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Amendment to the Declaration of Covenants, Conditions and Restrictions Rolling Meadows Townhouse Association

Pursuant to Articles I through XV of the Declaration of Covenants, Conditions and Restrictions (CC&Rs) for the Rolling Meadows Townhouse Association (RMTHA), Lots 1 through 101 ["the Declaration"] as recorded on March 27, 1970 at Docket 3711 at Page 305 et seq, and amended on August 23, 1973 in Docket 4583 at Page 758, on October 8, 1982 in Docket 9393 at Page 899, on August 19, 1994 in Docket 9860 at Page 2575, on December 23, 2005 in Docket 12707 at Page 7006, on October 25, 2006 in Docket 12917 at Page 7413, on November 05, 2009 in Docket 13679 on Page 2723, this Amendment was approved by the consent of two thirds (2/3rds) of the Owners voting at a meeting called for that purpose.

This Amendment affects the real property known as Block 3 Pantano Park View, as shown in Book 18 of the Maps and Plats of page 65 and referred to as Rolling Meadows Townhouse Association and incorporates and replaces all previous Amendments and Resolutions.

The principal management office for the Rolling Meadows Townhouse Association is The Property Management Group, P.O. Box 13402, Tucson, AZ 85732-3402. (Ph: 520-721-7121)

ARTICLE 1: DEFINITIONS

1. "Association" shall mean and refer to Rolling Meadows Townhouse Association (RMTHA), its successors and assigns.
2. "Board of Directors" or "Board" means the governing body of the Association as provided in this Declaration and in the Articles of Incorporation and Bylaws of the Association.
3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners and Residents.
4. "Declarant" shall mean the Rolling Meadows Townhouse Association, an Arizona non-profit corporation, its successors and assigns.
5. "Declaration" means this Amendment to Declaration of Covenants, Conditions and Restrictions, as it may be amended from time to time.
6. "Lot" shall mean and refer to any plot of land designated as "Lot" of the Plat of Rolling Meadows, Lots 1-101.
7. "Owner" or "Member" shall mean and refer to the recorded Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the properties, but excluding those having such interest merely as security for the performance of an obligation or a lessee.

8. "Properties" shall mean and refer to that certain real property hereinbefore described and recorded, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

9. "Resident" shall mean the Owner and any Tenant who resides on any Lot, and the licensees, invitees, guests and family members of each Owner and any Tenant who resides on any Lot.

ARTICLE II: PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment.

(a) 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. The rear and side portions, if any, of each "Lot" not actually occupied by the living unit or enclosed as a private patio, even though specifically designated as part of a "Lot" and deed to an individual Owner or Owners, is hereby subject to an easement of use in favor of each and every townhouse Owner and Resident.

(b) A private patio shall be defined as that portion of the lot enclosed by a permanent wall or fence adjacent and connected to the building as provided as part of the original structure or as later enlarged or made smaller subject to written approval by the Board of Directors as provided in Article V, Architectural Control, of the this Declaration.

(c) This Declaration does hereby reserve and grant to each and every Owner and Resident a right and easement of use in and to such property for the use of moving about among the townhouse units and Common Areas. This easement may be used only in a reasonable manner and at reasonable times for the purpose stated.

(d) Under no circumstances is this easement to be construed to permit any interference with or restriction on the use and enjoyment of these areas by the Owners and Residents other than for the purpose stated.

(e) It is expressly acknowledged and agreed by all parties concerned that this section is for the mutual benefit of all Owners and Residents in the Rolling Meadows Townhouse Association, and it is necessary for the protection of said Owners and Residents. Such right and easement of use and enjoyment of the Common Area shall be subject to the following provisions:

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

2. The right of the Association to suspend the voting rights and right to deny use of the recreational facilities by an Owner and his Residents for any period during which any assessment against his Lot remains unpaid;

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

Section 2. Delegation of Use.

(a) Any Owner may delegate, in accordance with, and subject to, this Declaration, Bylaws, Articles of Incorporation, and Rules and Restrictions, his right of enjoyment to the Common Area and facilities to members of his resident family, his resident tenants, or contract purchasers who reside on the property.

Section 3. Damage to Common Areas.

(a) Each Owner shall be liable to the Association for any damage to the Common Areas which may be sustained by reason of the Owner's negligence or willful misconduct, and those of all Residents of his Lot, both minors and adults. The cost of repairing the damage shall be an assessment against the Lot and Owner and may be collected in same manner as any other assessment.

ARTICLE III: MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership.

(a) Every recorded Owner of a Lot which is subject to an assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting.

(a) Owners shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members; however, the vote for such Lot shall be exercised as they among themselves may determine, but in no event shall more than one (1) vote be cast with respect to any Lot. The maximum number votes cast by Owners shall be limited to one hundred and one (101).

(b) Votes allocated to Owners shall not be cast pursuant to a proxy. The Association shall provide for votes to be cast in person by ballot and/or by absentee ballot, and, in addition, the Association may provide for voting by some other form of delivery, including the use of e-mail and fax delivery. Votes cast by absentee ballot or other forms of delivery, including the use of e-mail and fax delivery, are valid for the purpose of establishing a quorum.

ARTICLE IV: COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessments.

(a) The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner, by becoming an Owner of a Lot, whether or not it shall be so expressed in the Owner's deed, is deemed to covenant and agree to pay to the Association annual assessments or charges, and special assessments for capital improvements, such assessments to be established and collected as provided in this Declaration. The annual and special assessments, including but not limited to, interest, costs, and reasonable attorney's fees, shall be a charge on the land (Lot) and shall be a continuing lien upon the property against which each assessment is made. Recording of the Declaration constitutes record notice and perfection of the lien for assessments, for charges for late payment of assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments.

(b) Additionally, each such assessment, including but not limited to, interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who is or was the Owner of such property

at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments.

(a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and Residents in the properties and for the improvement and maintenance of the Common Area, and of the townhouses and buildings situated upon the properties.

Section 3. Maximum Annual Assessment.

(a) The annual assessment each year shall not be more than three percent (3%) nor more twenty (20%) greater than the previous year without a vote by the Owners.

(b) The annual assessment may be increased above three percent (3%) by a majority of affirmative votes cast by the Owners voting in person by ballot or by absentee ballot at a meeting duly called for this purpose.

(c) Notwithstanding any provision to the contrary contained herein, it shall be expressly permissible to increase or decrease the amount of the annual assessment at any time during that annual assessment period for which it is being charged by the following procedure:

1. The duly constituted Board of Directors of the Association shall conduct a meeting of which all members of the Board of Directors shall have had adequate written notice of the time, place, and purposes, and at which meeting the Board of Directors shall determine by a majority of affirmative votes that an increase or decrease in the annual assessment is in the best interest of the Association. The Board of Directors shall present the question to the Owners at a regular or special meeting called in accordance with Article IV, Section 5, of this Declaration.

Section 4. Special Assessments for Capital Improvements.

(a) In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and related personal property, provided that any such assessment shall have a majority of affirmative votes cast by the Owners voting in person by ballot or by absentee ballot at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4.

(a) Written notice of any meeting called for the purpose of taking any action authorized under Article IV, Section 3 or 4 shall be sent to Owners at least thirty (30) days in advance of the meeting.

(b) At the first such meeting called, Owners present casting their ballots at the meeting plus the valid absentee ballots received by the Board, or their appointed representative, shall be at least fifty percent (50%) of the total votes available to constitute a quorum. If the required quorum is not attained, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

Section 6. Uniform Rate of Assessment.

(a) Both annual and special assessments shall be fixed at a uniform rate or amount for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates.

(a) The annual assessments shall commence as to all Lots on the first day of the month. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. The due dates shall be established by the Board of Directors.

(b) The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot has been paid.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association.

(a) Any assessment not paid within fifteen (15) days after the due date may bare a charge for the late payment limited to the greater of fifteen (15) dollars or ten per cent (10%) of the amount of the unpaid assessment. Any monies paid by an Owner for an unpaid assessment shall be applied first to the principal amount unpaid and then to the penalties, costs, and interest accrued thereon.

(b) The Association may bring an action at law against the Lot and/or the Owner personally obligated to pay the same or foreclose the lien (assessment) against the property.

(c) No Owner may waive or otherwise escape liability for any assessment, penalty or fine, by non-use of the Common Area, non-use of common utilities and services provided by or paid by the Association, or non-use of his Lot or townhouse unit, or abandonment of his Lot or townhouse unit.

Section 9. Subordination of the Lien to First Mortgage.

(a) A lien for any assessment provided for herein shall be subordinate to the lien of any first mortgage. Any sale or transfer of title to any Lot shall not affect the assessment lien; except, the sale or transfer of title to any Lot pursuant to a formal, judicial, mortgage foreclosure through Court proceedings resulting in a sale or transfer of title to the first mortgage holder by Court Order shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer of title. No sale or transfer of title shall relieve such Lot from liability for any assessments thereafter becoming due or from any resulting lien.

(b) Except as stated in Section 9 (a) above, no agreement, no informal foreclosure procedure, no arbitration, no short sale, no transfer of title through quit claim deed or deed in lieu of foreclosure nor any other means of title transfer shall reduce, diminish, abate or vacate any assessment lien on any Lot without the written consent of the Association Board of Directors or their appointed representative.

ARTICLE V: ARCHITECTURAL CONTROL RULES AND RESTRICTIONS

Section 1. General Provisions.

(a) No building, fence, wall or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration be made to the original townhouse structure until the plans and specifications showing the nature, kind, shape, height, materials, and location of

the same, shall have been submitted to and approved in writing as to its harmony of external design and location in relation to surrounding structures and topography by the Board of Directors.

(b) Approval or Disapproval.

1. The primary concern of the Board of Directors in deciding to approve any proposal is to ensure that all changes, modifications or additions are in harmony with the surrounding structures and topography. Prior to granting approval, the Board of Directors will review the plans and specifications looking in particular at the nature of the design, the building materials to be used, as well as the color and location of the proposed project. Paint color used for the proposed project shall be the same color as the townhouse, or as closely matched as possible. In addition, the structural integrity of any structure attached to the townhouse or maintained upon the property must be of such design as to present no hazard to individuals or neighboring properties, especially during gusty and high wind conditions, which are common to the Tucson area. All approvals by the Board of Directors shall be issued in writing.

2. After obtaining the Board of Directors approval in writing, the applicant Owner is responsible for obtaining all building permits from Pima County Planning and Zoning, if required.

3. The Board of Directors may, at its discretion, require a security deposit from the applicant Owner for any external modifications to the original townhouse structure.

4. Disapprovals by the Board of Directors shall be in writing. The applicant has the right to appeal such disapproval to the Board of Directors in writing within thirty (30) days of receiving such notice. The Board of Directors shall make a final determination in writing within sixty (60) days after receipt of the appeal.

5. In the event the Board of Directors does not approve or disapprove of the initial application for a requested design change or alteration within thirty (30) days after an application has been made, approval will not be required and Article V shall be deemed to have been fully complied with.

Section 2. Specific Architectural Control Rules and Restrictions.

(a) Screening.

1. Screening will mean the use of adequate planting or fencing so as to conceal certain structures from view in compliance with Article X, Section 3. Application to use all such screening shall be in writing to the Board of Directors or their appointed representative.

(b) Clotheslines.

1. Clotheslines are allowed in the patio area only. Clotheslines must be completely screened from view and all hanging clothes or articles must be hidden from view.

(c) Floodlights.

1. Floodlights must not interfere with adjoining patios or townhouse units, streets or walkways.

(d) Rain Gutters and Downspouts.

1. Rain gutter troughs must be firmly anchored to the fascia of the townhouse.

2. Rain gutters must be provided with downspouts. Downspouts must be brought back against the townhouse and firmly anchored.

3. Rain gutters and downspouts must be painted in the same color as the trim of the townhouse. Pre-painted or plastic material gutters are recommended due to the difficulty of paint adhering to galvanized metal without special treatment.

4. An anti-erosion device must be installed at points where downspouts discharge water into any area maintained by the Association. A drywell or a shallow concrete water splash trough can be used effectively as an anti-erosion device. A drywell should be at least 2 feet wide and 3 feet deep and filled with 1 foot of fine gravel in the bottom of the well, then 1 foot of course gravel, and finally 1 foot of stones, 3 to 6 inches in diameter, to ground level. The shallow concrete water splash trough should be at least 1 foot wide and 2 feet long.

5. All rain gutters and downspouts must be maintained in good condition at all times, including painting, and entirely at the Owner's expense.

(e) Landscaping in Patio, Carport and Atrium Areas.

1. Landscaping (trees, flowers, shrubs, etc.) in patio areas and front entrance carport planting areas and atrium planters shall be maintained entirely by the Owner and at the Owner's expense. Maintenance of all walls, posts, beams, and other such structures to which plant vegetation may have become attached to naturally, or by the homeowner's effort, shall be at the Owner's expense.

2. Trees, shrubs, flowers, etc. that extend above the patio walls and may be viewed from neighboring areas must be kept pruned and neatly shaped. Broken and/or dead limbs or branches, and all other foliage must be properly trimmed and pruned or removed to prevent branches and foliage from protruding into, or dropping debris into, neighboring patio areas or Common Areas.

3. Landscape changes, removal, replacement or additions of any type, either on an individual or collective basis, are not allowed outside of patio walls or in Common Areas maintained by the Association without prior approval of the Board of Directors. These restrictions apply to the landscaping in front of all townhouses. These restrictions are to prevent planting that is not compatible with the basic landscaping established within Rolling Meadows and also to prevent conflict with the Board of Directors landscaping replacement plans. Further, these restrictions curtail increased water usage and maintenance cost which would be borne by all Owners, instead of an individual Owner who may plant in the Common Areas.

4. These planting restrictions have existed since activation of Rolling Meadows; however, there are currently plants and trees that may or may not have been part of the original landscaping or approved by the Board of Directors. The Association shall consider all plants and trees in the Common Areas as property of the Association and shall accept their maintenance responsibility. The Board of Directors may remove or replace such plants and trees at its discretion.

(f) Patio Awnings and Roof Extensions.

1. The overall design characteristics of any patio awnings and roof extensions must be compatible with the townhouse and surrounding area.

2. The pitch of the roof should basically follow the pitch of the existing roof.

3. Extensions of this nature must be maintained in good condition at all times entirely at the Owner's expense.

(g) Patio Lanais and Screened Areas.

1. The design characteristics of any patio lanais and screened areas must be compatible with the existing structure and surrounding area.

2. Screening material must be kept taut at all times and not allowed to sag. For this reason, metal screening is recommended.

3. The entire structure inside and out will be maintained entirely at the Owner's expense.

(h) Storage Sheds and Storage Containers (All Types).

1. Storage sheds and containers shall be placed only in patio areas and shall not exceed the height of patio walls. No type of storage sheds, units, or containers shall be placed in townhouse carports, driveways, walkways or Common areas.

(i) Antennas.

1. Regular type television antennas will be located only on the roof at the rear of the townhouse so that they cannot be readily seen from the front of the townhouse or from the Association streets and are limited to a height which will not interfere with other residents' right of enjoyment of scenic views. This height is limited to a three (3) foot mast plus any additional height provided by the antenna head itself.

2. Television satellite dish antennas will be located only on the roof at the rear of the townhouse so that they cannot be readily seen from the front of the townhouse or from the Association streets. Roof mounted dish antennas shall not exceed three (3) feet in diameter.

3. Installation of any other type antenna must have written approval from the Board of Directors prior to installation.

(j) Trellises.

1. Trellises that extend above the patio wall line must be of good design and blend in with the natural surroundings. All climbing vines and vegetation must be trained to the trellis and not allowed to overhang patio walls into the area maintained by the Association, nor will they be allowed to overhang neighboring patio walls. All dead vines and foliage must be removed to present a neat and orderly appearance. All trellises shall be maintained entirely at the Owner's expense.

(k) Water Softeners.

1. The present landscaping foliage must be capable of completely screening all water softeners from view at the time of installation. All associated plumbing must also be screened from view in the same manner. Water softeners and attached water service lines shall be maintained entirely at the Owner's expense and shall include the expense for maintenance, repair or replacement, including any plants damaged or destroyed as the result of installation or future maintenance activity.

(l) Water Use.

1. Water use shall be used exclusively to promote the recreation, health and welfare of the Owners and Residents living in the properties and for the maintenance of the Common Area. Any other use of water, including excess use of water, exporting water from the premises for construction, commercial, farming, business or any other use is prohibited.

(m) Window, Entry and Security Grills.

1. Approval for installation of security grills is not required provided that the design does not deviate from the accepted normal standards. If the color black is not desired, grill work must match the existing townhouse color.

(n) Solar Panels and Related Equipment.

1. Solar Panels and related equipment will be located only on the roof at the rear of the townhouse so that they cannot be readily seen from the front of the townhouse or from the Association streets and are limited to a height which will not interfere with other residents' right of enjoyment of scenic views.

Section 3. Exceptions.

(a) Application for exception to the above rules and restrictions must be made by Owners, in writing, to the Board of Directors or their appointed representative.

(b) The Board of Directors may rescind, alter or establish additional rules and restrictions contained in Article V, Architectural Control by a Resolution to this Declaration that is approved by a majority of affirmative votes cast by the Board of Directors

ARTICLE VI: PARTY WALLS

Section 1. Owners' Rights and Duties.

(a) The rights and duties of the Owners of townhouses within this townhouse project with respect to party walls shall be governed by the following:

1. Each wall, including patio walls, which are 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.

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

3. In the event any such party wall is damaged or destroyed by some cause other than the act of one of the adjoining Owners or his Residents (including ordinary wear and tear and deterioration from lapse of time), then in such event the adjoining Owners shall proceed forthwith to rebuild or repair the party wall to

as good a condition as it formerly was and shall share the expense of such rebuilding or repair in a ratio proportionate to the use which each receives from said party wall.

4. Notwithstanding any other provision of this Article, an Owner who by his 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.

5. 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.

6. In addition to meeting the other requirements contained in this Declaration and of any building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his 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.

7. 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 such cost, then upon written request of one such Owner addressed to the Association with a copy provided to the other Owner, 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 arbitrators, one chosen by each of the Owners and the third by the two arbitrators so chosen, or if the two arbitrators cannot agree as to the selection of the third arbitrator within five (5) days, then by any Judge of the Superior Court of Pima County, Arizona. A determination of the matter sided by any two of the three arbitrators shall be binding upon the Owners, who shall share the cost of arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after receipt of a request in writing for arbitration, the requesting party shall have the right to choose both arbitrators.

8. These Covenants shall be binding upon the heirs and assigns of any Owners, but no person shall be liable for any act or omission respecting any party wall except such as took place while an Owner.

ARTICLE VII: PROPERTY INTERIOR AND EXTERIOR MAINTENANCE

Section 1. Association Responsibilities.

(a) The Association shall maintain, repair, and manage all property defined as Common Areas, including buildings, landscaping, sidewalks, Common Area parking set-backs, streets, recreational facilities, and common use elements located upon the Properties, and shall perform such additional maintenance and repairs as the Board of Directors shall determine to be in the best interest of the Association. If an Owner fails to reimburse the Association for the costs of such additional maintenance or repairs to his townhouse unit or Lot within fifteen (15) days of the date the Association notifies the Owner of the costs of such maintenance or repairs, the cost of such maintenance or repairs shall become an assessment against the Owner and his Lot and be subject to collection from the Owner in the same manner as the collection of all other assessments.

(b) The Association is responsible for painting the original carport area wooden fascia boards, carport area original wooden poles, and carport area original exterior wood surfaces (except exterior underside roof paneling, roof beams, doors and window fixtures and other hardware) at least every six (6) years, or as deemed appropriate by the Board of Directors.

(c) The Association shall use reasonably high standards of care in providing for the upkeep, repair, and maintenance of said property, so the Properties will reflect a high pride of ownership.

Section 2. Owners' Responsibilities.

(a) Except as required in Article VII, Section 1 (b), each unit Owner shall be responsible for the upkeep, repair, painting with original color, maintenance and costs of each individual townhouse up to and including the exterior building and patio walls, attachments to the unit, service lines, roof, antennas, entranceway and walkway, carport, driveway, fixtures, equipment, utility lines, pipes, wires, conduits attached to or running under and/or over the townhouse, termite control, pest control, and debris and rubbish removal.

(b) An Owner shall not perform any act that will impair the structural soundness or integrity of any building or impair any easement or hereditament, nor do any act, nor allow any condition to exist, which will adversely affect any other Owners' townhouse units or their Residents.

(c) Each Owner shall use a reasonably high standard of care in providing for upkeep, repair, protection, and maintenance of his property, so that the Properties will reflect a high pride of ownership.

Section 3. Owner's Responsibility to Repair Townhouse Structure Damage.

(a) In the event that the need for repair of a townhouse structure, including exterior building and patio walls and attachments to the unit, is caused through natural environmental hazards or elements, such as wind, lightning, flooding, hail, fire, et cetera, or the willful or negligent acts of a unit Owner or his Residents, the costs of such repairs shall be the responsibility of the unit Owner and shall become an assessment to which the Lot and Owner shall be subject.

ARTICLE VIII: PROPERTY INSURANCE

Section 1. Insurance on the Dwelling Unit.

(a) Each Owner of a Lot must obtain insurance on that Lot and any improvements on the Lot (hereinafter referred to as "Dwelling Unit"), against loss or damage from fire or other hazards in an amount sufficient to cover the full replacement value of such Dwelling Units. Each Owner is responsible for the payment of any and all premiums associated with obtaining such insurance.

(b) If a Dwelling Unit is damaged or destroyed by fire or any other casualty, the Owner is obligated to use the proceeds from any insurance to reconstruct the Dwelling Unit at his sole expense within nine months from the date of the destruction or damage. The exterior appearance of the reconstructed Dwelling Unit shall conform in all respects to the original design of such Dwelling Unit and the exterior and Interior construction shall comply with all applicable building codes and the provisions of the Declaration, Bylaws and Architectural Control.

(c) In addition to any insurance on the Dwelling unit, whether obtained by the Association or by the Owner, each Owner is responsible for obtaining at his own expense, any other Insurance covering theft, damage or loss to any of the Owner's personal belongings or any other insurance which the Owner deems necessary to protect himself or the Owner's belongings.

(d) Owners are required to add the Association as an additional named insured on any policy of insurance obtained for loss or damage to a Dwelling Unit. This requirement provides notice to the Association in the event the insurance coverage is allowed to lapse. All Owners shall advise their insurance carrier to mail copies of proof of insurance to the Association.

Section 2. Right of the Association to obtain Insurance on the Dwelling Unit on the Lot.

(a) The Board of Directors, in its sole discretion, may, but is not obligated to, obtain a blanket insurance policy which insures the improvements in the Common Area and the Dwelling Units. Such insurance shall insure against loss or damage from fire or other hazards in an amount sufficient to cover the full replacement value of the improvements in the Common Area, as well as all the Dwelling Units. Should the Board of Directors deem it appropriate for the Association to obtain a blanket all risk insurance policies, insuring the Dwelling Units, an additional assessment may be imposed on each Lot to cover the costs of the premiums payable by the Association. Any policy obtained by the Association which insures the Dwelling Units shall provide that there is no contribution with or offset against any policies which an Owner may have in effect.

(b) If the Association obtains a blanket all risk insurance policy and subsequently determines that it is not practicable, for economic or for any other reasons as determined by the Board of Directors in its sole discretion to continue to maintain such insurance, it shall provide written notice to the Owners, advising such Owners that the Association does not intend to continue to carry such insurance on the Dwelling Units and that each Owner shall carry insurance on the Dwelling Unit at the Owner's sole expense, in an amount sufficient to fully cover the replacement value of the Dwelling Unit. Such notice shall specify an effective date and shall not be less than sixty (60) days from the date of such notice.

(c) If the Association elects to obtain a blanket all risk insurance policies and there is a claim made and a loss paid as a result of the damage to any Dwelling Unit, the deductible amount on such claim shall be assessed against the Owner of the Dwelling Unit on which the claim was made.

Section 3. Proof of Insurance.

(a) During any period within which the Owners are required to obtain and maintain insurance on their individual Dwelling Units, each Owner shall furnish proof of such insurance to the Association on or before January 1 of each year. If the Owner fails to purchase adequate insurance, or fails to provide adequate proof thereof, the Association is entitled to purchase insurance which insures the Dwelling Unit and bill the Owner for the cost of such insurance. If the Owner fails to reimburse the Association for the costs of such insurance within fifteen (15) days of the date the Association notifies the Owner of the costs of such insurance, the amount of such insurance shall become an assessment and be subject to collection from the Owner in the same manner as the collection of all other assessments.

ARTICLE IX: ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation of Properties.

(a) Annexation of additional property shall require affirmative votes of two-thirds (2/3rds) of all Owners at a meeting duly called for this purpose, written notice of which shall be sent to all Owners at least thirty (30) days in advance of the meeting setting forth the purpose of the meeting. At the first such meeting called, the Owners entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE X: PROPERTY USE RULES AND RESTRICTIONS

Section 1. Townhouses and Buildings.

(a) Rolling Meadows townhouses are restricted to residential dwellings, strictly for residential use and, except as provided herein, shall be Owner occupied. All buildings or structures erected upon said premises shall be of new construction and no buildings or structures shall be moved from other locations onto said premises, and no subsequent buildings or structures other than townhouses, being residence units joined together by party walls, shall be built on any parcel where the builder theretofore programmed and constructed a townhouse.

(b) No structures of a temporary or permanent nature or character, including trailers, recreational vehicles, motor homes, mobile homes, basements, tents, shacks, garages, barns, converted vehicles, or other out buildings shall be placed, stored or parked on any portion of the premises, including carports and driveways, for temporary or permanent use as a residence.

(c) No business activities of any kind whatever may be conducted in any townhouse, building or on any portion of the premises.

Section 2. Animals.

(a) No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for commercial purposes.

(b) Pets must be controlled (leashed) while in the Common Area. Pet waste must be picked up immediately.

(c) Horseback riding within the Rolling Meadows complex is prohibited.

Section 3. Advertising, Plantings, Patio and Carports.

(a) No advertising (except one of not more than five square feet "for rent" or "for sale" sign per parcel) billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb the Owner of any townhouse or its Residents.

(b) Clotheslines, equipment, storage items, garbage cans, service yards, woodpiles, or storage piles shall be kept screened by adequate planting, fencing or kept below patio wall height so as to conceal them from view of neighboring townhouses, walkways and streets. All rubbish, trash or garbage shall be regularly removed from the premises and shall not be allowed to accumulate on the premises.

(c) Except in the individual patio areas, carport planting areas, and atrium planters, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said premises except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Board of Directors.

(d) No items shall be parked, placed or stored in carports, walkways or driveways, except currently licensed, operational, motorized vehicles, city trash and recycle containers, or items approved by the Board of Directors. All other items are strictly prohibited.

Section 4. Common Elements.

(a) The common elements shall remain undivided, and shall at all times be owned by the Association or its successors, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the common elements.

Section 5. Vehicle Parking and Storage.

(a) Except as otherwise provided in this Declaration, Owners, Residents, and guests shall only park licensed and operable motorized or non-motorized vehicles, trailers, vans, campers, boats or recreational vehicles in the Rolling Meadows carports, driveways and Common Area parking set-backs.

(b) Unlicensed, inoperable, out-of-date licensed, junked, damaged or wrecked, motorized or non-motorized vehicles, trailers, vans, boats or recreational vehicles shall not be parked or stored anywhere in the Rolling Meadows complex, including carports and driveways.. The Board of Directors, or their appointed representative, may request written verification that any vehicle, trailer, boat, van or recreational vehicle located anywhere in the Rolling Meadows complex, including carports and driveways, is currently registered and fully operative.

(c) Vehicle owners, homeowners or residents who fail to remove a vehicle, trailer, boat, van or recreational vehicle that violates the rules and restrictions contained in Article X, Section 5 from the Rolling Meadows premises, including carports and driveways, or fail to provide written verification as requested in Article X, Section 5 (b), or fail to obtain and openly display a current registration on their vehicle, trailer, boat, van or recreational vehicle, within fifteen (15) days after written notice from the Board of Directors, or their appointed representative, the vehicle, trailer, boat, van or recreational vehicle may be towed off the premises at the owner's expense and/or penalties (fines) may be assessed upon the responsible homeowner and his Lot.

(d) A "recreational vehicle" as used in Article X, Section 5, refers to "recreational vehicle" which is a recreational vehicle that is strictly designed for temporary dwelling during travel, camping, recreation or vacation use, such as trailers, campers, motor homes, mobile homes, van conversions, boats, etc.

(e) A "trailer" as used in Article X, Section 5, refers to a " trailer" which is defined as a trailer or trailer coach, the walls of which are constructed to be collapsible and made out of either canvas or similar cloth, or some form of rigid material such as fiberglass or plastic or metal and which are collapsed while the camping trailer is being towed or stored and are raised or unfolded when the vehicle becomes temporary living quarters and is not being moved; or a "travel trailer" which is a trailer without its own motive power, designed as a temporary dwelling for travel, camping, recreation and vacation use. This includes fifth wheelers.

(f) Utility trailers, which are trailers without their own motive power that are designed and/or used for the transportation of animals, goods, material, aircraft, watercraft and motor vehicles, are not included within the term "trailer," as it pertains to recreational vehicles. Utility trailers include flatbed trailers and horse/stock trailers. Such utility trailers are not permitted to be parked or stored on said premises, including carports and driveways.

(g) Except for temporary pick-up or discharging of passengers and materials, no commercial vehicles shall be allowed to be parked or stored on the Properties, including carports and driveways. A commercial vehicle is defined as a one (1) ton or larger pick-up truck, van, utility or similar vehicle. It is not necessary that the vehicle have any insignia, logos or lettering affixed to it to be considered a commercial vehicle.

(h) Except for temporary pick-up or discharging of passengers and materials, parking on the streets is prohibited. Parking on lawns, landscaped areas and sidewalks is also prohibited.

(i) Overnight parking is only permitted in carports, driveways and Common Area set-backs. Overnight parking on the streets is not permitted.

(j) Vehicles which emit excessive exhaust, fumes, noise or which leak oil or grease shall not park or be stored on any portion of the complex, including carports and driveways.

(k) Storage of vehicles, trailers, vans, boats or recreational vehicles in the Common Area parking set-backs is prohibited; however, Residents may temporarily park their vehicles, trailers, vans, boats or recreational vehicles in the Common Area parking set-backs for a continuous period not to exceed seven (7) days in any ninety (90) day period. Residents may park their vehicles in the Common Area parking set-backs provided such vehicles are used on a routine basis and do not exceed the seven (7) day limit.

(l) An Owner or Resident may park or store his recreational vehicle in his carport provided the recreational vehicle fits entirely under his carport. Provision for parking or storage of oversize recreational vehicles which are too large to fit entirely under an Owner's or Resident's carport must be made outside the premises; however, recreational vehicles may be temporarily parked in the Common Area parking set-backs for a continuous period not to exceed seven (7) days in any ninety (90) day period.

(m) Recreational vehicles shall not be stored in townhouse driveways; however, an Owner or Resident may temporarily park his recreational vehicle in his driveway for a continuous period of forty-eight (48) hours in any seven (7) day period solely for the purpose of loading and unloading the recreational vehicle and provided that the vehicle does not extend beyond the driveway into the sidewalk area.

Section 6. Exceptions.

(a) Application for exceptions to the rules and restrictions contained in Article X, Properties: Use Rules and Restrictions shall be made by Owners or Residents, in writing, to the Board of Directors.

(b) The Board of Directors may rescind, alter or establish additional rules and restrictions to Article X, Property Use Rules and Restrictions by a Resolution to this Declaration approved by a majority of affirmative votes cast by the Board of Directors

ARTICLE XI: PROPERTY RENTAL/LEASING RULES AND RESTRICTIONS

Section 1. General Provisions.

(a) An Owner may use his Lot as a rental property unless otherwise prohibited in this Declaration and shall be subject to the rules, restrictions and limitations contained in this Declaration. In order to maintain the ability of any Owner to secure financing on any Lot, whether FHA, VA, FNMA or any other mortgage lender, only fifteen (15) Lots in the Rolling Meadows complex shall be rented at any one time.

(b) As of the date of the recording of this Amendment, the Owners of the fifteen (15) Lots which are on the approved rental list and are currently rented may continue to rent those Lots until such time as the Owner places the Lot for sale, sells or transfers title to his Lot; the Lot is occupied by the Owner (owner occupied); the Lot is occupied by a qualified family member as defined in Section 6 (b)3, below; the Owner or his designated representative fail to secure a renter (tenant) within a six (6) month period; or the Lot remains vacant for a six (6) month period for any reason.

(c) An Owner may designate in writing a third party to act as the Owner's agent with respect to all Association matters relating to the rental property, except for voting in Association elections and serving on the Board of Directors. The Owner shall sign the written designation and shall provide a copy of the written designation to the Board of Directors, or their appointed representative.

(d) The Board of Directors, or their appointed representative, shall maintain a record of all approved fifteen (15) rented Lots for the purpose of monitoring and controlling the rented Lots.

(e) The Board of Directors may make exceptions to Article XI upon the written request by an Owner showing the reasons for such an exception by submitting proof of a specific hardship or upon other extraordinary circumstances. A monetary loss for any reason shall not qualify as a hardship.

Section 2. Specific Property Rental/Leasing Rules and Restrictions.

(a) Any Owner desiring to rent his Lot shall make an application to the Board of Directors, or their appointed representative, so they may determine whether or not the maximum numbers of Lots have already been rented. If less than fifteen (15) Lots have been rented, the Owner will be notified in writing that the Lot may be leased. If fifteen (15) Lots are rented at the time of the Owner's application, then the Owner will be notified in writing that the Lot cannot be rented. The Owner's name, however, may be placed on a rental waiting list until less than fifteen (15) Lots have been rented. When less than fifteen (15) Lots are being rented, the Board of Directors, or their appointed representative, will notify the Owner in writing that he may rent the Lot. If there is more than one (1) Owner on the rental waiting list, the Owner who has been on the waiting list for the longest period shall be the first to be notified. The Owner who is notified shall have thirty (30) days within which to secure a tenant or shall lose their place on the rental waiting list.

(b) If the Owner fails to rent the Lot within the thirty (30) day period, the Board of Directors, or their appointed representative, will provide written notice to the next Owner on the rental waiting list, and the Owner failing to have secured a tenant within the thirty (30) day period will be removed from the rental waiting list. The Owner so removed may provide notice of his desire to remain on the list, at which time, his name will be placed last on the rental waiting list.

(c) A Lot may not be considered a rental unit if it is designated as primary residential class three (3) property for tax purposes and shall be occupied without rent or any type payment to or for the recorded Owner by a qualified family member that is a current, legal spouse, legal parent, or a natural or a legally adopted child (at least twenty-one (21) years old) of the recorded Owner. The Owner shall provide the name, contact information, and written documentation verifying the relationship between the Owner and the qualifying family member to the Board of Directors or their appointed representative at least ten (10) days prior to occupancy of the unit. If this unit is one of the fifteen (15) Lots currently rented or is on the rental waiting list, this Lot shall be removed from the current rental list or removed from the rental waiting list. If the Owner later decides to rent his Lot, the Owner shall comply with the rules, restrictions and limitations contained in Article XI.

(d) If the unit is to be occupied by a spouse, parent or an Owner's child, and rent or any type payment is or will be paid to or for the Owner of the Lot, and/or his designated representative, then the Lot shall be considered a rental unit, and the Owner shall comply with the rules, restrictions and limitations contained in Article XI.

(e) A Lot that is one of the fifteen (15) Lots on the currently rented Lot list shall not remain vacant for more than six (6) months. If the Owner's Lot is vacant for six months, the Lot may be removed from the fifteen (15) currently rented Lot list. No Owner may place his Lot for sale and remain on the rental waiting

list. The Owner will be notified in writing of his Lot being removed from either list in the event of either occurrence.

(f) Subject to the limitations above and on the number of Lots which may be rented, each Owner has the right to rent his Lot so long as the rental or lease agreement is in writing.

(g) Within ten (10) days of the commencement of any rental agreement, or any change or renewal of any such rental agreement, the Owner of the Lot, or the agency administering the property, shall provide the Board of Directors, or their appointed representative, with the names of all tenants, their contact information, and the term of the rental agreement. In addition, if the rental Lot is being administered by a real estate agency, bank, trust or property management agency, the Owner must provide the name of the agency and their contact information. A copy of a redacted written rental agreement may be used to provide the information required by this provision.

(h) If the Owner's rental agreement is terminated, or the Lot is vacated for any reason, the Owner shall provide the Board of Directors, or their appointed representative, with the termination date, or the date the Lot was vacated, and the Owner's future intended use of the Lot within ten (10) days of the termination or vacancy.

(i) The rental Owner is required to provide all tenants and their families residing on their Lot with a complete copy of this Declaration, Bylaws, and Articles of Incorporation and any and all other Rules and Restrictions of the Association, and the tenant and his family must agree, in writing, to abide with all the provisions contained in these documents. Therefore, Owners shall insert appropriate wording in their leases or rental agreements that will demand such compliance by tenants and their families.

ARTICLE XII: RECREATION CENTER RULES AND RESTRICTIONS

Section 1. General Provisions.

(a) The Rolling Meadows Townhouse Association Recreation Center is strictly for the use of Rolling Meadows Townhouse Association current household Residents and their authorized guests.

(b) The Recreation Center shall not be leased or rented without written permission from the Board of Directors.

(c) These rules and restrictions shall be enforced by the Board of Directors or their appointed representative or the Recreation Center Committee.

(d) Failure to comply with the following rules and restrictions shall result in an issuance of a written warning to the offender stating the violation and date the violation occurred. Continued violations will be reviewed by the Board of Directors and may result in a recommendation to impose fines or suspensions. Prior to the Board of Directors issuing fines or suspensions, the offender shall be given notice and an opportunity to be heard as provided by the procedures set forth in Article XIII, Penalties (Fines), of this Declaration.

(e) Damage to equipment or property will be investigated by the Board of Directors, or the Recreation Center Committee, and damages shall be charged to the responsible Owner.

(f) There is no lifeguard on duty; therefore, all persons using the Recreation Center shall do so at their own risk.

(g) The Association does not assume any responsibility for accidents, injuries, loss of life, or loss or damage of personal property occurring in connection with the person's use of the Recreation Center.

(h) A rescue hook (shepherd's crook) and a life-saving ring buoy with 50 feet of connecting rope are located on the south wall of the Recreation Center's pool area. There is also a ring buoy with connecting rope on the west wall of the recreation building, east of the therapeutic pool. Please check the availability and serviceability of these items before entering the pool. Please do not remove or use rescue equipment except for emergency purposes.

(i) There are no phones or communication devices available in the Recreation Center. It's highly recommended that persons using the Recreation Center have a cell phone available for emergency purposes.

(j) Membership.

1. Upon written request to and approval from by the Board of Directors or their appointed representative, an Owner shall be issued one (1) key permitting entrance to, and use of, the Recreation Center. Owners with unoccupied or vacant units and Owners not current in their dues shall not be issued a key until their unit is occupied or the Owner's dues are fully paid.

2. Entry to the Recreation Center is by authorized key only. It is prohibited to make copies of, loan, or provide a Recreation Center access key to non-residents, including non-resident relatives.

3. Residents using the Recreation Center will insure that gates are locked after entry or departure from the area.

4. If an Owner finds it necessary to replace a key, a replacement key can be obtained from the Property Manager. There will be a charge for a replacement key.

(k) Children.

1. Adults are urged to ensure that their children or those children in their charge fully understand these rules and restrictions.

2. Children using the pool, regardless of age, do so with the consent of their parents, and parents are responsible for their safety, conduct, and security at all times. Children under the age of 14 years old will not be permitted in the Recreation Center without continuous parental supervision or supervision of an authorized adult, at least twenty one (21) years old.

(l) Guests.

1. Residents are permitted to invite guests to use the Recreation Center. Guests shall be accompanied by a Resident adult household member at least twenty one (21) years old, with a limit of five (5) guests per household. Approval by the Board of Directors, or their appointed representative, is required for more than five (5) guests.

2. The Resident household member and Owner assume full responsibility for their guest's security, conduct, safety, and shall be assessed for any damages caused by their guests.

Section 2. Specific Recreation Center Rules and Restrictions.

(a) Only customary bathing suit attire will be worn when utilizing the pool or spa. No cutoffs.

(b) Persons with sore or inflamed eyes, colds, coughs, nasal or ear discharges, boils, infections, cuts, or other obvious ailments, are not permitted in the Recreation Center.

(c) No person in the Recreation Center shall commit, or be permitted to commit, and act prejudicial to the life or health of any other person using the Recreation Center.

(d) Ball playing, horseplay, or any other physical game is not permitted in the Recreation Center.

(e) Floats, mats, or other similar items are permitted in the swimming pool provided their use does not interfere with enjoyment of other members or their guests. However, objects small enough to enter the pool skimmers are not permitted.

(f) Running, pushing, wrestling, dunking or other undue disturbances are prohibited.

(g) Glass or other breakable containers are not permitted in the Recreation Center.

(h) Candy, popcorn, gum or food of any kind are not permitted in the Recreation Center.

(i) Each person shall be responsible for cleaning up refuse he or she makes in the Recreation Center.

(j) Pets or animals are not allowed in the Recreation Center.

(k) Abuse or crude language is prohibited.

(l) Expectorating or blowing of noses in the pool or therapeutic pool is prohibited.

(m) Persons must shower before entering the swimming pool or therapeutic pool.

(n) Persons are required to leave the swimming pool and therapeutic pool immediately during lightning and thunderstorms.

(o) Only authorized personnel are permitted to handle the cleaning equipment in and around the swimming pool and therapeutic pool.

(p) Persons are not permitted to enter the swimming pool or the therapeutic pool with suntan lotion or oils on their bodies without first taking a shower with soap. Oily substances clog the filtration system and present a health hazard.

(q) The combing of hair is not permitted in the swimming pool or the therapeutic pool, or in the immediate vicinity of either.

(r) Radios or other electronic devices are not permitted in the Recreation Center unless they are battery-operated.

(s) The playing of radios or other electronic devices in a loud and offensive manner or unnecessary and offensive shouting or other verbal expressions is not permitted. Any persons engaging in such activities must cease the activity upon request.

(t) The Board of Directors may close the Recreation Center at their discretion.

Section 3. Exceptions.

(a) Application for exceptions to Article XII, Recreation Center Rules and Restrictions shall be made by Owners or Residents, in writing, to the Board of Directors.

(b) The Board of Directors may rescind, alter or establish additional rules and restrictions contained in Article XII, Recreation Center Rules and Restrictions by a Resolution to this Declaration which shall be approved by a majority of affirmative votes cast by the Board of Directors

Section 4. State and Local Requirements:

(a) In addition to the rules and restrictions outlined above which encompass certain state and local requirements, the rules and restrictions for swimming pools and spas established by the Pima County and Arizona State Department of Health shall apply at all times.

ARTICLE XIII: PENALTIES (FINES)

Section 1. General Provisions.

(a) It is the responsibility of the Owner to insure that all his Residents and Guests are made aware that all rules and restrictions apply to all Owners, Residents and Guests, as defined in this Declaration, who reside within the Properties and those who use the Common Areas, including the Recreation Center. If any Owner, Resident or Owner's Guest violates this Declaration, the Bylaws or any other Rule or Regulation of the Association, the Board may assess a penalty (fine) upon the Owner of a Lot for each such violation by the Owner, his Guest, or any Resident of the Lot. If the Owner fails to correct the violation within fifteen (15) days after the first demand notice, each day the Owner fails to correct the violation constitutes a separate violation and an additional penalty (fine). The Board may also suspend the right of any person found in violation from the use of any Common Areas, i.e., the Recreation Center, for a period not to exceed thirty (30) days for each violation. The following are the minimum penalties (fines) that may be assessed upon the Owners when Residents or their Guests have been found to have committed any violation as set forth.

1. Violation of Animal Rules..... \$ 50.00
2. Violation of Recreation Center Rules and Restrictions \$ 50.00
3. Violation of Vehicle Parking and/or Storage Rules \$ 75.00
4. Unauthorized Tampering with Equipment/Timers \$ 75.00
5. Violation of Architectural Control Rules and Restrictions..... \$100.00
6. Violation of the Rental Rules and Restrictions \$100.00
7. All Other Rule Violations \$ 50.00

Section 2. Imposition of a Fine.

(a) Any Association member or resident may report an alleged violation of the Declaration, the Bylaws and/or the Rules and Regulations of the Association to the Board of Directors or their appointed

representative. The report shall be in writing and include the location and description of the alleged violation. No action shall be taken on verbal complaints.

(b) The Board of Directors or their appointed representative shall investigate any report of an alleged violation and, if any Owner, his family or any licensee, invitee, tenant or lessee is found to have committed a violation, the Board of Directors, after written notification to the Owner of the violation and providing an opportunity for the Owner to respond or be heard, may levy a fine upon the Owner of the Lot.

(c) The Board of Directors shall establish enforcement procedures by which it imposes such penalties, including procedures for the Owner's right to a hearing.

Section 3. Enforcement Procedures.

(a) Demand: First Notice. A written demand to cease and desist or correct a violation shall be served upon the Owner by personal service or by United States mail specifying the following:

1. Rule or Restriction violated;
2. Date of the violation;
3. Name of the person or persons who observed the violation;
4. Suspense date that allows fifteen (15) days to correct the violation;
5. Process the Owner must follow to contest the notice.

Section 4. Owner's Right to Correct the Violation or Respond to the First Demand Notice.

(a) An Owner who receives a demand notice of a violation of the Association's Declaration, Bylaws, Articles of Incorporation or Rules and Restrictions may correct the violation as indicated in the demand notice. If the violation is corrected, no further action is required.

(b) An Owner may provide a response to the Board of Directors, or their appointed representative, in writing, within ten (10) days after receipt of the demand notice requesting an opportunity to be heard at a hearing for that purpose. If requested, the hearing procedures in Section 6, paragraph (b), below, shall be followed.

Section 5. Owner Fails to Respond to First Demand Notice or Continues the Violation.

(a) Second Demand Notice: A second written demand to cease and desist or correct a violation shall be served upon the Owner by personal service or by United States registered mail specifying the following:

1. Rule or Restriction violated;
2. Date of the violation;
3. Name of the person or persons who observed the violation;
4. Suspense date that allows ten (10) days to correct the violation
5. Process the Owner must follow to contest the notice.

Section 6. Owner's Right to Correct the Violation or Respond to the Second Demand Notice.

(a) An Owner who receives a written second demand notice of a violation of the Association's Declaration, Bylaws, Articles of Incorporation or Rules and Restrictions may correct the violation as provided in the second demand notice. If the violation is corrected, no further action is required.

(b) An Owner may provide a written response to the Board of Directors, or their appointed representative, in writing, within ten (10) days after receipt of the second demand notice requesting an opportunity to be heard at a hearing for that purpose.

(c) Within ten (10) days after receipt of the Owner's written request for a hearing, the Board of Directors, or their appointed representative, shall provide the Owner, in writing, of the time and place of the hearing, the specific rule or restriction violated, date of the violation, and person or agency that observed the violation.

(d) The hearing shall be held in executive session providing the Owner an opportunity to be heard. Prior to the assessment of any fine by the Board of Directors, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered into the minutes by the officer or director who delivered such notice. The requirement of providing notice shall be deemed satisfied if the Owner appears at the meeting. The minutes of the meeting shall contain a written statement to that effect.

(e) Within ten (10) days after the hearing, the Board of Director shall notify the owner in writing of its decision to abate the violation or assess a fine.

(f) If an Owner is assessed a fine, the Owner shall have fifteen (15) days to pay the fine or correct the violation as specified in the demand. Correcting the violation shall abate the assessed fine.

(g) If the fine remains unpaid, the fine shall become a lien on the Lot and a personal liability of the Owner and may be collected as an assessment in accordance with Article IV, Section 8 and/or Article XIII, section 3.

ARTICLE XIV: EASEMENTS

Section 1. General.

(a) There is hereby created a blanket easement upon, across, over and under the Properties for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewers, gas, telephones and electricity, and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said townhouses. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties except as initially provided and approved by the original builder or thereafter approved by the Association's Board of Directors and its members. This easement shall in no way affect any other recorded easements on the Properties.

(b) Each townhouse and the common elements shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the original builder. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event a townhouse or other structure is partially or totally destroyed, and then rebuilt, the Owners of

townhouses agree that minor encroachments of parts of the adjacent townhouse units or common elements due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

ARTICLE XV: GENERAL PROVISIONS

Section 1. Enforcement.

(a) The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all revisions, resolutions, restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Association's Declaration, Resolutions, Bylaws, Articles of Incorporation and Rules and Restrictions. Failure by the Association or by any Owner to enforce any of the preceding provisions herein contained shall not constitute or be deemed a waiver of the right to do so in the future.

Section 2. Severability.

(a) If any provision contained in the Association's Declaration, Resolutions, Bylaws, Articles of Incorporation, or Rules and Restrictions is declared void or unenforceable by judgment, court order, or other lawful authority, all other provisions of the Association's Declaration, Resolutions, Bylaws, Articles of Incorporation, and Rules and Restrictions shall remain in full force and effect.

Section 3. Terminology.

(a) Whenever used in this Declaration, unless otherwise provided, the singular number shall include the plural and the plural the singular, and the use of any gender shall include both genders.

Section 4. Term.

(a) The provisions of this Declaration shall run with the land and continue and remain in full force and effect at all times and against all persons until January 1, 2025, at which time they shall be automatically extended for successive periods of ten (10) years, unless revoked with an affirmative vote of seventy-five (75%) of Owners who are voting in person by ballot or by absentee ballot at a regular or special meeting duly called for that purpose.

Section 5. Amendments.

(a) Except as otherwise provided in this Declaration and the Bylaws, this Declaration shall only be amended by a majority of affirmative votes cast by Owners voting in person by ballot or by absentee ballot at a regular or special meeting duly called for that purpose. Any amendment to this Declaration shall be evidenced by a written document signed by the President and Secretary of the Association attesting that the Owners consented to such amendment. This amendment and future amendments shall become effective on the date filed with the Pima County Recorder's Office.

Section 6. Conflicts.

(a) In the case of any conflict between this Declaration, the Articles of Incorporation or the Bylaws, this Declaration shall control.

Section 7. Exceptions.

(a) Any exception to the Rules, Restrictions, and Limitations contained in this Declaration, the Bylaws, or the Articles of Incorporation shall be submitted, in writing, by Owners or Residents to the Board of Directors for approval.

ATTESTATION

The undersigned President and Secretary of the Rolling Meadows Townhouse Association attest that this Amendment to the Declaration of Covenants, Conditions and Restrictions was approved by two-thirds (2/3rds) of affirmative votes cast by Owners who voted in person by ballot or by valid absentee ballot at a meeting of Owners held for the purpose of voting on this Amendment, such meeting was held on March 17, 2015.

By: Fred Greenwood
President: Fred Greenwood

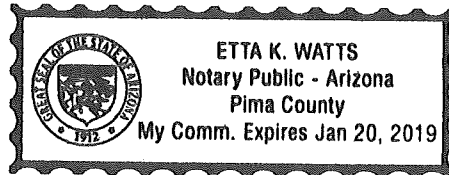
By: Janice James
Secretary: Janice James

STATE OF ARIZONA)
) ss
County of Pima)

Subscribed and sworn to before me on March 18, 2015

Notary Public: _____

My Commission Expires: 01/20/2019



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