 No Obstructions. No Owner shall obstruct the Common Elements or any part thereof. No Owner shall store or cause to be stored in the Common Elements any property whatsoever, unless approved by the Board.

4.12 Nuisances and Offensive Activity. No nuisance shall be permitted to exist or operate upon the Condominium, and no activity shall be conducted upon the Condominium which is unreasonably offensive or detrimental to any portion of the Condominium or to any Unit Owner or other occupant of the Condominium, as determined by the Association. No exterior speakers, horns, whistles, bells or other sound devices, except security or other emergency devices used exclusively for security or emergency purposes, shall be located, used or placed on the Condominium except as approved by the Association. No flags, banners, signs deemed offensive may be located on the Condominium or appear from the inside of the unit. The Board of Directors shall have the discretion to enact rules and regulations further defining nuisances and offensive activity.

4.13 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon the Condominium: (i) except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of buildings, improvements or structures which are within the uses permitted by this Declaration, (ii) except that which the Association may require for the construction, operation and maintenance of the Common Elements; and (iii) except machinery or equipment related to any common residential activities conducted within Units.

4.14 Removal of Minerals. No portion of the Condominium shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth, or any earth substance of any kind.

4.15 Residential Use. All Units within the Property shall be used for single-family residential purposes. No gainful occupation, profession, business, trade or other nonresidential use shall be conducted on or in any Dwelling Unit, provided that an Owner or any Resident may conduct limited business activities in a Dwelling Unit so long as (a) the existence or operation of the business activity is not apparent or detectible by sight, sound or smell from outside the Dwelling Unit; (b) the business activity conforms to all applicable zoning requirements; (c) the business activity does not involve door-to-door solicitation of other Owners or Residents; (d) the business activity does not generate drive-up traffic or customer or client parking; and (e) the business activity is consistent with the residential character of the Property, does not constitute a nuisance or a hazardous or offensive use, and does not threaten the security or safety of other Owners or Residents, as may be determined in the sole discretion of the Board. No Unit will ever be used, allowed, or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, industrial, mercantile, commercial storage, vending, or other similar uses or purposes. The Board shall have

broad authority to enact rules and regulations to implement this Section, including exempting certain traditional home-based activities such as teaching music lessons.

4.16 Signs. No emblem, logo, sign, flag, or billboard of any kind (including, but not limited to, "For Sale" or "For Rent" signs) shall be permitted on the exterior of any Unit or Building or any other portion of the Condominium or visible from the exterior of any Unit except in conformance with the sign rules adopted by the Association and in conformance to Arizona law. The Board of Directors shall determine compliance with the sign rules. The Unit Owner is responsible for any damage caused by installation or removal of signage.

4.17 Sonoran Desert Conditions. The Association lies within the Sonoran Desert and contains many species of insects, reptiles and other animals indigenous to the area may be found throughout the Association in the natural areas and may enter upon the residential and recreational portion of the Association from time to time. Each Owner, resident, or tenant, for itself and its families, licensees and invitees, assumes the risk that such animals may be present and may present a danger. Neither the Association nor any director, officer, agent or employee of the Declarant or the Association shall be liable to any Owner, Resident, Lessee or its family, invitees or licensees for any claims for damages resulting, directly or indirectly, from the existence of such indigenous animals within the Association.

4.18 Temporary Occupancy. Temporary buildings or structures used during the construction or repair of buildings or structures approved by the Association shall be permitted but must be removed promptly upon completion of the construction of the building or structure.

4.19 Towing of Vehicles. The Association shall have the right, after reasonable notice and appropriate signage as may be required by law, to tow any automobile, truck, mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer or similar equipment or vehicle or any automobile, motorcycle, motorbike, all-terrain vehicle, golf cart or other motor vehicle parked, kept, maintained, constructed, reconstructed or repaired in violation of the Condominium Documents at the sole cost and expense of the owner of the vehicle or equipment. Any expense incurred by the Association in connection with the towing of any vehicle or equipment shall be paid to the Association upon demand by the owner of the vehicle or equipment.

4.20 Trash Containers and Collection. No garbage or trash shall be placed or kept on the Condominium except in covered containers of a type, size and style that are approved by the Association. The Association shall have the right to subscribe to a trash service for the use and benefit of the Association and all Unit Owners, and to establish rules regarding garbage, trash, trash containers and collection. If the Association does not do so, Unit Owners shall arrange and pay directly for trash and refuse collection and shall be entitled to convenient placement of standard commercial-type refuse containers in locations designated by the Association. No incinerators shall be kept or maintained in any Unit.

4.21 Trucks, Trailers, Campers, Boats and Horse Trailers. No mobile home, travel trailer, tent trailer, trailer, tractor trailer, commercial truck or van, camper shell, detached camper, recreational vehicle, all-terrain vehicle, boat, boat trailer, horse trailer, golf cart, or other similar equipment or vehicle may be parked, kept, maintained, constructed, reconstructed or repaired on any part of the Condominium by any Unit Owner or tenant or invitee thereof. Such motor vehicles may be parked in a Unit's garage.

4.22 Utility Service. No lines, wires, solar energy devices or other devices for the communication or transmission of electric current or power, including telephone, satellite, television, and radio signals, except those installed by Declarant, shall be erected, placed or maintained anywhere without permission of the Board of Directors.

4.23 Window Coverings. No reflective materials, including, but without limitation, aluminum foil, reflective screens or glass, mirrors, or similar items, shall be installed or placed upon the outside or inside of any windows of a Unit without the prior written approval of the Association.

4.24 Prohibition of Damage and Certain Activities. Except with the prior written consent of the Board of Directors, nothing shall be kept in any Unit, in the Common Elements, or in any other part of the property that would result in additional liability to the Association or cancellation of the insurance on the property. Nothing shall be done or kept in any Unit or in the Common Elements which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental authority. No damage to, or waste of, the Common Elements shall be committed by any Owner, tenant, or guest of the Owner, and each Owner shall indemnify and hold harmless the Association and other Owners from and against all loss resulting for any such damage or waste.

ARTICLE V – DUTES OF THE ASSOCIATION

5.1 Common Elements Maintenance and Repair. The Association shall be responsible for the exclusive management and control of the Common Elements and all improvements and shall keep them in a good, clean, attractive, safe and sanitary condition, order, and repair. Limited Common Elements. The Association is responsible for all of the maintenance, repairs, and replacements of the structural components of Limited Common Elements.

5.2 Building Maintenance and Repair.

a) As part of its duties under 5.1, the Association shall be responsible for the maintenance and repair of the exterior of the Buildings, other Improvements and grounds, including, painting, repair and replacement of exterior trim, fences and maintenance of landscaping, walkways, driveways, and parking areas. The Association is not responsible for roofs of Buildings or Garages. See 6.1(c) and (d).

b) The Association shall be responsible for maintenance, repair and replacement of Common Elements within the Buildings including, without limitation, landings, stairways, utility lines, and all improvements and other items located within or used in connection with the Common Elements. All goods and services procured by the Association in performing its responsibilities under this section shall be paid for with funds from the Common Expense Fund.

5.3 Unit Maintenance and Repair.

a) The Association shall maintain, repair and replace the Limited Common Elements on the Buildings and garages, including the wood posts or columns and vigas, and garage doors and entry doors, if any.

b) Expenses attributable to the maintenance, repair or replacement of a Limited Common Element shall be equally assessed to the Units to which the Limited Common Element is assigned.

5.5 Utilities. The Association provides each Unit connection to the following utilities and services: electrical power, municipal water and sewer service, natural gas and a point of presence for connection to telephone and fiber optic cable communications facilities. The Association shall have no responsibility for failure or interruption of service by any utility or provider. The Association may install separate meters for the utilities with the Unit Owners paying the charges directly. Meters may be in Units or in Common Elements. The Association shall be responsible for the maintenance, repair and replacement of any utility service property (including but not limited to water lines, gas pipes, electrical lines, and sewer system) located in the Common Element or Limited Common Element.

5.6 Granting Easements. The Board of Directors may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems advisable, easements, licenses and rights-of-way over, under, across, and through the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Project.

ARTICLE VI - DUTIES OF OWNERS

6.1 Duties of Unit Owners.

- (a) Each Unit Owner shall be responsible for the maintenance and repair of the following:
 - (i) the Unit, including interior walls, windows, ceilings, floors and permanent fixtures and appurtenances, in a clean and sanitary condition and in a state of good repair. In the event that any such Unit develops an unsanitary or unclean or unsafe condition or falls into a state of disrepair, and in the event that the Owner of such Unit fails to correct such condition or state of disrepair promptly following written notice from the Board of Directors, the Association shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise to enter the Unit and correct or eliminate the unsanitary or unclean condition or state of disrepair; provided however, that the Association shall in no event have the obligation to correct or eliminate any such condition or state of disrepair.
 - (ii) the Limited Common Elements allocated to the Unit pursuant to Subsection 2.7 of this Declaration that the Association has not accepted maintenance responsibility for in Article V;
 - (iii) exterior doors and windows, including glass and related door and window components such as screens and frames, allocated to the Unit as Limited Common Elements pursuant to Section 2.7 of this Declaration;
- (b) Each Unit Owner shall maintain, repair and replace the water heater and HVAC equipment and related components appurtenant to the Unit.
- (c) Each Unit Owner shall be responsible for maintenance, repair, and replacement of the roof associated with the Unit.
- (d) Each Unit Owner shall be responsible for the maintenance of the roof and the interior of the garage associated with their Unit. If two units share a parapet wall on adjoining roofs the respective Unit owners have joint responsibility for repair and maintenance. The joint owners are required to coordinate repair and maintenance. If they fail to do so, the Association may do the repair and maintenance and assess each owner their share of the repair or maintenance.

6.2 Repair or Restoration Necessitated by Unit Owner. Each Unit Owner shall be liable to the Association, to the extent permitted by Arizona law, for any damage to the Common Elements or the Improvements, landscaping or equipment thereon that results from the conduct of the Unit Owner. The cost to the Association of any such repair, maintenance or replacements required by such act of a Unit Owner shall be paid by the Unit Owner, upon demand, to the Association. The Association may enforce collection of any such amounts in the same manner and to the same extent as provided for in this Declaration for the collection of Assessments.

6.3 Unit Owner's Failure to Maintain. If a Unit Owner fails to maintain in good condition and repair its Unit or any Limited Common Element which such Unit Owner is obligated to maintain under this Declaration and the required maintenance, repair or replacement is not performed within fifteen days after written notice has been given to the Unit Owner by the Association, the Board of Directors shall have the right, but not the obligation, to perform the required maintenance, repair or replacement. The cost of any such maintenance, repair or replacement shall be assessed against the non-performing Unit Owner pursuant to Article VI of this Declaration and shall be included in the Association's assessment lien. The Association's entry to perform the maintenance or repair shall not be deemed a trespass.

6.4 Pest and Termite Treatment. The Association may require each Unit Owner do an annual pest and termite inspection and provide all treatment for pests and termites to their Unit and to the Common Elements surrounding their Unit. The Association may provide termite and pest inspection and control at its expense for the exterior of any Unit and to the Common Elements surrounding each Unit, or

6.5 Emergency Services. Each Unit Owner shall be responsible for procuring and/or paying for the cost of emergency services for any member or guest of a member of the Association. Furthermore, the Association shall not be responsible for any costs associated with services performed by Rural Metro on behalf of any member or guest of any member of the Association.

6.6 Owner Expenses and Board Approval. Each Unit Owner shall be responsible for the expense relating to any repair or maintenance done or required by this Declaration, and any such exterior repair or maintenance, along with any exterior change or alteration of the fixtures, structure or building, shall be commenced and done only after Board approval and in accordance with terms and conditions required by the Board.

ARTICLE VII - THE ASSOCIATION; RIGHTS AND DUTIES, MEMBERSHIP

7.1 Rights, Powers and Duties of the Association. The Association shall be organized as an Arizona non-profit corporation. The Association shall be the entity through which the Unit Owners shall act. The Association shall have such rights, powers and duties as are prescribed by law and as are set forth in the Condominium Documents, together with such rights, powers and duties as may be reasonably necessary in order to effectuate the objectives and purposes of the Association as set forth in this Declaration and the Act. The Association shall have the right to finance capital improvements in the Condominium by encumbering future Assessments if such action is approved by the written consent or affirmative vote of Unit Owners representing 51% of a quorum of the Members voting. Unless the Condominium Documents or the Act specifically requires a vote of the Members, approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board of Directors.

7.2 Directors and Officers. The Unit Owners shall elect the Board of Directors which must consist of at least five (5) directors, all of whom must be Unit Owners (or, in the case of Unit Owners that are not natural persons, legal representatives of Unit Owners). The Board of Directors elected by the Unit Owners shall then elect the officers of the Association. All of the officers must be Members. Only one Person per household may serve as a director. Only one person per household may serve as an officer.

7.3 Rules. The Board of Directors, from time to time and subject to the provisions of this Declaration and the Condominium Act, may adopt, amend, and repeal Rules governing the use of the Units, the Common Elements, the Limited Common Elements, and other areas of the property. The Rules may, among other things, restrict and govern the use of any area by any Unit Owner, by the family of such Unit Owner, or by any invitee, contractor, licensee or lessee of such Unit Owner. The Board of Directors in behalf of the Association may take judicial action against any Owner to enforce compliance with the rules and regulations or other obligations of any Owner. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorneys' fees, from the offending Owner.

7.4 Composition of Members. Each Unit Owner shall be a Member of the Association. The membership of the Association always shall consist exclusively of all the Unit Owners. Membership in the Association is mandatory for all Unit Owners.

7.5 No Duty of Protection or Security. No provision of this Declaration or the other Project Documents shall be construed or interpreted to create a duty of the Declarant, Related Parties, a Builder, the Association, the Board, any officer of the Association or any committee or member of a committee appointed by the Board to protect or further the health, safety, welfare or property of any Owner, Occupant or other person entering upon or making use of any portion of the Property, regardless of whether any monies of the Association are expended for such a purpose.

7.6 Miscellaneous Goods and Services. The Board of Directors may obtain and pay for the services of such personnel as the Board of Directors shall determine to be necessary or desirable for the proper operation of the Project whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Board of Directors may obtain and pay for legal and accounting services in connection with the operation of the Association. The Board of Directors may acquire and pay for out of the Common Expense Fund water, sewer, garbage collection, electrical, gas, and other utility services for the Common Elements (and for the Units to the extent not separately metered or billed), insurance, bonds and other goods and services common to the Units.

7.7 Real or Personal Property. The Board of Directors may acquire and hold on behalf of the Association real, personal, and mixed property of all types for the use or benefit of all of the Owners and may dispose of such property by sale or otherwise. Any acquisition or disposition of value of any real, personal or mixed property by the Board of Directors that exceeds Five Thousand Dollars (\$5,000) in value must be approved by a vote of at least fifty-one percent (51%) of the Total Votes of the Association at a meeting duly called for that purpose. All such property shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be part of such fund.

7.8 Property and Association Management. The Board of Directors may retain the services of an experienced, professional Manager to manage the property and Association. Appropriate fidelity bond coverage shall be required for any employee of the Manager who handles funds of the Association. The Board of Directors may by written contract delegate in whole or in part to a Manager such of the duties, responsibilities, functions and powers hereunder of the Board of Directors as are delegable. The services of any Manager retained by the Board of Directors shall be paid for with funds from the Common Expense fund.

ARTICLE VIII – ASSESSMENTS

8.1 Preparation of Budget.

(a) At least thirty days before the beginning of each fiscal year of the Association, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount of funds which the Board of Directors believes will be required during the ensuing fiscal year to pay all Common Expenses, including, but not limited to:

- (i) the amount required to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units, if any, which the Association has the responsibility of maintaining, repairing and replacing;
- (ii) the cost of wages, materials, insurance premiums, taxes, services, supplies and other expenses required for the administration, operation, maintenance and repair of the Condominium;
- (iii) the amount required to render to the Unit Owners all services required to be rendered by the Association under the Condominium Documents; and such amounts as may be necessary to provide a reserve fund
- (iv) The budget shall separately reflect any Common Expenses to be assessed against less than all the Units.

(b) For establishing a reserve fund, the Board of Directors shall select a funding method that is generally accepted in the industry. The Board shall contribute to the reserve fund in an industry standard funding method and as reflected in the Association's initial reserve study or any later supplements to that study.

(c) Within thirty days after the adoption of a budget, the Association shall send to each Unit Owner a summary of the budget and a statement of the amount of the Common Expense Assessment assessed against the Unit of the Unit Owner in accordance with Section 7.2 of this Declaration. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay its allocable share of the Common Expenses as provided in Section 7.2 of this Declaration, and each Unit Owner shall continue to pay the Common Expense Assessment against its Unit as established for the previous fiscal year until notice of the Common Expense Assessment for the new fiscal year has been established by the Board of Directors.

(d) The Board of Directors is expressly authorized to adopt and amend budgets for the Association, and no ratification of any budget by the Unit Owners shall be required.

8.2 Common Expense Assessment.

(a) For each fiscal year of the Association commencing with the fiscal year in which the first Unit is conveyed to a Purchaser, the total amount of the estimated Common Expenses set forth in the budget adopted by the Board of Directors (except for the Common Expenses which are to be assessed against less than all the Units pursuant to Subsections 7.2(d) and 7.2(e) of this Declaration) shall be assessed against each Unit in proportion to the Unit's Common Expense Liability. The amount of the Common Expense Assessment assessed pursuant to this Subsection 7.2(a) shall be in the sole discretion of the Board of Directors, but the Board cannot increase dues by more than 20% per year without a 51% majority vote of Members. If the Board of Directors determines during any fiscal year that its funds budgeted or available for that fiscal year are, or will, become inadequate to meet all Common Expenses for any reason, including, without limitation, non-payment of Assessments by Members, it may increase the Common Expense Assessment for that fiscal year, and the revised Common Expense Assessment shall commence on the date designated by the Board of Directors. The Board may levy a separate assessment for insurance and/or utilities.

(b) A portion of the Common Expense Assessment levied by the Association shall be used to establish and maintain a reserve fund. This reserve fund shall be established and maintained by the method designated by Sections 7.1 (b) and 7.6 of this Declaration. Such fund shall be deposited in a segregated account with a safe and responsible depository and may be in the form of a cash deposit or invested in obligation of, or fully guaranteed as to principal by the United States of America. The Association may only use the reserve funds for effecting replacements and maintenance of capital and structural elements and mechanical equipment of the Common Elements, excluding Limited Common Elements that must be repaired, maintained and replaced by the Unit Owners. Reserve funds may not be expended for any purpose other than the repair, restoration, replacement or maintenance of, or litigation involving the repair, restoration, replacement or maintenance of the Common Elements.

(c) The Common Expense Assessments shall commence as to all Units on the first day of the month following the conveyance of the first Unit to a Purchaser. The first Common Expense Assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board of Directors may require that the Common Expense Assessments or Special Assessments be paid in installments. If the Board requires installments, there shall be a late fee on each installment.

(d) A portion of the Common Expense Assessment levied by the Association may be an insurance assessment for a Unit, in the event a Unit Owner has not provided the Association with satisfactory evidence of insurance on a Unit.

(e) Except as otherwise expressly provided for in this Declaration, all Common Expenses, including, but not limited to, Common Expenses associated with the maintenance, repair and replacement of a Limited Common Elements, shall be assessed against all the Units in accordance with Subsection 7.2(a) of this Declaration.

(f) If any Common Expense is caused by the negligence or willful misconduct of any Unit Owner, the Association shall assess that Common Expense exclusively against its Unit.

(g) Assessments to pay a judgment against the Association may be made only against the Units in the Condominium at the time the judgment was entered, in proportion to the Common Expense Liabilities.

(h) All Assessments, monetary penalties and other fees and charges levied against a Unit shall be the personal obligation of the Unit Owner of the Unit at the time the Assessments, monetary penalties or other fees and charges became due. The personal obligation of a Unit Owner for Assessments, monetary penalties and other fees and charges levied against its Unit shall not pass to any bona fide third party who succeeds to the title of the Unit Owner unless expressly assumed by such successor, but such Assessments, monetary penalties and other fees and charges shall constitute an Assessment Lien on the Unit, as provided in this Declaration, regardless whether they are so assumed as personal obligations of the successor Owner. Neither shall an Owner be relieved from the obligation to pay any of the Assessments on the contention the Owner did not receive a coupon book or invoice.

8.3 Special Assessments. In addition to Common Expense Assessments, the Association may levy a special assessment for defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Elements, including fixtures and personal property related thereto, or for any other lawful Association purpose. The Board of Directors shall have the right, by affirmative vote of majority of the members of the Board, based upon the Board's analysis of the replacement and repair reserves, using an industry accepted funding method, authorize owners to approve or reject a request for a special assessment. A Special Assessment requires adoption by fifty-one percent (51%) of members. Special Assessments shall be due as specified by the Board of Directors and approved by Owners.

8.4 Exceptional Maintenance Assessments. In addition to the Common Expense Assessments and other Assessments listed above, the Association may levy an Exceptional Maintenance Assessment against a specific Unit Owner or tenant for the purposes of defraying, in whole or in part, the costs of any exceptional maintenance required by that Unit Owner's or tenant's exceptional use of a Unit i.e. more frequent refuse removal, additional security, exceptional traffic, etc. Unless otherwise specified by the Board of Directors, this Exceptional Maintenance Assessment shall be due thirty (30) days after notice of the Exceptional Maintenance Assessment is given to the Unit Owner.

8.5 Resale Assessment. To ensure that the Association shall have adequate funds to meet its expenses or to purchase necessary equipment or services, each person who purchases a Unit shall pay lawful sum, if any, to be set by the Board to the Association immediately upon becoming the Unit Owner. This assessment would not apply to transfers in probate or to an Owner's own LLC or trust. Funds paid the Association pursuant to this Section may be used by the Association for payment of common expenses or any other purpose permitted under this Declaration. Payment made pursuant to this Section shall be non-refundable and shall not be offset or credited or considered as an advance payment of the Common Expense Assessment or any other Assessments levied by the Association pursuant to this Declaration. The Board of Directors shall have the right to temporarily or permanently cease assessing an amount and, having ceased to assess an amount, the Board reserves the right to reinstate a resale assessment.

8.6 Reserve Fund. To assist the Association in establishing adequate funds to meet its Capital Expenses, each Owner who purchases a Unit shall pay a Reserve Fund fee. Such payment shall be required upon each transfer of title of each Unit. The Board of Directors shall have the discretion to increase this initial contribution to the reserve fund to an amount greater than any lawful sum. The funds paid to the Association pursuant to this Section are to be used by the Association solely for establishing reserves. Such funds may only be used to establish the reserve account or to apply to towards repair or reconstruction of elements within the Common Elements including Limited Common Elements. Payments made pursuant to this Section shall be non-refundable and shall not be considered as an advance payment of any other Assessments levied by the Association pursuant to this Declaration. The Board of Directors shall have the right, by affirmative vote of majority of the members of the Board, based upon the Board's analysis of the replacement and

repair reserves, using an industry accepted funding method, to permanently or temporarily cease to assess the Reserve Fee, and having ceased to assess the Reserve Fee, the Board reserves the right to reinstate the Reserve Fee at any time. The Board shall have the right to begin or cease the Reserve Fee as the Board deems appropriate from time to time. By agreeing to be bound by this Declaration, each Owner who purchases a Unit agrees and acknowledges that this method of establishing and maintaining a reserve fund is adequate to meet anticipated costs to maintain, replace or make improvements on the Common Elements.

8.7 Effect of Non-Payment of Assessments; Remedies of the Association.

(a) Assessments that are payable monthly shall be paid on or before the first day of each month. Special Assessments shall be paid in accordance with Section 7.3. All other Assessments shall be paid within ten days after receipt of the applicable statement or invoice. Any Assessment, or any installment of an Assessment, which is not paid within ten days after the Assessment first became due shall be deemed delinquent and shall bear interest from the date of delinquency at the interest rate of twelve percent (12%) annually. In addition, the Board of Directors may establish a reasonable late fee to be charged to Unit Owner and assessed against the Unit as part of the Assessment Lien for each installment of an Assessment that is deemed delinquent.

(b) All Assessments, monetary penalties and other fees and charges imposed or levied against any Unit or Unit Owner shall be secured by the Assessment Lien as provided for in the Act. The recording of this Declaration constitutes record notice and perfection of the Assessment Lien, and no further recordation of any claim of lien shall be required. Although not required to perfect the Assessment Lien, the Association shall have the right, but not the obligation, to record a notice of lien claim setting forth the amount of any delinquent assessments, monetary penalties, attorneys' fees or other fees or charges imposed or levied against a Unit or the Unit Owner which are secured by the Assessment Lien.

(c) The Association shall have the right, at its option, to enforce collection of any delinquent Assessments, monetary penalties, attorneys' fees and all other fees and charges owed to the Association in any manner allowed by law, including, but not limited to: (i) bringing an action at law against the Unit Owner personally obligated to pay the delinquent amounts and such action may be brought without waiving the Assessment Lien securing any such delinquent amounts; or (ii) bringing an action to foreclose its Assessment Lien against the Unit in the manner provided by law for the foreclosure of a realty mortgage. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey all Units purchased at such sale upon such terms and conditions as the Board of Directors shall determine.

8.8 Subordination of Assessment Lien to Mortgages. The Assessment Lien shall be subordinate to the lien of any First Mortgage. Any Mortgagee or any other party acquiring title or coming into possession of a Unit through foreclosure of a First Mortgage or purchase at a foreclosure sale or trustee's sale, shall acquire title free and clear of any claims for unpaid Assessments, monetary penalties and other fees and charges against the Unit which became payable prior to such sale or transfer but shall be subject to all subsequently accruing Assessments. Any delinquent Assessments, monetary penalties and other fees and charges which are extinguished pursuant to this Section may be reallocated and assessed to all Units (including the foreclosed Unit) as a Common Expense. Any Assessments, monetary penalties and other fees and charges against the Unit which accrue prior to such sale or transfer shall remain the personal obligation of the defaulting Unit Owner.

8.9 No Exemption of Unit Owner. No Unit Owner may exempt himself from liability for payment of Assessments, monetary penalties and other fees and charges levied pursuant to the Condominium Documents by waiver and non-use of any of the Common Elements and facilities or by the abandonment of its Unit.

8.10 Certificate of Payment. The Association on written request shall furnish to a lien holder, Unit Owner or person designated by a Unit Owner, a statement setting forth the amount of unpaid Assessments against its Unit. The Association may charge a reasonable fee in an amount established by the Board of Directors for each such statement.

8.11 No Offsets. All Assessments, monetary penalties and other fees and charges shall be payable in accordance with the provisions of this Declaration, and no offsets, recoupment or claim against such Assessments, monetary penalties and other fees and charges shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in the Condominium Documents or the Condominium Act.

8.12 Surplus Funds. Surplus funds of the Association remaining after payment of or provisions for Common Expenses and any reserves may in the discretion of the Board of Directors be credited on a pro rata basis to the Unit Owners to reduce each Unit Owner's future Common Expense Assessments.

8.13 Monetary Penalties. In accordance with the procedures set forth in the Bylaws, the Association shall have the right to levy reasonable monetary penalties against a Unit Owner for violations of the Condominium Documents. Monetary penalties shall include attorney fees up to, and including the filing of legal action, regardless whether a legal action is filed.

ARTICLE IX – INSURANCE

9.1 Scope of Coverage.

(a) The Association shall maintain, to the extent reasonably available, the following insurance coverage:

(i) Property insurance on the Common Elements and Units, exclusive of improvements and betterments installed in Units by Unit Owners (but including items required to be restored by the Association), issued under a standard special form "All Risk of Direct Physical Loss Form" in an amount equal to the maximum insurable replacement value of the Common Elements and Units, as determined by the Board of Directors; provided, however that the total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement cost of the insured property, exclusive of land, excavations, and other items normally excluded from a property insurance policy.

(ii) Broad form commercial general liability insurance, for a limit to be determined by the Board of Directors, but not less than \$1,000,000 per occurrence; \$1,000,000 personal injury and advertising injury; \$2,000,000 products and completed operations aggregate; and \$2,000,000 annual aggregate with an umbrella liability policy with limits no less than \$4,000,000 per occurrence. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements. Such policy shall include a cross liability clause to cover liabilities of the Unit Owners as a group to a Unit Owner.

(iii) Automobile liability insurance arising out of the use of hired and owned or non-owned automobiles for a limit not less than One Million Dollars (\$1,000,000.00).

(iv) At the option of the Board of Directors, employment practices liability insurance for a limit not less than Five Hundred Thousand Dollars (\$500,000.00) providing coverage for any legal liability that results from lawsuits related to employment contracts to which the Association is a party.

(v) Worker's compensation insurance to the extent necessary to meet the requirements of Arizona law and employer's liability insurance with limits not less than \$1,000,000 each accident; \$1,000,000 disease policy limit; and \$1,000,000 disease each employee.

(vi) Directors' and officers' liability insurance covering all the directors and officers of the Association in such limits as the Board of Directors may determine from time to time.

(vii) Boiler and machinery insurance providing coverage (including business income coverage) in the minimum amount of \$500,000 per accident per location.

(viii) Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association, the members of the Board of Directors, the members of any committee or the Board of Directors or the Unit Owners, including officers', directors' and employees' errors and omissions coverage and fidelity insurance or fidelity bond covering an amount equivalent to three months' estimated Assessments plus all reserves being maintained by the Association.

(ix) If the Condominium is located in an area identified by the Secretary of Housing & Urban Development as an area having special flood hazards, a "blanket policy" of flood insurance on the Condominium in the lesser of one hundred percent (100%) of the current replacement cost of the buildings and any other property covered on the required form of policy or the maximum limit of coverage available under the National Insurance Act of 1968, as amended.

(x) The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions:

(1) Each Unit Owner shall be an insured or additional insured under the policy with respect to liability arising out of its ownership of an undivided interest in the Common Elements or its membership in the Association.

(2) There shall be no subrogation with respect to the Association, its agents, servants, and employees against Unit Owners and members of their household.

(3) No act or omission by any Unit Owner, unless acting within the scope of its authority on behalf of the Association, shall void the policy or be a condition to recovery on the policy.

(4) The coverage afforded by such policy shall be primary and shall not be brought into contribution or proration with any insurance which may be purchased by Unit Owners or their mortgagees or beneficiaries under deeds of trust. In the event of a casualty to a Unit, the Unit Owner shall be required to reimburse the Association for payment of the Association's deductible.

(5) A "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or other Unit Owners.

(6) The Association shall be the insured for use and benefit of the individual Unit Owners (designated by name if required by the insurer).

(7) For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify the Association and each Mortgagee named in the policy at least ten days in advance of the effective date of any substantial change in coverage or cancellation of the policy.

(8) "Agreed Amount" endorsements.

(9) If, at the time of a loss insured under an insurance policy purchased by the Association, the loss is also insured under an insurance policy purchased by a Unit Owner, the Association's policy shall provide primary coverage.

9.2 Payment of Premiums. Premiums for all insurance obtained by the Association pursuant to this Article shall be Common Expenses and shall be paid for by the Association. The Board may levy a separate assessment for the premiums, collectible pursuant to Article 7.

9.3 Insurance Obtained by Unit Owners. Unit Owners, at their own expense, may obtain insurance for their Units and contents.

9.4 Payment of Insurance Proceeds. Any loss covered by property insurance obtained by the Association in accordance with this Article shall be adjusted with the Association and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. The Association shall hold any insurance proceeds in trust for Unit Owners and lien holders as their interests may appear, and the proceeds shall be disbursed and applied as provided for in Arizona law.

9.5 Restoration. In the event of damage or destruction of any portion of the Condominium, the damage or destruction shall be repaired or replaced by the Association so that the damaged portion of the Common Elements, including Limited Common Elements, is restored to substantially its prior condition, except as may otherwise be provided in the Condominium Act. The Association shall have no responsibility for restoration of any alteration, installation or Improvement that constitutes part of a Unit as defined in this Declaration.

9.6 Certificate of Insurance. An insurer that has issued an insurance policy pursuant to this Article 8 shall issue certificates or memoranda of insurance to the Association and, on written request, to any mortgagee, or beneficiary under a deed of trust, or Unit Owner. Each Unit Owner shall provide proof of insurance to the Association upon request. The insurer issuing the policy shall not cancel or refuse to renew the policy until thirty days (ten days in the case of non-payment of premium) after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner, and each mortgagee or beneficiary under a deed of trust to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

9.7. Name of Insured. The name of the insured under any such policies shall be: Rancho Villas – Unit Two Condominium Owners Association for the use and benefit of the individual owners.”

9.8 Deductible. If a loss is to the Common Elements is caused by the act of a Unit Owner or a condition in the Owner's Unit, that Owner shall reimburse the Association for the deductible, and the amount of the deductible shall be secured by the Association's assessment lien.

9.9. Review of Insurance. The Association shall review annually the coverage and policy limits of all insurance on the Association and adjust it at its discretion.

ARTICLE X - RIGHTS OF MORTGAGEES

10.1 Notification to Mortgagees. Upon receipt by the Association of a written request from a holder or insurer or governmental guarantor of a First Mortgage informing the Association of its correct name and mailing address and number or address of the Unit to which the request relates, the Association shall provide such Eligible Mortgage Holder or Eligible Insurer or Guarantor with timely written notice of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor;

(b) Any delinquency in the payment of Assessments or charges owed by a Unit Owner subject to a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor or any other default in the performance by the Unit Owner of any obligation under the Condominium Documents, which delinquency or default remains uncured for the period of sixty days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which requires the consent of a specified percentage of Eligible Mortgage Holders as set forth in Section 9.2 of this Declaration.

10.2 Approval Required for Amendment to Declaration.

(a) Subject to the right of the Board of Directors or the Association to amend this Declaration or established in other provisions, the approval of at least sixty-seven percent (67%) of all Eligible Mortgage Holders (based upon one vote for each vote allocated under Section 2.7 to the Unit encumbered by the First Mortgage owned) shall be required to add or amend provisions of the Declaration which establish, provide for, govern or regulate any of the following (an addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors or for clarification only):

- i. Voting rights;
- ii. Elimination of Assessments, assessment liens, or subordination of assessment liens;
- iii. Reserves for maintenance, repair and replacement of Common Elements;
- iv. Insurance or fidelity bonds;
- v. Rights to use of Common Elements;
- vi. Responsibility for maintenance and repair of the project;
- vii. Boundaries of any Unit or Building;
- viii. The undivided ownership interests in the Common or Limited Common Elements,
- ix. Expansion or contraction of the Condominium, or the addition or annexation of property to the Condominium, except an annexation or addition pursuant to the Condominium Act;
- x. Convertibility of Units into Common Elements or of Common Elements into Units;
- xi. Imposition of any restrictions on a Unit Owner's right to sell or transfer its Unit;
- xii. Restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;

- xiii. Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs;
- xiv. Any provisions which expressly benefit holders of First Mortgages, Eligible Mortgage Holders or Eligible Insurers or Guarantors.

(b) Any action to terminate the legal status of the Condominium for reasons other than substantial destruction or condemnation of the Condominium must be approved by at least sixty-seven percent (67%) of all Eligible Mortgage Holders (based upon one vote for each vote allocated under Section 2.7 to the Unit encumbered by the First Mortgage owned).

10.3 Right of Inspection of Records. Subject to the limitations contained in the Act, any Unit Owner, Mortgagee or Eligible Insurer or Guarantor will, upon written request, be entitled to: (a) inspect the current copies of the Condominium Documents and the books, records and financial statements of the Association during normal business hours; (b) receive within ninety days following the end of any fiscal year of the Association, a financial statement of the Association for the immediately preceding fiscal year of the Association, at a reasonable charge to the requesting party; and (c) receive notice of all meetings of the Members of the Association in accordance with Arizona law.

10.4 Prior Written Approval of Mortgagees. Except as provided by statute in case of condemnation or substantial loss to the Units or the Common Elements, unless at least sixty-seven percent (67%) of all Eligible Mortgage Holders of First Mortgages or sixty-seven percent (67%) of the votes of all Unit Owners of the Units have given their prior written approval, the Association shall not be entitled to:

- (a) By act or omission, seek to abandon or terminate this Declaration or the Condominium;
- (b) Except for adjustments made to percentage interests as provided in this Declaration, change the pro rata interest or obligations of any individual Unit for the purpose of: (i) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit in the Common Elements;
- (c) By act or omission, seek to abandon, partition, subdivide, sell or transfer the Common Elements. The granting of private licenses, easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this Subsection;
- (d) Use hazard insurance proceeds for losses to any Units or the Common Elements for any purpose other than the repair, replacement or reconstruction of such Units or the Common Elements.
- (e) Nothing contained in this Section or any other provisions of this Declaration shall be deemed to grant the Association the right to partition any Unit without the consent of the Unit Owner thereof. Any partition of a Unit shall be subject to such limitations and prohibitions as may be set forth elsewhere in this Declaration or as provided under Arizona law.

10.5 Liens Prior to First Mortgage. All taxes, assessments, and charges that may become liens prior to the First Mortgage under local law shall relate only to the individual Unit and not to the Condominium as a whole.

10.6 Condemnation or Insurance Proceeds. No Unit Owner, or any other party, shall have priority over any rights of any holder of a First Mortgage of the Unit pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Units or Common Elements.

10.7 Limitation on Partition and Subdivision. No Unit shall be partitioned or subdivided without the prior written approval of the holder of any First Mortgage on such Unit.

10.8 Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Article and any other provision of the Condominium Documents, the provisions of this Article shall prevail; provided, however, that in the event of any conflict or inconsistency between the different Sections of this Article or between the provisions of this Article and any other provision of the Condominium Documents with respect to the number or percentage of Unit Owners, Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors that must consent to (i) an amendment of the Declaration or Bylaws, or (ii) a termination of the Condominium, the provision requiring the consent of the greatest number or percentage of Unit Owners, Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors shall prevail.

ARTICLE XI - CLAIM AND DISPUTE RESOLUTION-LEGAL ACTIONS

11.1 Alternative Dispute Resolution. Any dispute or claim under this Declaration may, at the option and agreement of the disputing parties, be subject to binding arbitration, except for Association actions to enforce the Condominium Documents by injunction or actions and actions to collect any amounts due under this Declaration. Except as may be agreed by the parties, each party shall select one arbitrator, these two arbitrators shall select a third arbitrator and the third arbitrator shall be the sole arbitrator for the dispute. The arbitration shall be binding, done under the rules of the American Arbitration Association and venue shall be in Maricopa County, AZ.

ARTICLE XII - GENERAL PROVISIONS

12.1 Enforcement and Nonwaiver. The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Condominium Documents. Failure by the Association or by any Unit Owner to enforce any covenant or restriction contained in the Condominium Documents shall in no event be deemed a waiver of the right to do so thereafter.

12.2 Severability. Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no way affect any other provisions that shall remain in full force and effect.

12.3 Duration. The covenants and restrictions of this Declaration shall run with and bind the Condominium in perpetuity.

12.4 Termination of Condominium. The Condominium may be terminated as specifically provided in this Declaration or as otherwise provided for in the Condominium Act.

12.5 Amendment.

(a) The Declaration, including the Plat, may be amended only by an affirmative vote of sixty-seven percent (67%) of the total Membership.

(b) Except to the extent expressly permitted or required by the Condominium Act or this Declaration, an amendment to the Declaration shall not increase the number of permitted Units or change the boundaries of any Unit, the allocated Interest of a Unit, or the use as to which any Unit is restricted, in the absence of unanimous consent of the Unit Owners.

(c) Any amendment adopted by the Unit Owners pursuant to this Declaration shall be signed

by the President or Vice President of the Association and shall be recorded with the County Recorder of Pima County. Any such amendment shall certify that the amendment has been approved as required by this Section.

12.6 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

12.7 Notices. All notices, demands, statements or other communications required or permitted to be given to or served on a Unit Owner under this Declaration shall be in accordance with Arizona law and if in writing, shall be deemed to have been duly given if delivered personally or sent by email or United States mail, postage prepaid, addressed to the Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Association (including email address) or, if no such address is designated, at the address of the Unit of such Unit Owner. A Unit Owner may change its physical or email address on file with the Association for receipt of notices by delivering a written notice of change of address to the Association in accordance with the requirements of this Section. A notice given by email, mail, whether regular, certified, or registered, shall be deemed to have been received by the person to whom the notice was addressed on the earlier of the date the notice is actually received or two days after the notice is mailed. If a Unit is owned by more than one person, notice to one of the Unit Owners shall constitute notice to all Unit Owners of the same Unit. Each Unit Owner shall file its correct mailing address with the Association and shall promptly notify the Association in writing of any subsequent change of address.

12.8 Binding Effect. By acceptance of a deed or by acquiring any ownership interest in any portion of the Condominium, each Person, for itself, its heirs, personal representatives, successors, transferees and assigns, binds itself, its heirs, personal representatives, successors, transferees and assigns, to all the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by the Condominium Documents and any amendments thereof. In addition, each such Person by so doing thereby acknowledges that the Condominium Documents set forth a general scheme for the improvement and development of the real property covered thereby and hereby evidences its interest that all the restrictions, conditions, covenants, rules and regulations contained in the Condominium Documents shall run with the land and be binding on all subsequent and future Unit Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such Person fully understands and acknowledges that the Condominium Documents shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Unit Owners. The Units and the membership in the Association and the other rights created by the Condominium Documents shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.

12.9 Gender. The singular, wherever used in this Declaration, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions of this Declaration apply either to corporations or individuals, or men or women, shall in all cases be assumed as though in each case fully expressed.

12.10 Topic Headings. The marginal or topical headings of the sections contained in this Declaration are for convenience only and do not define, limit or construe the contents of the sections or of this Declaration.

12.11 Survival of Liability. The termination of membership in the Association shall not relieve or release any such former Owner or Member from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership or membership or impair any rights or remedies which the Association may have against such former Owner or Member arising out of, or in any way connected with, such ownership or membership and the covenants and obligations incident thereto.

12.12 Construction. In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and the Bylaws or the Association Rules, the provisions of this Declaration shall prevail.

12.13 Joint and Several Liabilities. In the case of joint ownership of a Unit, the liabilities and obligations of each of the joint Unit Owners set forth in, or imposed by, the Condominium Documents shall be joint and several.

12.14 Guests and Tenants. Each Unit Owner shall be responsible for compliance by its agents, tenants, guests, invitees, licensees and their respective servants, invitees, licensees, agents, and employees with the provisions of the Condominium Documents. A Unit Owner's failure to insure compliance by such Persons shall be grounds for the same action available to the Association or any other Unit Owner by reason of such Unit Owner's own non-compliance.

12.15 Attorneys' Fees. In the event the Association or any Unit Owner employs an attorney or attorneys to enforce a lien or to collect any amounts due from a Unit Owner or to enforce compliance with or recover damages for any violation or non-compliance with the Condominium Documents, the prevailing party in any such action shall be entitled to recover from the other party its reasonable attorneys' fees, costs, expert witness fees, and litigation expenses incurred in the action and any appeal. The Association may collect those fees regardless whether a formal action is filed. The Association may also collect its attorney fees, expert witness fees and litigation costs incurred in an administrative action pursuant to ARS §412198 et. sec. or as amended.

12.16 Number of Days. In computing the number of days for purposes of any provision of the Condominium Documents, all days shall be counted including Saturdays, Sundays and holidays; provided, however, that if the final day of any period falls on a Saturday, Sunday or holiday, then the next day shall be deemed to be the next day which is not a Saturday, Sunday or holiday.

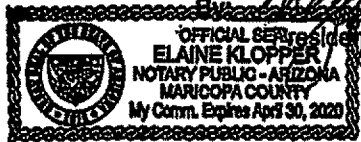
12.17 Notice of Violation. The Association shall have the right to record a written notice of a violation by any Unit Owner of any restriction or provision of the Condominium Documents. The notice shall be executed and acknowledged by an officer of the Association and shall contain substantially the following information: (i) the name of the Unit Owner; (ii) the legal description of the Unit against which the notice is being recorded; (iii) a brief description of the nature of the violation; (iv) a statement that the notice is being recorded by the Association pursuant to this Declaration; and (v) a statement of the specific steps which must be taken by the Unit Owner to cure the violation. Recordation of a Notice of Violation shall serve as a notice to the Unit Owner and to any subsequent purchaser of the Unit that there is a violation of the provisions of the Condominium Documents. If, after the recordation of such notice, it is determined by the Association that the violation referred to in the notice does not exist or that the actual violation referred to in the notice has been cured, the Association shall record a notice of compliance which shall state the legal description of the Unit against which the Notice of Violation was recorded, the recording data of the Notice of Violation, and shall state that the violation referred to in the notice of violation has been cured, or if such be the case, that it did not exist. The Unit Owner shall reimburse the Association for its fees incurred and the amount shall be secured by the Association's assessment lien.

IN WITNESS WHEREOF, the undersigned certifies that this Amended and Restated Declaration was approved by the requisite number of votes of the Members.

CERTIFICATION

The undersigned President and Secretary of the RANCHO VILLAS-UNIT TWO CONDOMINIUM OWNERS ASSOCIATION hereby certify that his Amended and Restated Declaration was approved by the membership by a vote that exceeded the required number of votes in the Association.

STATE OF ARIZONA) ss.
County of Maricopa)



The foregoing instrument was acknowledged before me this 3rd day of March, 2020, by, the President of the RANCHO VILLAS-UNIT TWO CONDOMINIUM OWNERS ASSOCIATION, who executed the foregoing on behalf of the corporation, being authorized so to do for the purposes therein contained.

Notary Public Elaine Klopfer

My Commission Expires: 4-30-2020

By: Linda Riggs
Secretary

The foregoing instrument was acknowledged before me this 12th day of March, 2019, by the Secretary of the RANCHO VILLAS-UNIT TWO CONDOMINIUM OWNERS ASSOCIATION, who executed the foregoing on behalf of the corporation, being authorized so to do for the purposes therein contained.

Notary Public Elaine Klopfer

My Commission Expires: 4-30-2020

