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# AMENDED & RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF LA ESPERANZA TOWN HOMES

September 2, 2011

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## AMENDED & RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF LA ESPERANZA TOWN HOMES

THIS DECLARATION, made on the date hereinafter set forth by LA ESPERANZA TOWN HOMES, hereinafter referred to as "Declarant."

#### WITNESSETH:

WHEREAS, Declarant are all of the Owners of certain Property in Tucson, Pima County, Arizona, which is more particularly described as:

La Esperanza, Lots 1 through 35, as shown on the Plat as recorded in the Pima County Recorder's Office, Book 25 page 1.

NOW THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold and conveyed subject to the following Restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real Property and be binding on all parties having any right, title or interest in the described Property or any part hereof, their heirs, successors and assigns, and shall insure to the benefit of each other thereof.

#### **ARTICLE 1 - DEFINITIONS**

#### A. "Association"

Shall mean and refer to La Esperanza Townhome Association, Inc., an Arizona non-profit corporation, its successors and assigns.

#### B. "Maintenance Fee"

Shall mean the annual charge for maintenance of La Esperanza.

#### C. "Assessment"

Shall mean a Special Assessment and/or other Association levy.

#### D. "Articles"

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

#### E. "Architectural Review Committee"

Refers to the Committee that may be established by the Board and who, under the direction of the Board, is responsible for architectural review. One Member of this committee will be a Member of the Board.

#### F. "Board"

Shall mean the Board of Directors of La Esperanza Townhome Association, Inc. as constituted from time to time.

#### G. "Bylaws"

Shall mean the document "Bylaws of La Esperanza Townhome Association, Inc.", together with any amendments thereto, adopted by the Board and ratified by the Members which govern the conduct of the Association Board Members, Directors, Officers as well as Owners on their Lots when such conduct affects the other Owners, and which governs the use of the Common Areas by all of the Owners, their guests, family or lessees.

#### H. "CC&Rs"

Shall mean this document "Amended and Restated Declaration of Covenants, Conditions and Restrictions of La Esperanza Town Homes", and any amendments thereto filed with the Office of the County Recorder of Pima County, Arizona.

#### I. "Common Area(s)" or "Common Property" or "Common Elements"

Shall mean all real Property designated as Common Area on the Plat, known as Lots 32-35, including easements granted to the Association for the location, construction, maintenance, repair and replacement of improvements, utilities, ingress and egress, whether improved or unimproved, owned by the Association for the common use and enjoyment of the Owners. The Common Area includes, but is not limited to, all recreational facilities, community facilities, swimming pools and pumps, private driveways and streets, parking areas, trees, sidewalks, pavement, pipes, walls, conduit, irrigation systems, utility lines and pipes and private water distribution system located thereon. Common Property shall also include any real or personal Property now or hereafter owned or leased by the Association.

#### J. "Declarant"

Shall mean and refer to Lot Owners of La Esperanza Town Homes.

#### K. "Declaration" or "Restrictions"

See H "CC&R's.

#### L. "Landscape Committee"

Shall mean and refer to the committee established by the Board, who, under the direction of the Board, is responsible for landscaping and maintenance of the Common Area. A Member of the Board shall be a Member of the committee and the committee shall report to and seek approval from the Board.

#### M. "Lot" or "Townhome" or "Dwelling Unit"

Shall be synonymous and shall mean and refer to the separately designated and legally described plot of land and the improvements thereon shown upon the recorded Subdivision Plat of La Esperanza Town Homes as recorded in Book 25, page 1 (Lots 1

through 31) of maps and Plats in the office of the County Recorder of Pima County, Arizona.

#### N. "Mortgage"

Shall mean any Mortgage, deed of trust or other security instrument by which a dwelling unit or any part thereof is encumbered and the term "first Mortgage" shall mean the holder of any Mortgage under which the interest of any owner of a dwelling unit is encumbered and which Mortgage has first and paramount priority, subject only to the lien of general or ad Val Orem taxes and assessments.

#### O. "Member"

Shall mean and refer to every Owner in La Esperanza Town Homes.

#### P. "Owner(s)" or "Homeowner(s)"

Shall be synonymous and shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to a Lot which is a part of La Esperanza Town Homes, excluding those having such interest merely as security for the performance of an obligation.

#### Q. "Party Walls"

Shall mean each wall, including a patio wall, which is constructed as a part of the original construction of the townhouse multi-family structure, any part of which is placed on the dividing line between separate townhouse units.

#### R. "Plat"

Shall mean the Subdivision Plat covering the Property under the name "La Esperanza Town Homes" recorded in the Book of Maps and Plats in the office of the County Recorder of Pima County, Arizona, Book 25, page 1 (Lots 1 through 35) and any revision to said Plat as subsequently recorded with the County Recorder of Pima County, Arizona.

#### S. "The Property" or "The Subdivision"

Shall mean all that real Property identified in the plat.

#### T. "Rules and Regulations"

Shall mean those Rules and Regulations adopted by the Board and ratified by the Members which govern the conduct of the Owners on their Lots and which govern the use of the Common Areas by all of the Owners, their guests, family or lessees.

#### **ARTICLE II - PROPERTY RIGHTS**

#### Section 1 - Members' Easements of Enjoyment

Every Owner shall have a right and easement of use and of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title

to each and every Lot. Such right and easement of use and enjoyment of the Common Area shall be subject to the following provisions:

#### A. Charges

The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

#### **B. Suspension of Voting Rights**

The right of the Association to suspend the voting rights and right to use the recreational facilities by an Owner as described in Article VII, Section 13 of this document.

#### C. Dedication and Transfer of Common Area

The right of the Association to dedicate or transfer all of or any part of the Common Area to any person, public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Members agreeing to such dedication or transfer has been recorded.

#### Section 2 - Delegation of Use

Any Owner may delegate his or her right of enjoyment to the Common Area and facilities to the Members of his or her family, his or her guests, his or her tenants, or contract purchasers who reside on his or her Dwelling Unit. The Association, through its Board, may establish reasonable conditions governing the use of the Common Areas by such persons.

#### Section 3 - Duties of Association

The Association shall be responsible for the safety, maintenance, liability and control of the Common Area.

#### <u> ARTICLE III - MEMBERSHIP</u>

#### Section 1 - Membership

#### A. Qualifications

Each Owner of a Dwelling Unit, by virtue of being such an Owner, and for long as he or she is such an Owner, shall be deemed a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in a Dwelling Unit as security for the performance of an obligation, or a lessee or tenant of an Owner or a purchaser or vendee under an executor contract of sale which is not "closed" and/or been recorded in the Office of the County Recorder, Pima County, Arizona. No Owner shall have more than one (1) Membership for each Lot owned.

#### B. Membership

Every Owner of a Lot shall be a Member of the Association and such Membership shall be appurtenant to and may not be separated from Ownership of any Lot, which is subject to Assessments.

#### C. Transfer of Membership

Membership of each Owner in the Association shall be appurtenant to the Dwelling Unit owned and shall not be transferred, pledged or alienated in any way except upon the transfer of Ownership to said Dwelling Unit, and then only to the transferee thereof. Any attempt to make a prohibited transfer shall be void. Any transfer of Ownership of a Dwelling Unit shall operate automatically to transfer said Membership to the new Owner thereof.

#### D. Meetings

Regular and special meetings are defined in Article III of the By-Laws.

#### **ARTICLE IV - RIGHTS AND POWERS OF ASSOCIATION**

#### <u>Section 1 – Association Responsibilities</u>

The Association, under the direction of the Board, is responsible for maintaining and managing the Common Areas up to the Property line of each Lot. Such management and maintenance includes but may not necessarily be limited to, the landscaping, parking areas, and recreational facilities located in the Common Areas. The Association shall also be responsible for:

#### A. Cash Reserves

Establishing and maintaining such cash reserves as the Association deems reasonably necessary for the maintenance, repair and replacement of the improvements which it is responsible to maintain and for unforeseen contingencies.

#### B. Collection of Maintenance Fees & Assessments from Owners

Collection of fees/Assessments from Owners as prescribed by the governing documents of the Association, under the supervision of the Board.

#### C. Damage to Association Owned Property

In the event any Property owned by the Association is damaged or destroyed by an Owner or any of his guests, agents or Members of his family, such Owner does hereby irrevocably authorize the Association to repair said damage, and the Association shall so repair said damage in a good workmanlike manner in conformance with the original plans and specifications. Said Owner shall then repay the Association in the amount actually expended for said repairs.

#### D. Damage Disputes between Owner and the Board of Directors

In the event of a dispute between an Owner and the Board of Directors with respect to the cause of damage or the extent of repairs necessitated or with respect to the cost thereof, then upon written request of the Owner delivered to the Association, the matter shall be submitted to arbitration under such rules as may from time to time be adopted by the Association. If no such rules have been adopted, the matter shall be submitted to three (3) arbitrators, one chosen by the Board of Directors, one chosen by said Owner and these two arbitrators shall choose a third arbitrator. If the two arbitrators cannot agree as to the selection of the third arbitrator, then the same shall be selected by the presiding judge of the Superior Court of Pima County, Arizona. A determination by any two of the three arbitrators shall be binding upon said Owner and the Association who shall share the cost of arbitration equally. In the event one party fails to choose any arbitrator within ten (10) days after receipt of a request in writing for arbitration from the other party, then said other party shall have the right and authority to choose both arbitrators.

#### E. Determination of Maintenance, Repair, Upkeep and Conforming

Determining whether a Lot is in need of maintenance, repair and upkeep, or whether the Lot conforms to the standards of the neighborhood and reflects a high pride of Ownership. Such determination shall be made by the Board.

#### F. Enforcement of Association Governing Documents

Enforcing the provisions of this Declaration, the Association Articles of Incorporation, the Association Bylaws, the Rules and Regulations of the Association and any and all amendments to the foregoing.

#### G. Entering into Agreements

Entering into such agreements and taking such actions as are reasonably necessary and convenient for the accomplishment of the obligations set forth above and the operation and maintenance of the Common Areas, under the direction of the Board.

#### H. Improvements and Additions to Common Areas

To construct new improvements or additions to the Common Areas or demolish or replace existing improvements; provided that in the case of any improvements, additions, or demolition involving a special Assessment, the vote of Owners having two-thirds (2/3) of the total vote present, voting either in person or by absentee ballot at an annual or special meeting called for the purpose of approving plans and a maximum total cost therefore shall first be obtained. The Board shall levy a special Assessment on all Owners for the cost of such work pursuant to this Declaration.

#### I. Independent Contractors

Hiring, firing, supervising and paying independent contractors, including, but not limited to workers, landscapers, attorneys, accountants, architects and contractors to carry out the obligations set forth herein.

#### J. Insurance

To maintain comprehensive, general liability, and Property insurance covering Common Areas and such other areas under the jurisdiction or control of the Association and fire and other hazard insurance on all Common Areas and such other areas in such amounts and with such carriers as the Board, in their sole discretion, determine appropriate.

Under the direction of the Board, to use any insurance proceeds received by the Association to repair and replace any damage or destruction of Property, real or personal, covered by such insurance and pay any balance remaining to the Owners and their Mortgages as their interests may appear.

#### K. Liability Insurance

Maintaining liability insurance to protect the Members and the Board of the Association from any liability from occurrences or happenings on or about those portions of the areas maintained by the Association.

#### L. Maintenance and Repainting of Exterior Surfaces

Maintaining and repainting the exterior surface of the perimeter yard walls, Party Walls or fences which are constructed along the boundaries of the Property. The "exterior surface" is defined as that portion of the yard wall or fence which faces the Common Area. The maintenance and repainting of individual townhouses in their entirety (all interior and exterior surfaces and garages), is the responsibility of the respective Owner (s). Any disputes that may arise concerning painting may be addressed in writing to the Board, whose decision on the matter will be final and binding.

To enter any reasonable time upon any exterior portion of any Dwelling Unit for the purpose of carrying out its duties and obligations for exterior maintenance and landscaping pursuant to Articles IV, VI,VIII & XII of this Declaration.

#### M. Private Streets, Roads & Common Area

The Association shall maintain all common areas in a neat and attractive manner and accept responsibility for the control, maintenance, safety and liability of the drainage and other easements, private pedestrian walkways, roads, roadways, roadway right-of-ways, parking Lots, median strips, entry details, walls or other Common Area within La Esperanza Town Homes.

Designation and dismissal of personnel necessary for the maintenance and operation of the common Property under the direction of the Board.

The Board shall determine all maintenance and repair expenses on the basis of at least three (3) independent bids, the bids shall be submitted by reputable contractors or persons in the business of performing said maintenance and repairs. The contractors or persons must be licensed and must provide references. The Board of Directors must verify license and reference information prior to contracting with any contractor or person and must include this verification as part of the permanent records of the Association. The Board shall select the best bid which need not be the lowest bid and the Board's decision in this regard shall be final and conclusive. Any and all bids, agreements, contracts or other matters that require signatures from La Esperanza shall be signed by the President or any other Board Officer as the President sees fit and designates.

Under the direction of the Board, to grant and convey to any person easements, rights-of-way, parcels or strips of land in, on, over, or under any Common Areas for the purpose of constructing, erecting, operating or maintaining thereon, therein and there under (1) roads, streets, walks, driveways, parkways, and park areas; (2) temporary overhead or permanent underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone, cable T.V., and other purposes; (3) sewers, storm drains and pipes, water systems, water, heating and gas lines or pipes; and (4) any similar public or quasi-public improvements or facilities.

#### N. Purchase of Goods

Purchasing all goods, supplies, labor and services reasonably necessary for the performance of the obligations set forth herein.

To retain and pay for legal and accounting services necessary or proper in the operation of the Common Areas and facilities, enforcement of this Declaration or in any of the other duties or rights of the Association.

To elect and employ a trust company, bank or professional Property management company in Tucson, Arizona to collect and disburse funds of the Association pursuant to Article IV, Section 5 of this Declaration.

#### O. Street Signs, Walls, Fences and Other Improvements

Operating, maintaining (including insuring) and rebuilding, if necessary, street signs, walls and fences and other improvements on the Common Areas as originally constructed.

#### P. Taxes

Paying real estate taxes, Assessments and other charges on those portions of the Common Areas owned by the Association.

#### Q. Utilities

Providing for the payment of all utility services for Common Area facilities and water service to the Lots.

#### R. Water and Sewer

Maintaining and repairing water and sewer lines up to the point where such lines connect to the water and sewer lines which serves a specific Lot.

To utilize water metered to the Association for watering of the plants, trees, and shrubs in the Common Area.

#### S. Other

The Association can perform such other acts as are reasonably necessary to carry out the purpose and intent of the Association or to effect the work of the Association.

#### Section 2 - Manner in Which the Association Carries out its Duties

The manner in which the Association carries out its responsibilities shall be controlled by the provisions of its Bylaws, its Rules and Regulations, its Articles of Incorporation and provisions of this Declaration.

#### <u>Section 3 - Association's Rights and Powers as Set Forth in Association</u> <u>Governing Documents</u>

#### A. Rights and Powers

The Association shall have such rights and powers as are set forth in this Declaration, the Articles of Incorporation of the Association, the Rules and Regulations of the Association and the Bylaws of the Association.

#### **B.** Availability to Owners / Members

A copy of the CC&Rs, the Articles of Incorporation, the Bylaws and Rules and Regulations of the Association shall be available to every Lot Owner and every Association Member.

#### C. Enforcement of Governing Documents

The Association, as the agent and representative of the Members, shall have the right to enforce the CC&Rs and/or any and all covenants, Restrictions, reservations, charges, servitudes, Assessments, conditions, liens or easements provided for in any contract, deed, Declaration or other instrument which shall have been executed pursuant to or subject to the provisions of this Declaration or which otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Association.

#### Section 4 - Contracts with Others for Performance of Association's Duties

Subject to the Restrictions and limitations contained herein, the Association may enter into contracts and transactions with others; and such contracts shall be pre-approved by

the Board in writing and then signed by the President and Treasurer or other officer as the President appoints. All contractors shall be licensed and bonded and must provide references. The Board must verify license, bond and reference information prior to contracting with any contractor and must include this verification as part of the permanent records of the Association.

#### <u>Section 5 – Professional Management Companies</u>

The hiring of any professional management company or individual to be charged with managing the day-to-day operations of the Association (e.g. Property manager or management company, Association manager or Association management company) requires a majority vote by the Board followed by a 80% vote of total Membership of the Association either in person or by absentee ballot at a meeting duly called for such vote. Contracts with an outside management company will be for a maximum of one (1) year and must be renewed each consecutive year by an 80% vote of the total Association Membership at the Annual meeting in January. The professional management company contracted with will answer directly to the Board.

#### Section 6 - Accounting

See Article V, Section 5.08 in By-Laws.

#### Section 7 – Change of Use of Association Land and Procedure Therefore

Upon the adoption of a resolution by the Board stating that in the Board's opinion the then-present use of a designated part of the Association land or the Association's interest in the Common Elements is no longer in the best interests of the Owners and upon the approval of such resolution by a mandatory two-thirds (2/3) vote of the total Membership of the Association voting in person or by absentee ballot at a meeting duly called for such vote, the Board shall have the power and right to change the use and in connection therewith construct, reconstruct, sell, alter or change the improvements thereon in any manner deemed necessary by the Board to accommodate the new use, provided such use shall be for the benefit of the Owners and consistent with the CC&Rs or zoning regulations restricting the use of the Association land and Common Elements.

#### **ARTICLE V - PARTY WALLS**

#### <u>Section 1 – Definition and Responsibility</u>

Each wall, including patio walls, which is constructed as a part of the original construction of the townhouse multi-family structure, any part of which is placed on the dividing line between separate townhouse units, shall constitute a Party Wall. With respect to any such wall, each of the adjoining Owners shall assume the burdens and be entitled to the benefits of these restrictive covenants, and, to the extent not inconsistent herewith, the general rules of law regarding Party Walls shall be applied thereto.

#### Section 2 - Damage

In the event any Party Wall is damaged or destroyed through the act of one adjoining Owner, or any of his or her guests, tenants, licensees, agents or Members of his family (whether or not such act is negligent or otherwise culpable), that Owner shall rebuild or repair the Party Wall to the same condition as formerly, without cost to the other adjoining Owner.

If damage is not due to negligence of either adjoining Owner, both shall share equally in the cost to rebuild or repair.

#### **Section 3 - Negligence**

Notwithstanding any other provision of this an Owner who by his or her negligent or willful act causes any Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

#### Section 4 - Rights

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

#### Section 5 - Modification

In addition to meeting the other requirements of these restrictive covenants and of any building code of similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his or her townhouse in any manner which requires the extension or other alteration of any Party Wall shall first obtain the written consent of the adjoining Owner and then the Board.

#### Section 6 - Disputes

In the event of a dispute between Owners with respect to the repair or rebuilding of a Party Wall or with respect to the sharing of cost thereof, then it shall revert to the Board for resolution. All disputes in regards to Party Walls must be submitted to the Board in writing. A determination of the dispute will be reached by a vote of the majority of the Board and issued to both parties. The determination reached by the Board shall be final and binding upon the Owners. In the event legal fees and expenses are incurred by the Board in relation to a dispute regarding Party Walls, the Owners shall pay these expenses incurred in accordance with the Board's final decision.

#### Section 7 - Liability

These covenants shall be binding upon the heirs and assigns of the Owners, but no person shall be personally liable for any act or omission respecting any Party Wall except such as took place while said person was an Owner, unless expressly assumed by such Owner.

#### **ARTICLE VI - EASEMENTS**

There is hereby created a blanket easement upon, across, over and under the above described premises for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephones and electricity. By this easement, it is expressly granted to the providing utility company to erect and maintain the necessary equipment on said Property and to affix and maintain wires, circuits and conduits on, above, across and under the roofs and exterior walls of said town home. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on said premises except as approved by the Board. This easement shall not affect any other recorded easements relating to La Esperanza Town Homes. An easement is also hereby created regarding Owner non-compliance as stated in Article VII, Section 1 of this document.

#### **ARTICLE VII - MAINTENANCE FEES, ASSESSMENTS AND LIENS**

#### Section 1 – Obligation

Each Owner, by the acceptance of a deed to a Lot, whether or not expressed in the deed, agrees to pay the Association all Fees, Assessments and any additional charges levied pursuant to this Article.

#### Section 2 - Assessments to Pay Judgments

Assessments to pay a judgment against the Association shall be assessed equally against all Lots. The Board will notify the Association of any Assessments due as a result of judgments against the Association in writing and the Assessment will be due within 30 days of receipt of this notice.

#### Section 3 - Covenants to Pay

If any Common Area expense is caused by the misconduct of an Owner, their tenant or guest, the Association may assess that expense exclusively against that Owner and his/her Lot.

#### Section 4 - Liability for Payment

The obligation to pay Maintenance Fees and Assessments together with interest, costs and reasonable attorney's fees shall run with the land, shall become a lien and charge thereon, so that each successive record Owner of a Lot and the Lot shall become liable to pay all such Assessments. No Owner may waive or otherwise escape personal liability by non-use of the Common Area or facilities, or abandonment of the Lot or for any reason. Each Fee/Assessment shall constitute a separate Fee/Assessment and shall be a separate and distinct and personal obligation of the Owner of record of the Lot at the time when the Fee/Assessment was levied. The personal obligation for delinquent Fees/Assessments shall not pass to the successors and title to the Owner unless expressly assumed by such Owner.

#### <u>Section 5 – Use of Assessments</u>

The Maintenance Fees and Assessments collected by the Association shall be used for the operation, care and maintenance of the Common Area and facilities.

#### Section 6 - Use of Funds

The Association shall apply all funds collected consistent with the purposes of the Association. The Association shall not be obligated to spend all the funds in any year and may carry forward as surplus any balance remaining. The Board shall provide that the Association Maintenance Fees, charges or Assessments shall include adequate reserve funds for normal maintenance, repairs and replacement of those elements of the Common Area and other Property that must be maintained or replaced on a periodic basis.

#### Section 7 - Operating Budget

#### A. The Budget Process

The Treasurer is responsible for creating an Annual Operating Budget for the Association each calendar year. The Budget process for the next calendar year will commence at the 1<sup>st</sup> regular Board meeting in or after October. The Treasurer will prepare the 1<sup>st</sup> draft of the Budget for the Board to review at the meeting. The Board will then review, discuss, edit, prepare and approve a final draft of the Annual Operating Budget to be presented to the Association at the Association Annual Meeting in January for ratification by the majority of Members present.

#### **B.** Disbursement of Funds

The Board has, at all times, the authorization to disburse funds from Association accounts for any emergency circumstances that may arise that are not part of the approved Annual Operating Budget. An emergency circumstance is defined as a sudden unforeseen or unexpected crisis or event that requires immediate action and must be dealt with urgently.

#### Section 8 – Capital Improvement Fund

The Association may establish a Capital Improvement Fund as deemed necessary.

#### Section 9 – Maintenance Fees Amounts and Due Dates

Maintenance Fees for each fiscal year shall be established when the Board approves the budget for that fiscal year and shall be levied on a fiscal year basis (January 1 to December 31). Fees are due and payable upon approval of the Board, but may be paid in monthly installments on the first day of each month and shall become delinquent after the 15th of each month. Fees shall commence for all Lots on the first day of the month following the conveyance of the Lot to the Owner. The personal obligation of the Owners of any conveyed Lot shall be prorated as of the date of closing on said Lot or the date of transfer in the case of a transfer other than by sale.

#### Section 10 - Maximum Maintenance Fees

The maximum that the Annual Maintenance Fees may be increased by the Board, is 10% of the previous year's Fee without a vote of the Membership. A two-thirds (2/3) vote of the Owners entitled to vote is required for any increase in Annual Maintenance Fees above 10%.

#### Section 11 - Special Assessments

Special Assessments may be levied in addition to Annual Maintenance Fees for (1) constructing capital improvements; (2) correcting an inadequacy in the current operating account; (3) defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of improvement on the Lot(s) or Common Area; or (4) paying for other such matters as the Board may deem appropriate. Special Assessments shall be approved by a two-thirds (2/3) vote of the Owners, voting in person or by absentee ballot, at any meeting called for that purpose; provided however, that any proposed Special Assessment proposed for the purpose of complying with the health, safety or governmental codes or regulations as well as in the instance of judgments against the Association or in emergency situations need only be approved by the Board and published to the Members. Special Assessments of this nature will be due 30 days from the date notice is given by the Board to the Association.

### Section 12 - Notice and Quorum Requirements for Maintenance Fees and Special Assessments

Written notice of any meeting called to increase the Annual Maintenance Fee above 10% or to impose a Special Assessment shall be sent to all Members not less than ten (10) days, or more than thirty (30) days prior to the date set for the meeting. At this meeting, two-thirds (2/3) of the Owners must be present in person, or by absentee ballot, to constitute a quorum. If the required quorum is not present, then another meeting may be called with at least ten (10) days notice of the subsequent meeting. In the event a quorum cannot be reached after 2 continuances, and the subject of the increase or Special Assessment is an emergency or has become so with the passage of time, then the Board may take action to increase or levy the Special Assessment.

#### Section 13 - Enforcement of Assessments & Maintenance Fees

#### A. Maintenance Fees

It is the responsibility of the Owner to pay all Maintenance Fees in a timely manner. Maintenance Fees are due the first (1st) of every month and become delinquent 15 days after the due date. A \$15.00 late charge will be assessed each month on top of the regular Maintenance Fee due if an account falls past due 15 days. After 60 days, interest will be charged on the entire balance currently due including all late charges, legal fees and collections cost at a rate of 10% per month.

#### **B.** Arrears

Should any account become three (3) months in arrears, a lien may be filed against the Lot and the cost of filing such lien shall be added to the Owner's account and a copy of all fees and charges will be furnished to the Owner. The account may then be turned over to the Association's attorney for collection. All legal fees, attorney fees and any fees associated with collections and lien placement and removal will be due from the Owner. Upon payment of all the delinquent Assessments, the Association shall record a release of any recorded lien and within ten (10) days the Association.

#### C. Returned Checks & Items

Should an Owner's check be returned to the Association for "non-sufficient funds" (NSF), all bank costs associated with the NSF check will be charged to the Owner's account and if applicable, late fees and interest (10% per month) will accrue.

#### D. Loss of Voting Rights

Any Owner that is delinquent or in arrears automatically loses voting rights at any and all meetings and will not regain these rights until the account is brought up to date. Non-compliance of CC&Rs, Bylaws, or Rules & Regulation may also result in loss of voting right.

#### E. Non-Compliance with Governing Documents

If any Member is not in compliance with the CC&Rs, Rules and Regulations, or Bylaws, they will be so notified in writing by the Board. This notice will contain the document being violated, the date of the violation or observance of the violation, the name of person or persons who observed the violation, and the process the Member must follow to contest the notice, as well as the date by which the violation must be corrected.

The Member may respond to the notice by sending a response by certified mail within ten business days after the date of the notice, or the Member may respond in person at the next regularly scheduled Board meeting.

The Board will notify the Member in writing prior to assessing fees or suspending privileges or voting rights.

The Member will be responsible for any legal fees related to the violation.

#### Section 14 - Subordination of the Lien to Mortgages

The lien of the Maintenance Fees and Assessments provided for herein shall be subordinate to the lien of any first Mortgage. Sale or transfer of any Lot shall not affect the Assessment lien. Sale or transfer of any Lot pursuant to Mortgage foreclosure or any proceeding in lieu thereof, the lien of such fees/Assessments as to payments which became due prior to such sale or transfer must be extinguished. No sale or transfer

shall relieve such Lot from liability for fees/Assessments thereafter becoming due or from the lien thereof.

#### **VIII - ARCHITECTURAL CONTROL**

#### Section 1 - Improvements to Dwelling Units

For any Improvements constructed within the Association on any Lot or any Owner Property adjacent to any Lot, no (i) Dwelling Unit, building, structures or improvements of any kind (including, without limitation, any wall, fence, screen enclosures and or security doors, driveway, sidewalk, sewer, drain, water area, or outside lighting that interferes with neighbors) shall be erected or maintained on any portion of said Lot or Owner's Property, (ii) no Platting (or re-Platting) architectural, engineering or site plan pertaining to the Association or any part thereof, or of any Lot within the Association or any part thereof of any Dwelling Unit (s) or any improvements or structures of any kind thereon shall be effectuated; and no (iii) addition, alteration, modification or changes to any of the foregoing or of any existing Dwelling Units (s) (collectively the "Improvements") shall be made without the prior written approval of the Board.

The Board may select an Architectural Review Committee .

Landscaping and planting within the Lot are controlled by the Lot Owner and shall not interfere with the views of other Lot Owners. Issues arising on views or nuisance as a result of landscaping or planting within any Lot shall be referred to the Board for resolution. The Board's decision on the matter will be final and binding.

#### Section 2 – Method of Obtaining Association Approval

In order to obtain the approval of the Association, two (2) complete sets of plans and specifications for the proposed Improvements (the "Plans") shall be submitted to the Board for its review. The Plans shall include, as appropriate, the proposed location, grade, elevations, shape, dimensions, exterior color plans, approximate costs, and nature, type and color of the materials as may be reasonably necessary for the Board to evaluate the Plans. All Plans shall be evaluated using standards of the highest level as to the aesthetics, materials and workmanship and as to suitability and harmony of location, structures and external design in relation to the surrounding topography, structures and landscaping. Within two weeks of the submission of any such Plans, the Board shall notify the adjacent Property Owner(s) or other interested parties (as determined by the Board) of such proposed Plans and shall provide the Plans to such persons for their review. Any requested copies shall be made at the requester's expense.

#### Section 3 - Approval or Disapproval of the Association

The Board shall have the right to refuse to approve any Plans which are not suitable or desirable for the Association. The proponent of the Plans shall have the right to appeal the Board's decision at the next regularly scheduled Board meeting. The proponents,

adjacent Owners and any interested parties shall be entitled to attend the meeting of the Board and speak for or against the Plans. The decision of the Board of any such appeal shall be final and binding.

In approving or disapproving Plans, the Board shall consider the suitability of the proposed Improvements, structures, or landscaping materials of which the same are to be built or planted, the site upon which such are to be erected, the harmony thereof with the surrounding area, the Property, Dwelling Units and other improvements and the effect thereof on the adjacent or neighboring Property. Any and all approvals or disapprovals shall be in writing and shall be sent to the Plan's proponents, adjacent Owners and other interested parties as the case may be. The Board shall have 30 days following its initial meeting relating to the Plans to approve or disapprove the Plans. In the event the Board requires more time to review the request, they may establish another decision date, of not more than 30 days, and so notify proponent in writing.

All construction and landscaping shall be done in accordance with the Plans approved by the Board unless a deviation there from has been approved in writing by the Board. Notwithstanding the foregoing, no Dwelling Unit, structure, improvement or other item for which the Association approval is required shall be deemed approved pursuant to the foregoing or allowed to remain which violates any of the provisions of this Declaration or any amendment thereto. It shall be the sole responsibility of the proponent of any Plan to determine that such Plans conform to this Declaration or any amendment thereto, and should there be a failure on the Plan proponent to do so (regardless of the reason for such failure), then regardless of any approval by the Board the proponent of the Plan shall make such modifications to Improvements (whether or not completed) to bring the same within conformity herewith.

#### Section 4 – Effect of Approval

The Association does not determine or assume any responsibility for the quality of construction or structural soundness of any Dwelling Units, structures or other improvements, and no obligation or liability relating to construction of any Dwelling Units, structures or other Improvements shall result from the Association's review or approval of any Plans. Furthermore, the Association does not evaluate Plans to determine whether the Plans satisfy all applicable government requirements. Additional governmental approvals may be required.

Approval or disapproval of plans and specifications by the Association shall be based on aesthetic values and conformance with the Declaration only. Neither the Association nor its Officers, Agents, or Members make any representations or warranties regarding any plans or specifications approved hereunder under any Structures or Improvements constructed according to such plans or specifications. Further, neither the Association nor its Officers, Agents or Members shall be liable for any loss, damages, injury, or expense arising out of or in any way connected with the performance of their duties hereunder, unless due to willful misconduct.

#### IX. INSURANCE REQUIREMENTS

#### Section 1 - Comprehensive General Liability and Property Damage Insurance

Comprehensive general liability and Property damage insurance covering all Common Areas and all other areas under the jurisdiction or control of the Association shall be purchased by the Association and shall be maintained in full force and effect at all times. Such insurance policy or policies shall contain a "severability of interest" clause or endorsement, which shall preclude the insurer from denying the claim of a Dwelling Unit Owner because of negligent acts of the Association or of other Dwelling Unit Owners. The scope of coverage of such policy or policies must include all other coverage in the kinds and amounts commonly required by private institutional Mortgage investors for projects similar in construction, location and use as La Esperanza Town Homes. Coverage shall be for at least one million dollars (\$1,000,000.00) per occurrence of bodily injury and/or Property damage.

#### Section 2 - Minimum Financial Rating Carrier

Each hazard insurance policy obtained by The Association pursuant to the forgoing shall be written by a hazard insurance carrier, which has a financial rating by Best's Insurance Reports of A+ or better. Each such carrier shall be an admitted carrier in the State of Arizona.

#### Section 3 - Directors and Officers Coverage

Coverage shall be maintained to protect the Board and Association Officers against personal suit arising out of decisions made by the Board on behalf of the Association.

#### X. BYLAWS OF THE ASSOCIATION

The Bylaws of the Association will by adopted by the Board and ratified by the Membership. A copy of the adopted Bylaws will be provided to any Association Member upon request. The Bylaws do not require recording with the Office of the Pima County Recorder.

#### XI. RULES AND REGULATIONS

The Board may, from time to time, adopt certain Rules and Regulations that govern the conduct of the Owners on their Lots as well as the use of the Common Areas by all of the Owners, their guests, family or lessees. These Rules and Regulations shall be ratified by the Membership and attached to and become part of this Declaration and will be provided to all Lot Owners for distribution. The Rules and Regulations do not require recording with the Office of the Pima County Recorder.

#### XII. GENERAL PROVISIONS

#### Section 1 – Enforcement

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 this Declaration and shall be entitled to recover all costs and expenses and attorney's fees necessarily incurred by it. Failure by the Association

to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

#### Section 2 - Severability

Invalidation of any one of these covenants or Restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

#### Section 3 - Amendment

#### A.

Any Amendment to this Declaration requires two-thirds (2/3) vote of the Lot Owners and must be recorded in the Office of the Pima County Recorder.

#### В.

The Covenants and Restrictions of this Declaration shall be in effect for 25 years, then automatically renewed for 10 year periods thereafter unless duly amended.

Lot Number:		
Homeowner Name:		
	(please print)	
Homeowner Signature:		<del></del>
Date:		

Lot Number: 2		
Homeowner Name:		
	(please print)	
Homeowner Signature:	<del></del>	
Date:		

IN WITNESS WHEREOF, the Owner of Lot indicated below has executed these Amendments to Declaration of Covenants, Conditions and Restrictions on the date and year stated below. With the recording of this document "Amended and Restated Declaration of Covenants, Conditions and Restrictions of La Esperanza Town Homes" all previous recordings and Amendments to the original Declaration of Covenants, Conditions and Restrictions are hereby repealed as of the date of recording. Future Amendments to "Amended and Restated Declaration of Covenants, Conditions and Restrictions of La Esperanza Town Homes" must be recorded.

Lot Number: 3	
Homeowner Name: Andrew W Resz	
(please print)	
Homeowner Signature:	

Date: 12 AUG 2011

Lot Number: 4
Homeowner Name: ## Si UERMAN (please print)
Homeowner Signature: Went / //www.
Poto: 8/8/2011

	)Lot Number: 9257			
رر	Homeowner Name:	Dores	Ross	
:		(please pri	nt)	
	Homeowner Signature:	Dous	Ren	
	Date: 08/11/11			
	Date: 0 8 / ( / / / /			

Lot Number:	
Homeowner Name: Lydean Felluro	Water de la
/	
Homeowner Signature: Lydian Fellure	
Date: 8-22-11	

Lot Number:			
Homeowner Name:	BYRON	BENNETT	
	<sup>τ</sup> (plea	se print)	
	$\wedge$	on Bomes	1
	<i>y</i> -		
Date: 8-2- 1			

IN WITNESS WHEREOF, the Owner of Lot indicated below has executed these Amendments to Declaration of Covenants, Conditions and Restrictions on the date and year stated below. With the recording of this document "Amended and Restated Declaration of Covenants, Conditions and Restrictions of La Esperanza Town Homes" all previous recordings and Amendments to the original Declaration of Covenants, Conditions and Restrictions are hereby repealed as of the date of recording. Future Amendments to "Amended and Restated Declaration of Covenants, Conditions and Restrictions of La Esperanza Town Homes" must be recorded.

Lot Number: 8

Homeowner Name: SATHLEEN

/ (please print)

Homeowner Signature: Kathle

Date:

Deleted: ¶

#### **SIGNATURES**

8-12-11

IN WITNESS WHEREOF, the Owner of Lot indicated below has executed these Amendments to Declaration of Covenants, Conditions and Restrictions on the date and year stated below. With the recording of this document "Amended and Restated Declaration of Covenants, Conditions and Restrictions of La Esperanza Town Homes" all previous recordings and Amendments to the original Declaration of Covenants, Conditions and Restrictions are hereby repealed as of the date of recording. Future Amendments to "Amended and Restated Declaration of Covenants, Conditions and Restrictions of La Esperanza Town Homes" must be recorded.

Homeowner Signature: Patricia Balland

(please print)

Homeowner Signature: Patricia Balland

Lot Number: _/º_	_		
Homeowner Name:	JO ANNE	ARMOUR	
Homeowner Signature:	(please pri	Arns	· · · · · · · · · · · · · · · · · · ·
<b>Date</b> : 7-28-//			

. . . .

Lot Number: _//_	
Homeowner Name: <u>Mancy K. Baali'ni</u> (please print)	
√(please print) //	
Homeowner Signature: Many K Bysaliai	
Date: 7-22-11	

Lot Number: <u>/</u> 2_	
	TEITELBAUM
_ (r	please print)
	Valcham
•	
Date: 8/29///	

Lot Number: <u>\3</u>
Homeowner Name: Josephine L. GonRE4
(please print)
Homeowner Signature: Cosyahine L. Genrey
Date: 8 - 15 - 2011

Lot Number: 14
Homeowner Name: James LEMAS
(please print)
Homeowner Signature:
Date: 8-1-1/

Homeowner Name: Wande Delher
Homeowner Name: <u>  (ハイロン レオ ワピン</u>
(please print) Homeowner Signature:
Date: 1/7///

1/
Lot Number: / ()
Homeowner Name: URO INITE DON WERNE
(please print)
Homeowner Signature: Disease Don Warne
Date: 8-1/

Lot Number:17
Homeowner Name: <u>WESLEY</u> S. PARKER (please print)
<sup>/</sup> (please print)
Homeowner Signature: <u>Wesley</u> S. Parker
Date: <u>8   1     </u>

Lot Number: 18		
Homeowner Name:		
	(please print)	
Homeowner Signature:		
Date:	-	

Lot Number:		
Homeowner Name:		
	(please print)	
Homeowner Signature:		
Date:		

Lot Number: 20		
Homeowner Name:		
	(please print)	
Homeowner Signature:		
Date:		

Lot Number: 2/	
Homeowner Name: SHARO	N HILLMAN
	(please print)
Homeowner Signature: Au	my Hillman
Date: 8.12.11	

Homes" must be recorded	ed.
LOT 22	
Lot Number: <u>\$5</u>	
Homeowner Name:	Betty Jean Wine
	(please print)
Homeowner Signature: _	Betty Jean Wine
	4.0
Date: 08/09///	

Lot Number: タ3		
Homeowner Name:	EDWARD WEADT	
	(please print)	
Homeowner Signature:	Stant Aller A	
	7	
Date: 8/3/11	· 	

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Lot Number: 24

Homeowner Name: Charles & Engler T (please print)

Homeowner Signature: The angle of the signature of the si

Date: 9-2-11

IN WITNESS WHEREOF, the Owner of Lot indicated below has executed these Amendments to Declaration of Covenants, Conditions and Restrictions on the date and year stated below. With the recording of this document "Amended and Restated Declaration of Covenants, Conditions and Restrictions of La Esperanza Town Homes" all previous recordings and Amendments to the original Declaration of Covenants, Conditions and Restrictions are hereby repealed as of the date of recording. Future Amendments to "Amended and Restated Declaration of Covenants, Conditions and Restrictions of La Esperanza Town Homes" must be recorded.

LOT 25 Lot Number: 43 N Dikie

Homeowner Name: Edwin M. Leiby

(please print)

Homeowner Signature: Edwin M. Leiby

Lot Number: 26		
Homeowner Name:		
	(please print)	
Homeowner Signature:		
Date:		

Lot Number: 27		
Homeowner Name:		
	(please print)	
Homeowner Signature:		
Data		
Date:		

Lot Number: $28$
Homeowner Name: Nieves M MILIUre
(please print)
Homeowner Signature:
Date:

Lot Number: 29	
Homeowner Name:	
	(please print)
Homeowner Signature:	
Date:	_

Lot Number: <u>3</u> 5		
Homeowner Name:		
	(please print)	
Homeowner Signature:		·····
Date:		

Lot	Address	Owner	Signature YES / NO
1	9249 E Desert Sands	Morton, Craig & Elizabeth	NO
2	9251 E Desert Sands	Gragg, E. Beverly	NO
3	9253 E Desert Sands	Reisz, Andrew	YES
4	9255 E Desert Sands	Silverman, Ellen	YES
5	9257 E Desert Sands	Ross, Doris	YES
6	9259 E Desert Sands	Fellure, Lydean	YES
7	9261 E Desert Sands	Bennett, Bryon & Friedrun	YES
8	9263 E Desert Sands	Viggiano, Kathleen	YES
9	9265 E Desert Sands	Ballard, Patricia	YES
10	9267 E Desert Sands	Armour, Jo Anne & Seponosky, Chet	YES
11	9269 E Desert Sands	Bagalini, Nancy	YES
12	145 N Dixie	Teitelbaum, Fred & Dorothy	YES
13	135 N Dixie	Conrey, Josephine	YES
14	140 N Brown	Lemas, James	YES
15	130 N Brown	Barbes, Mircia & Wanda	YES
16	120 N Brown	Von Werne, Virginia	YES
17	110 N Brown	Parker, Wesley & Patsey	YES
18	125 N Dixie	Robinson, Elaine	NO
19	115 N Dixie	Keller, Aimee R	NO
20	105 N Dixie	Pfleiderer, Bill & Adrianne	NO
21	75 N Dixie	Hillman, Herschell & Sherry	YES
22	85 N Dixie	Wine, Donald & Betty	YES
23	95 N Dixie	Wendt, Edward & Cheryl	YES
24	49 N Dixie	Charles Englert	YES
25	43 N Dixie	Leiby, Edwin & Barbara	YES
26	37 N Dixie	Laurel Development Corporation	NO
27	31 N Dixie	Stephenson, Sandra	NO
28	25 N Dixie	Miljure, Nieves	YES
29	19 N Dixie	Ramirez-Regni, Dolores	NO
30	13 N Dixie	Randolph, Jerry & Karen	NO

TOTAL NEEDED TO AMEND: 20
TOTAL OBTAINED: 21