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**DECLARATION OF  
ESTABLISHMENT OF  
CONDITIONS,  
COVENANTS AND  
RESTRICTIONS FOR  
CANOA HILLS  
TOWNHOMES**

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**DECLARATION OF ESTABLISHMENT OF CONDITIONS,  
COVENANTS AND RESTRICTIONS FOR  
CANOA HILLS TOWNHOMES  
LOTS 1 THROUGH 143 AND  
COMMON AREAS A AND B**

Introduction

Canoa Hills Townhomes, an Arizona corporation, declares these Conditions, Covenants and Restrictions recorded in Docket 8114 page 1983 Pima County records, as may have been amended, govern the following properties:

Lots 1 through 64 of Canoa Hills Townhomes a subdivision of Pima County, recorded Book 39 Page 78, Pima County records AND Lots 65 through 143 of Canoa Hills Townhomes and Common Areas A and B, a subdivision of Pima County recorded Book 41 page 56 of Maps and Plats, Pima County records, being a resubdivision of a portion of Lots 1 through 130, Canoa Hills Townhomes recorded Book 39 Page 79 of Maps and Plats, Pima County records.

Canoa Hills Townhomes now hereby declares and establishes the following Conditions, Covenants and Restrictions to which said properties shall be subject, all of which shall be binding upon and inure to the benefit of the present and future owners thereof, and which shall be imposed upon each part of said properties as a servitude in favor of each and every part thereof.

It is intended that Canoa Hills Townhomes, Incorporated insure that this subdivision provide the environment and ambiance in support of a retirement community. These Conditions, Covenants and Restrictions support this objective, comply with the Fair Housing Act and are consistent with those of other associations in this area.

**ARTICLE I**

**DEFINITIONS**

SECTION 1: "Association" shall mean and refer to Canoa Hills Townhomes, Inc., its successors and assigns.

SECTION 2: "Common Areas" shall mean the real property designated on the Plat as Common Areas A (streets and sidewalks) and B (planted and unpaved areas).

SECTION 3: "Declarant" shall mean and refer to Lawyers Title of Arizona, an Arizona Corporation, as Trustee under Trust 6486-T, and its successors or assigns if such successors or assigns should acquire the Properties from Declarant for the purpose of development.

SECTION 4: "Declaration" shall mean and refer to this Declaration as may be amended from time to time.

SECTION 5: "Dwelling Unit" shall mean the real property and improvements placed upon or within the boundary of any Lot.

SECTION 6: "Lot" shall mean the following numbered plots of land shown on the Plat (without regard to whether a structure has been-constructed thereon), 1 through 143 and including any improvements constructed or under construction thereon, if any, and including any new lot created by combining two or more adjacent Lots. When two or more Lots are purchased, combined and used as one lot with the approval of the Architectural Committee, the combined Lots shall be considered one lot for all purposes including voting rights and assessments.

SECTION 7: "Member" shall mean and refer to every person who holds membership in the Association.

SECTION 8: "Mortgage" shall include any consensual monetary encumbrance to a Lot, evidenced by an instrument in recordable form and shall specifically include both mortgages and deeds of trust. The term "Mortgagee" shall include a beneficiary under a Deed of Trust, and the term "First Mortgagee" shall mean the holder of any Mortgage under which the interest of any Owner of a Lot is encumbered and which Mortgage has first and paramount priority, subject only to the lien of general or ad valorem taxes and assessments.

SECTION 9: "Owner" shall mean and refer to the record holder, whether one or more persons, of the Fee Simple title to any Lot which is part of the Properties, including a buyer under a contract for the conveyance of real estate pursuant to Title 33, Arizona Revised Statutes, but excluding persons holding an interest merely as security for the performance of an obligation, and excluding buyers under sales agreements or deposit receipt and agreements.

SECTION 10: "Person" shall include a corporation, company, partnership, firm, association or society, as well as a natural person.

SECTION 11: "Plat" shall mean the map or plat of record in the office of the County Recorder of Pima County, Arizona, in Book 39 of maps and Plats at Page 78 and Book 41 of Maps and Plats at Page 56 thereof, and any amendment thereto or resubdivision thereof.

SECTION 12: "Properties" shall mean and refer to that certain real property described in the Plat.

## ARTICLE II

### SCOPE OF DECLARATION

This Declaration is intended to regulate and control the use of the Properties for the benefit of all Owners thereof pursuant to the general plan of development set forth herein.

## ARTICLE III

### COMMON AREAS

SECTION 1: Ownership vested in Association.

Ownership of the Common Areas is hereby vested in the Association, subject to the easements addressed herein for purposes deemed necessary for the full use and enjoyment of the Properties. Common Areas are intended for use as public utility easements, drainageways, streets, open areas, and any recreational centers or other facilities, if any, and are for the common use and enjoyment of the Members of the Association and their invitees.

SECTION 2: Conveyance of Owner's Rights.

Any sale, lease or sublease of a Lot by its Owner, or transfer of the same by operation of law, shall serve to transfer, convey, lease or sublease to the same extent all of said Owner's right to use the Common Areas.

SECTION 3: Conveyance of Easements and Rights-of-Way.

Notwithstanding any other provision in this Declaration, the Association shall at all times have the right to grant and convey to any person or entity easements or rights-of-way, in, on, over, or under any Common Areas for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder: roads, streets, walks, pathways, driveways, 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, sewers, storm drains, and pipes, drainage easements, water systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities.

#### ARTICLE IV

#### EASEMENTS, LICENSES AND ENCROACHMENTS

##### SECTION 1: Easement for Encroachments.

Each Lot and the property included in the Common Areas shall be subject to an easement for encroachments created or necessary to be created by activities conducted and conditions existing upon the Properties, including, construction, settling and overhangs, as determined by the Association. A valid easement for said encroachments and for the maintenance of same, so long as they stand, shall and does exist.

##### SECTION 2: Easement for Enjoyment.

There is hereby created a blanket, nonexclusive easement upon, across, over and under all of the Common Areas for the use and enjoyment of all Members, their guests, invitees and licensees, subject to reasonable regulations of the Association, and for ingress, egress, installation, replacement, operation, repair and maintenance of all utilities, including but not limited to, water, sewer, gas, telephone, electricity, television antennae system, and any equipment or facilities for the installation of a cable communications system.

##### SECTION 3: Drainage Easement.

A drainage easement is hereby created upon, across, over and under each Lot for the benefit of all other Lots.

##### SECTION 4: Utility Easements.

The Association reserves the right to grant a perpetual exclusive easement and right-of-way across and upon all Common Areas for the purpose of construction, maintenance, operation, repair, enlargements, alterations and improvements for a cable television system, security system or both, including structures, equipment and materials necessary for the operation of a cable television or security system and acknowledges any duly recorded easement as recorded in the Pima County Recorder's office.

##### SECTION 5: Permissible Encroachments.

Each Owner hereby acknowledges and agrees that Dwelling Units, or privately-owned patio walls, improvements and fixtures which are constructed on the Properties may from time to time encroach upon the Common Areas or other Lots in the Properties. Such encroachments are permissible and each Owner, by acceptance of the Deed to his Lot consents thereto and agrees that title to



the land lying within such encroachments, and regardless of the platted lot line of the Lot upon which such structure or other work of construction has been constructed, is conveyed to the Owner of the Lot upon which the majority of the encroaching structure is built.

## ARTICLE V

### THE ASSOCIATION

#### SECTION 1: Responsibilities of the Association.

The Association shall be responsible for the protection, improvement, alteration, maintenance, repair, replacement, administration, management and operation of the Common Areas. The Association shall, to the extent applicable, be responsible for:

(a) the maintenance of the common streets, roads, and sidewalks (if applicable) located within the Common Areas and the entrance way off of Camino del Sol;

(b) the maintenance of the landscaped portions of the Common Areas;

(c) the operation, maintenance (including insurance) and, if necessary, the replacement, restoration or reconstruction of street signs, walls, fences, and other improvements originally constructed by Fairfield on the Common Areas;

(d) the payment of real estate taxes, assessments and other charges on those portions of the Common Areas owned by the Association;

(e) the insurance of all improvements which the Association is obligated to maintain against damage by casualty with such companies and with such limits as the Association deems appropriate;

(f) the hiring, firing, supervision and paying of employees and independent contractors, including, but not limited to, watchmen, security personnel to operate the restricted entry system (if any), workmen, landscapers, attorneys accountants, architects and contractors to carry out the obligations set forth herein;

(g) the maintenance of such liability insurance as the Association deems necessary to protect the Members and the Board of Directors of the Association from liability for conditions existing and events occurring on or about the Common Areas including, but not limited to, errors and omissions insurance for the Board of Directors of the Association;

(h) the maintenance of workmen's compensation insurance for the employees, if any, of the Association;

(i) the purchase of all goods, supplies, labor and services reasonably necessary for the performance of the obligations set forth herein;

(j) the enforcement, in its sole discretion, of the provisions of this Declaration, including, but not limited to, the Use Restrictions provided for in Article XIII hereof;

(k) the establishment and maintenance of such cash reserves as the Association in its sole discretion deems reasonably necessary for the maintenance and repair of the improvements for which it is responsible and for unforeseen contingencies;

(l) the provision of payment for all utility services for Common Area facilities; and

(m) the entering into of such agreements and the taking of 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 and facilities located thereon.

SECTION 2: Bylaws, Articles of Incorporation, and Board of Directors.

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

The affairs of the Association shall be managed by a Board of Directors elected by the membership.

(a) The Board shall have the responsibility and authority to adopt and publish rules and regulations governing the use and the personal conduct of the members and guests on the Common Areas, and to establish penalties for the infraction thereof.

(b) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of this declaration.

(c) Carry out the business of the Association and its routine administration.

(d) Enforce the rules and regulations affecting the membership of the Association in accordance with the bylaws.

## ARTICLE VI

### MEMBERSHIP

Every person who is an Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Only persons who own Lots under recorded instruments, including deeds and contracts for sale, shall be members of the Association.

## ARTICLE VII

### VOTING RIGHTS

Allocation of Votes. Except as provided in Section 2 below, all Members shall be entitled to vote upon matters of concern to the Association and shall be entitled to exercise but one (1) vote for each Lot, whether the same is owned by one (1) or more than one person, by a husband or wife by joint tenants, or in any other form of ownership and if they cannot agree, the vote shall be prorated among them.

## ARTICLE VIII

### ASSESSMENTS

#### SECTION 1: Power to Levy Assessments.

The Association, through its Board of Directors, shall have the Power to levy regular annual assessments and such special assessments as shall be determined thereby, and to determine the amount thereof, the date upon which payment of said regular and special assessments shall be made and to collect delinquent assessments by action of law, or otherwise, from the Owners.

#### SECTION 2: Amount of Assessment.

The Board of Directors of the Association shall each year estimate the cost of managing, maintaining, operating and repairing any and all properties owned by the Association and the cost of such other activities and undertakings as are consonant with the purposes of the Association for the ensuing fiscal year. The assessment to be charged to each Owner for the Association's fiscal year shall be the amount established by the Board of Directors of the Association and they shall determine the time and frequency that said assessments are to be paid for each fiscal year.

#### SECTION 3: Annual Assessment.

Each Owner shall for the regular annual assessment due by reason of the ownership of one or more Lots, pay to the Association within thirty (30) days from the receipt of notice of assessment and invoice, a sum equal to that owner's pro rata share of actual Association costs and expenses incurred in the

performance of its obligations with respect to the Common Areas, including, but not limited to, the cost of all water used thereon, the cost of gas, electricity and other utilities serving the Common Areas, all property taxes assessed, landscaping and maintenance costs related thereto, and the Association's legal and accounting costs, expenses of repair and cleaning, management fees due to outside management personnel or incurred by reason of services rendered in management of the Properties, expenses for the charges of a fire company, insurance premiums, reserve accounts, if established by the Board of Directors of the Association, for repairs and maintenance, and for other necessary expenses. Each Owner's pro rata share of such expenses shall be determined by dividing the number of Lots he owns by the total number of Lots.

SECTION 4: Special Assessments.

The Board of Directors of the Association shall determine and levy special assessments, in the same manner as set forth above, in the event that unexpected hazards or expenses require repair or replacement of facilities in or on the Common Areas and the funds in the Association obtained through the regular assessments should be insufficient therefor.

SECTION 5: Effect of Non Payment of Assessments:

Remedies of Association. Payment of said regular and special assessments shall become delinquent ten (10) days after the due date. All delinquent assessments shall be a lien on the Lot of the Owner who fails to pay them and shall bear interest, from the date of default until paid at the rate of two percent (2%) per annum above the prime rate of interest customarily charged by The Association's banking institution for short-term loans to its most creditworthy customers as of the date of default or judgment, whichever interest rate is higher, Payable from the date of default, until such delinquent assessment is paid. The obligation of every Owner to pay assessments levied by the Association is absolute and shall not be affected by any claim the Owner may have, or believes he has, against any other person, including the Association, nor shall such obligation be affected by any irregularity in the manner or timing in which notice of assessment is given. Moreover, the sale of a Lot encumbered by the lien of a delinquent assessment property shall not relieve the Owner thereof from the obligation to pay the prorata share of annual dues and assessments for any portion of a year which he owned said Lot and such Owner personally shall remain jointly and severally liable for such delinquent assessments as with any subsequent Owner.

The lien against any Lot may be foreclosed in the same manner as a Mortgage and each Owner consents to the recording by the Association of a Notice and Claim of Lien in the event of any assessment remaining delinquent ten (10) days after the due date.

Said Notice and Claim of Lien may be described by a different

title, but shall be recorded in the office of the Pima County Recorder and may set forth the amount of the delinquent assessment and any other matter deemed appropriate by the Association.

SECTION 6: Attorneys' Fees.

In the event it shall become necessary for the Association to employ attorneys to collect a delinquent assessment, whether by foreclosure of the lien created herein or otherwise, the delinquent Owner shall pay, in addition to the assessment and interest accrued thereon, such reasonable attorneys' fees and all other costs and expenses incurred by the Association as a result of such delinquency.

SECTION 7: Subordination of Lien to Mortgagee.

Any lien upon a Lot for delinquent assessments shall be subject and subordinate to a recorded first realty Mortgage upon any of said Lots made in good faith and for value, and which is for the construction of improvements on the Properties, whether now existing or made and recorded at any time hereafter. Should a Mortgagee of a prior Mortgage of record, or any assignee of a Mortgagee, obtain title to any Lot as a result of a foreclosure of a Mortgage encumbering title thereto, such acquirer of title, his successors or assigns, including any purchaser at a sheriff's sale commenced pursuant to said foreclosure, shall not be liable for assessments by the Association chargeable to such Lot which assessment became due prior to acquisition of title to such Lot by such acquirer; rather, the Owner in default shall remain so liable. After acquisition of title, such acquirer shall pay the share of assessments chargeable to the Lot title to which he has acquired.

SECTION 8: Owner Not Exempt.

The nonuse of or failure to occupy a Lot shall not exempt the Owner thereof from payment of all assessments properly levied against that Lot, and the Owner thereof shall be liable for the same as long as said Owner shall own a Lot.

SECTION 9: Joint and Several Liability.

Upon the voluntary conveyance of a Lot, the selling Owner and his buyer shall be and remain jointly and severally liable for the payment of all assessments levied against the Lot prior to the closing of said sale and unpaid at the time of the conveyance, subject to the provisions of this Article.

## ARTICLE IX

### MORTGAGEE'S PROTECTION PROVISIONS

#### SECTION 1: Definition.

Notwithstanding and prevailing over any other provisions of this Declaration, or the Articles of Incorporation or the Bylaws of the Association, the following terms and provisions shall apply solely to and benefit only each First Mortgagee holding a Mortgage interest in any Lot.

The term "First Mortgagees" as used for purposes of this Article IX shall mean any holder of a First Mortgage, except that in the case of necessary notices or consents as specified below, it shall mean only those holders of First Mortgages who have requested in writing of the Association that they be notified of proposed actions requiring notice to or approval of such First Mortgagees as set forth below.

#### SECTION 2: No Personal Liability.

No First Mortgagee shall in any instance or manner be personally liable for the payment of any assessment or charge, nor for the observance or performance of any covenant, restriction, regulation, rule, Article, or Bylaw, except for those matters which are enforceable by injunctive or other equitable actions not requiring the payment of money and except as hereinafter provided.

#### SECTION 3: Trustee's Sale and Foreclosure.

During the pendency of any trustee's sale or with respect to any proceeding to foreclose a paramount or first position Mortgage, including any period of redemption, the First Mortgagee (or receiver appointed in such action) may, but need not, exercise any or all of the rights and privileges of the Owner of the mortgaged Lot including, but not limited to, the right, if any, to vote as a Member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

#### SECTION 4: Obligation to Pay Assessments.

At such time as a First Mortgagee shall become record Owner of a Lot, said First Mortgagee shall be subject to all of the terms and conditions of this Declaration, including, but not limited to, the obligation to pay as and when due any and all assessments and charges accruing thereafter and assessable against the Lot acquired, in the same manner as any Owner.

#### SECTION 5: Title Acquired through Foreclosure or Default.

The First Mortgagee, or any other party acquiring title to a Lot through foreclosure suit or through any equivalent proceeding arising from the default under a First Mortgage, including, but not limited to, the taking of a deed in lieu of foreclosure,

shall acquire title to the Lot acquired thereby free and clear of any lien authorized by or arising out of any of the provisions of this Declaration or the Bylaws of the Association and which lien secured the Payment of any assessment for charges accrued prior to the final conclusion of any such foreclosure suit or equivalent proceeding, including the expiration date of any period of redemption. Any such unpaid assessment shall nevertheless continue to exist as the personal obligation of the defaulting Owner of the Lot to the Association, and the Board of Directors of the Association may use reasonable efforts to collect the same from the Owner regardless of whether said Owner is or is not a Member of the Association. There shall be a lien upon the interest of the First Mortgagee or other party acquiring title to a Lot by foreclosure or by equivalent procedure for all assessments authorized by this Declaration or by the Bylaws of the Association which accrue and are assessed after the date the First Mortgagee or other acquirer has acquired title to the Lot free and clear of any right of redemption.

SECTION 6: Material Changes By Association.

The Association, shall not, without first obtaining the approval of at least sixty-seven percent (67%) of the votes of the Lot Owners and the consent of fifty-one percent (51%) of the First Mortgagees, amend this Declaration or Bylaws of the Association in any fashion so as to materially affect the following matters.

1. Voting rights of Members;
2. Assessments, assessment liens, or subordination of assessment liens;
3. The establishment and maintenance of reserves for maintenance, repair and replacement of Common Areas and facilities related thereto;
4. The responsibility for maintenance and repairs;
5. The reallocation of interests in the general or limited common areas, or rights to their use;
6. The delineation of the boundaries of any Lot;
7. The convertibility of Lots into Common Areas or vice versa;
8. The expansion or contraction of the Properties or the construction projects related thereto, or the addition, annexation or withdrawal of real Property to or from the Properties;

9. The issuance of fidelity bonds with respect to the Properties;

10. The imposition of any restrictions on an Owner's right to sell or transfer his or her Lot;

11. A decision by the Association to establish self management when professional management had been previously required by a first Mortgagee;

12. The restoration or repair of the Properties after a hazard or partial condemnation in a manner other than that specified in this Declaration or in the Bylaws of the Association;

13. Any action to terminate the legal status of the Properties after substantial destruction or condemnation thereof; or

14. Any provisions based on such Bylaws that expressly benefit Mortgage holders, insurers or guarantors.

SECTION 7: Termination of Legal Status of Properties.

Notwithstanding the foregoing, if the required percentage of the Owners of Lots shall determine to terminate the legal status of the Properties for reasons other than substantial destruction or condemnation, the required percentage approval of first Mortgagees shall be sixty-seven percent (67%).

SECTION 8: Right to Pay Charges in Default.

First Mortgagees are hereby granted the right but shall not be obligated to jointly or severally pay such taxes or other charges as are in default and which may or have become a charge against any Common Areas owned by the Association, and such First Mortgagees may, jointly or severally, pay overdue premiums on hazard insurance policies or secure new hazard Insurance coverage on the lapse of a Policy for such Common Areas, and any First Mortgagees making such payment shall be owed immediate reimbursement therefor from the Association.

SECTION 9: Precedence of First Mortgage.

Nothing in this Declaration shall in any manner be deemed to give an Owner, or any other party, priority over any rights of a First Mortgagee under the terms of such First Mortgagee's Mortgage in the case of a distribution to an Owner of insurance proceeds or condemnation awards for losses or to a taking of any Dwelling Unit or any part of the Common Areas owned by the Association. Each First Mortgagee shall be entitled to timely written notice of such loss or taking



**SECTION 10: Written Notification of Default.**

Each First Mortgagee shall, upon written request to the Association, be entitled to a written notification from the Association of any default in the performance by the Owner of a Lot encumbered by the Mortgage in favor of such First Mortgagee under any obligation provided for herein or under the Articles of Incorporation, Bylaws, or Rules of the Association and which default is not cured within sixty (60) days.

**SECTION 11: Inspection of Books and Records.**

Each First Mortgagee shall, upon written request to the Association, be entitled to: (a) inspect the books and records of the Association during normal business hours; (b) receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association; and (c) receive written notice of all meetings of the Association, and designate a representative to attend such meetings.

**SECTION 12: Notice.**

Each First Mortgagee shall, upon written request to the Association, be entitled to written notice from the Association at least thirty (30) days prior to: (a) abandonment or termination of the Association; (b) any material amendment to the Declaration, Articles or Bylaws and (c) the effectuation of any decision by the Association to terminate professional management and assume self-management of the Association.

**ARTICLE X**

**INSURANCE**

**SECTION 1: Scope of Coverage.**

The Association shall secure policies of insurance and shall maintain the same so that a policy is in force at all times providing, to the extent that the same is available at reasonable cost, liability insurance coverage for the Common Areas and all insurable facilities and improvements thereon in an amount of a minimum of One Million (\$1,000,000.00) Dollars coverage insuring against liability for bodily injury and property damage resulting from the use of the Common Areas or the maintenance or operation thereof and any liability arising from a contract of employment between the Association and another person or entity. The Association shall also secure fire and extended coverage, together with a standard "all risk" endorsement and, to the extent the same can be obtained, "agreed amount" and "inflation guard" endorsements, and any construction code endorsements required under law, which coverage shall be in an amount to be determined by the Board of Directors of the Association, but in no event less than 100% of the current replacement value of Common Areas and facilities so that same will adequately and properly insure all structures, equipment and improvements on the Common Areas. The cost of such insurance shall be paid by the

Association. The Association shall have authority to negotiate with the insurance carrier and to adjust losses, make settlements and give releases to the insurance carrier. Each policy of insurance provided for under this Section 1 shall recite that the same may not be cancelled or benefits hereunder be alterable without ten (10) days notice in writing to the Association.

SECTION 2: Repair and Replacement of Damaged and Destroyed Property.

In the event of damage to or the destruction by fire or other casualty of Common Areas facilities or improvements covered by the described insurance policies, the Board of Directors of the Association shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed property to as good a condition as formerly existed, provided, however, that in the event that the proceeds of such insurance shall be insufficient to substantially restore or repair the damaged or destroyed facilities, the Board of Directors of the Association shall poll the Members, and upon the election of 67% or more of the total votes of the Members, may specially assess the Owners for the difference between the sum received as insurance Proceeds and the reasonable cost of repair or replacement of the damaged or destroyed Common Area facilities. In the event that less than 67% of the Members shall consent to such special assessment of the Owners, no such assessment shall be made and the Board of Directors of the Association may determine to only Partially restore or replace the damaged or destroyed facilities or to make some other use of the affected Common Area(s).

SECTION 3: Owner's Responsibilities.

The Association shall in no event be required to replace or restore real or personal property located upon any Lot, and the insurance of Lots and improvements thereon against any and all hazards shall be the sole responsibility of the Owners thereof. In the event of damage to an improvement on a Lot, the Owner thereof shall repair or rebuild the improvement to the same standards and specifications of the original improvement, unless otherwise permitted by the Architectural Committee.

SECTION 4: Mortgagee's Insurance.

Notwithstanding any provision of this Declaration to the contrary, in the event any improvement constructed on the Common Areas is the subject of a Mortgage, then each policy of insurance procured pursuant to Section 1 of this Article shall contain or have attached thereto a standard mortgagee or beneficiary coinsurance and loss payable clause which provides that all proceeds paid thereunder shall be paid to the Association for the use and benefit of all Mortgagees under Mortgages encumbering any such improvements, as their interest may appear, and such policy or policies shall further provide that the insurance carrier issuing the same shall notify each First Mortgagee identified as such to such carrier at least ten (10) days in advance of the

effective date of any reduction in or cancellation of the policy. Such policy or policies shall further provide that the interest of each Mortgagee holding a Mortgage encumbering any such improvements in insurance proceeds shall not be invalidated by any action, neglect or inaction of the Board of Directors of the Association, Owners or their tenants or agents. Such policy or policies shall further provided for waiver by the insurer of any policy provisions which would render the mortgagee or beneficiary clause invalid by reason of the failure of such mortgagee or beneficiary to notify the insurer of any hazardous use of such improvements and any policy requirement that the mortgagee or beneficiary pay the premium thereof.

## ARTICLE XI

### OWNER'S RESPONSIBILITIES

#### SECTION 1: Scope of Responsibilities.

Each Owner shall be responsible for all costs and expenses relating to the maintenance, repair, upkeep, taxation and assessment of his Lot(s) and any improvements thereon, including but not limited to, the payment of utility costs, ad valorem taxes, roof maintenance and repair, maintenance and repair of building exteriors, fence and walls, upkeep of trees, shrubs, grass, walks and other exterior portions of and structures on his Lot, unless otherwise provided herein. All exterior repairs shall be made in conformance with the original architectural design and style of the structure being repaired.

#### SECTION 2: Conformity to Use Restrictions.

Each Owner shall be responsible for assuring that all construction, alteration, modification or addition to buildings, walls, fences, copings, roads, driveways, or other structures on his Lot conform to the Restrictions of Articles XII and XIII herein. If an Owner fails or refuses to remove or repair any nonconforming structure, the Association may, in its sole discretion, remove or repair the nonconforming structure, and the cost of removal or repair shall be added to and become part of the assessment to which the Owner of the nonconforming Lot is subject, and shall be collected in like manner as delinquent assessments.

## ARTICLE XII

### ARCHITECTURAL COMMITTEE

#### SECTION 1: Composition of Committee.

There is hereby established an Architectural Committee which Architectural Committee shall act in accordance with this Article XII. The Architectural Committee shall be composed of a minimum of three (3) members appointed by the Board of Directors of the

Association. Members of the Architectural Committee shall not be entitled to any compensation for services performed pursuant to Articles XII or XIII. Designated representatives of the Architectural Committee shall be entitled to such compensation as may be determined by the Board of Directors, payable as an expense of the Association.

SECTION 2: Review by Committee.

All architectural matters within the Properties shall be subject to the discretionary review of the Architectural Committee, except as otherwise provided herein. The Architectural Committee shall have the exclusive right, exercisable in its sole discretion, to promulgate and amend written rules and regulations concerning the construction, alteration, repair, modification or addition of any exterior building, wall, fence, coping, drive, or similar structure, and all plans, specifications and plot plans related thereto shall be subject to the approval of the Architectural Committee. Such rules and regulations shall be in the sole discretion of the Architectural Committee provided that the same shall not be in conflict with any provisions in this Declaration. All decisions of such Architectural Committee are final.

SECTION 3: Procedures.

Prior to the construction of any improvement upon a Lot, whether such improvement be initial improvements or later alterations, modifications or other changes, all Owners shall be required to obtain the written approval of the Architectural Committee which approval may be given in the sole discretion of the Architectural Committee. The Owner shall submit to the Architectural Committee two (2) complete sets of plans for the proposed improvements, specifications (including exterior color schemes) and plot plans which shall include the location of all major structures. Approval of the plans and specifications shall be evidenced, if at all, by the written endorsement of the Architectural Committee made on the plans and specifications. One (1) set of the endorsed plans shall be returned to the Owner of the Lot proposed to be improved prior to the beginning of any construction. One (1) set of plans and specifications shall be retained by the Architectural Committee. No changes or deviations in or from the plans and specifications, insofar as the exterior of the proposed improvements are concerned; shall be made without the written approval of the Architectural Committee. After construction is completed, no further change including any change of exterior color, shall be made without the written permission of the Architectural Committee.

For purposes of this Article, architecture and improvements shall be deemed to include, but not limited to, buildings, fixtures, radio antennae, television antennae, satellite stations or dishes, walls, fences, copings, awnings, sunshades, flagpoles,

or any similar structures and any landscaping and any and all other related matters.

SECTION 4: Alterations and Modifications - Discretion of Architectural Committee.

In reviewing plans for alterations, modifications, additions or other changes to a structure upon a Lot, the Architectural Committee shall exercise its discretion in deciding whether or not an alteration or modification is in harmony with the overall scheme of subdivision development. The Architectural Committee shall have the right to deny alterations or modifications for purely aesthetic reasons if the Architectural Committee considers the alteration or modification to be unattractive in relation to the overall scheme of development, or if the Committee considers the alteration or modification to be a nuisance or upset of design, or if the Architectural Committee considers the alteration or modification to be in contrast to or out of harmony with the style of existing structures, or if the physical views of the Properties will be disrupted by the alteration or modification. The Architectural Committee may elicit the opinion of other Owners, including the neighbors of the Owner submitting the plan for alteration or modification, as to the conformity and harmony of the proposed plan with the overall scheme of development, and the effect that the proposed plan might have on the physical views of other Owners. After eliciting these opinions, the Architectural Committee may, but need not, take them into account in making its final decision of approval or disapproval of an alteration or modification to an existing structure. While the opinion of no single Lot Owner will control a decision of the Architectural Committee, within its own discretion, the Architectural Committee may, but need not, attach whatever significance it deems sufficient to the statements of residents and/or neighbors of the resident submitting the proposed alteration or modifications to an existing structure.

SECTION 5: Minimum Criteria for Plans.

All plans must meet the following minimum criteria and such further criteria as the Architectural Committee promulgates:

(a) The plans shall be in accordance with the provisions of this Declaration and written rules and regulations of the Architectural Committee, and shall not involve material changes to models designed or built by Fairfield without specific waiver of this subsection by the Architectural Committee, such waiver being at the absolute discretion of the Architectural Committee;

(b) The plans shall be in sufficient detail to permit the Architectural Committee to make their determination; and

(c) The plans shall be complete and ready for submittal to obtain a building permit from Pima County or other competent jurisdiction.

The Architectural Committee shall review and shall either approve or disapprove said plans and specifications within thirty (30) days from receipt thereof. Any plans not so approved or

disapproved shall be deemed approved, and the provisions of this section shall be deemed waived.

SECTION 6: Fee.

The Association may charge each applicant for architectural approval a fee which shall be paid to the Architectural Committee or its designated representative. The fee shall not exceed two percent (2%) of the estimated cost of the improvements for which approval is sought.

SECTION 7: No Responsibility for Defects.

Neither the Association nor the Architectural Committee shall be responsible in any way for any defects in any plans or specifications submitted in accordance with the foregoing, nor for any structural defects in any buildings or structures erected according to such plans or specifications.

SECTION 8: Land Use and Building Type.

No improvement or structure whatever, other than a first-class private dwelling house, patio walls, swimming pool and customary outbuildings, garage or carport, may be erected, placed or maintained on any Lot. First-class materials and workmanship are required.

SECTION 9: Conformity to Building Codes.

All structural and design work shall be accomplished in accordance with the Uniform Building Code as adopted by the County of Pima or other competent jurisdiction. Electrical and mechanical work shall conform to all applicable local and national codes. All buildings, fences, ledges, improvements or appurtenances or other structures of any nature shall be in compliance with the setback requirements of the County of Pima or other competent jurisdiction, including but not limited to, the front, side and rear setbacks; the same must be approved by the Architectural Committee before the commencement of any construction.

SECTION 10: Fences, Walls and Hedges.

No fence or wall may exceed six (6) feet in height, without approval of the Architectural Committee. Any planting used to form a hedge will be subject to the same setback and height requirements as applied to a fence or wall. In determining the height of a wall or other such item, the natural ground level shall be used. Bare concrete walls and chain link fences are prohibited.

SECTION 11: Screening.

Mechanical and electrical equipment to be installed by an Owner, other than Fairfield in the original construction, shall, within reason, be concealed from the view of any adjoining street front or Lot. Included within this restriction are air conditioning, evaporative coolers and pool pump or heating

equipment. No such equipment shall be permitted to remain exposed at the side or rear of any Lot unless reasonably concealed by planting or fence. Notwithstanding the above, equipment or other improvements originally installed by Fairfield, or later replaced or repaired, shall be acceptable without the necessity of screening.

SECTION 12: Lights.

All exterior lights must be located and maintained so as not to be directed toward or interfere with surrounding properties or the Common Areas, including streets.

SECTION 13: Temporary Structures.

No temporary house, house trailer, motorhome, tent, garage, camper, boat or outbuilding of any kind shall be placed or erected upon any part of the Properties for use as living quarters. No residence placed or erected on any Lot shall be occupied in any manner at anytime prior to its being completed in accordance with approved plans, as hereinafter provided, nor shall any residence, when completed, be in any manner occupied until made to comply with all requirements, conditions and restrictions set forth herein; provided that, during the actual construction or alteration of a building or buildings on any Lot, necessary temporary buildings for storage of materials and equipment may be erected and maintained by the person doing such work. The work of constructing, altering or remodeling any building on any part of the properties shall be prosecuted diligently from the commencement thereof until the completion thereof.

SECTION 14: Other Buildings.

No garage or other building or structure shall be erected, placed or maintained on any Lot until the construction and completion of the principal residence thereon, except that the necessary outbuildings, garage or other structures relating to the principal residence may be simultaneously constructed, and nothing herein shall be construed to prevent the incorporation and construction of a garage in and as part of such residence. The Architectural Committee may require that any garages and other accessory buildings be incorporated as a part of and attached to the Dwelling Unit, in a manner approved by the Architectural Committee rather than located apart from the Dwelling Unit.

SECTION 15: Architectural Committee Approval.

No building of any nature shall be constructed or removed from within or without the Properties to any Lot within the Properties without the consent of the Architectural Committee, and in the event a building shall be so placed from without on any Lot, said building shall comply in all respects with each and every provision of this Declaration relating thereto.

SECTION 16: Shrubs, Trees and Grasses.

No shrubs, trees or obstructions of any kind shall be placed on corner Lots in such places as to cause a traffic hazard. Bermuda grass, except that of a variety recognized to be pollen free and approved in writing by the Association, shall not be grown on any Lot. All trees and other vegetation planted in the Lot shall be kept trimmed to a height which will not materially interfere with views from neighboring building sites. The Architectural Committee may forbid the planting or maintenance of certain plants, trees and shrubs or restrict the propagation of such plants, trees and shrubs to native or indigenous species.

SECTION 17: Antennas and Exterior Additions.

No exterior antennas, satellite dish stations, or other devices for the transmission or reception of television or radio signals shall be erected or maintained on any Lot except as initially designed or installed by Fairfield or its assigns, without prior written authorization of the Architectural Committee. This provision shall not prohibit the Association from maintaining or placing such equipment on or in the Common Areas. Further, no exterior devices or additions, other than initially installed by Fairfield or its agents, shall be constructed on the exterior of a Dwelling Unit (including the roof) without the written authorization of the Architectural Committee.

SECTION 18: Signs.

An Owner may erect one (1) portable "open house" sign, which shall be no greater in size than four (4) square feet, on his Lot during the hours there is a realty representative attending the open house at the Dwelling Unit on the Lot, or while open by the Owners. A minimal number of "open house" direction signs may be placed on Common Areas to assist viewers in locating the "open house". All such signs must be removed when the Dwelling Unit is not open for public inspection.

SECTION 19: Derricks, Tanks, Heating and Cooling

(a) No structure designed for use in boring for water, oil or natural gas shall be erected, placed or permitted upon any part of the Properties, nor shall any water, oil, natural gas, petroleum, asphaltum or hydrocarbon products or substances be produced or extracted therefrom.

(b) No elevated tanks of any kind shall be erected, placed or permitted upon any part of the Properties, and any tanks for use in connection with any Dwelling Unit on the Properties, including tanks for the storage of gas and fuel oil, gasoline or oil, must be buried or walled in to conceal them from the neighborhood Lots, roads or streets.

SECTION 20: Clotheslines.

Clotheslines shall be of a retractable type concealed from view of neighboring Lots and streets.



SECTION 21: Waivers.

Any or all of the restrictions of this Article are subject to waiver by the Architectural Committee, and any such waiver may apply at the option of the Architectural Committee to fewer than all of the Lots without waiver or such restriction as to any other Lot or Lots.

SECTION 22: Conflict of Interest.

In the event a conflict of interest arises wherein a member of the Architectural Committee wishes to alter, remodel, and/or add to his existing structure, a substitute member shall be appointed by the Board of Directors to the Architectural Committee to, in conjunction with the remaining two (2) members of the Committee, approve or disapprove said plans and specifications.

**ARTICLE XIII**

**USE RESTRICTIONS**

Violations of the following Sections shall be investigated by the Architectural Committee and reported to the Board of Directors with a recommendation of possible action.

SECTION 1: No Business Use.

No business use shall be made of any Lot, and no building or structure intended for or adapted to business purpose and no apartment house, duplex, lodging house, rooming house, hospital, sanitarium or doctor's office, multiple family dwelling or other similar structure or use shall be erected, placed, permitted or maintained on Properties on any part thereof. No room or rooms in any residence on said Lots shall be rented or leased; provided that nothing in this Section shall be construed as preventing the renting or leasing of an entire Lot, together with its improvements. However, no Lot may be rented for a hotel or transient purpose, which shall be construed to mean for a period of less than thirty (30) days, nor shall any lot be rented to other than a family as defined by the Pima County Zoning Code.

SECTION 2: Rubbish.

No Lot shall be used in whole or part for the storage of rubbish of any character whatsoever nor for the storage of any property or thing that will cause such Lot to appear in an unclean or untidy condition or that will be obnoxious otherwise. No obnoxious or offensive activity shall be carried on upon any Lot, nor shall anything be done, placed or stored thereon which may become an annoyance or nuisance to the neighborhood or occasion any noise or odor which will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding properties. All equipment for the storage or disposal of garbage

or other waste shall be kept in a clean and sanitary condition. No container shall be kept at anytime in view of an adjacent street except for the day of trash pickup by the commercial rubbish collector.

SECTION 3: Resubdivision.

No Lot or Lots shall be resubdivided, except for the purpose of combining the resubdivided portions with another adjoining Lot or Lots, provided that no additional Lot is created thereby. This Section shall not prohibit the combining of Lots.

SECTION 4: Noise.

No Owner shall engage in any activity or permit any activity to occur on the Properties which shall result in unusual, loud or obtrusive noise or sounds.

SECTION 5: Vehicle Parking and Storage.

All Owners and guests and invitees shall park any and all motorized or nonmotorized vehicles in off-road parking spaces shown on approved plans. Parking spaces shall include the paved driveways in each Lot and any additional parking spaces, if any, as set forth in the Plat but shall not include other Common Areas not so designated. Additional parking spots, if any, may be designated from time to time by the Board of Directors of the Association. Notwithstanding the above provision, Owners and their guests and invitees may park in front of a Lot for purposes of loading and/or unloading personal belongings from a motorized or nonmotorized vehicle if the time in which the vehicle is parked in any nondesignated space is less than one and one-half (1-1/2) hours in any twenty-four (24) hour period. Parking and/or storing of recreational vehicles (including, but not limited to, motorhomes, vans, campers, trailers and boats) is prohibited on all portions of the Properties, except within the confines of either a standard-sized carport or a standard-sized garage, as approved by the Architectural Committee or on the parking area of an Owner's Lot or in any designated common parking areas within the subdivision for a period of not more than 72 hours in any seven-day period and not more than 144 hours in any thirty-day period, for the purposes of loading, unloading, or, for providing parking for guests of the Owner who may be driving or pulling one of these recreational vehicles. The use and/or occupancy of a recreational vehicle (including, but not limited to, a motorhome, van, camper, trailer, or boat) as living quarters on either a temporary or permanent basis is strictly prohibited on any portion of the Properties.

SECTION 6: Inoperable Vehicles and Commercial Vehicles.

No inoperable, junk, or wrecked vehicles shall be placed on or stored on any Lot or Common Areas, nor shall any commercial,

construction, or like vehicles be placed on or stored on any Lot or Common Areas, except as may be permitted by the Association, in writing, for limited periods of time.

SECTION 7: Drainage-Ways.

No structure, planting or other material, except as originally installed, shall be placed or permitted to remain within any drainage-way which may change the direction of flow or which may obstruct or retard the flow of water.

SECTION 8: Native Growth.

The natural growth on the Properties shall not be destroyed or removed except as approved in writing by the Architectural Committee. In the event growth is removed, except as stated above, the Architectural Committee may require the replanting or replacement of same; the cost thereof to be borne by the Owner responsible for such removal.

SECTION 9: Animals.

No cattle, sheep, goats, pigs, rabbits, poultry or other livestock shall be bred, raised or kept on the Properties, nor shall dogs, cats or other animals be kept in kennels or similar enclosures on the Properties. This restriction shall not be construed, however, as prohibiting the keeping of ordinary domestic pets as long as such pets are kept confined in the single-family residence and fenced yard. When domestic pets, which are allowed to be kept on the Properties, are taken out of an Owner's Lot, the domestic pet(s) shall be on a leash and the Owner shall be required to pick up immediately any animal feces left on any other Owner's Lot or on the Common Areas.

SECTION 10: Inspection.

During reasonable hours any member of the Board of Directors of the Association, or any authorized representative of any of them, shall have the right to enter upon and inspect any Lot within the subdivision (not including the interior of any Dwelling Units erected thereon) for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

SECTION 11: Entrance Monument.

The entrance monument (corner of Camino del Sol and Camino del Pato) and adjacent landscaping shall be maintained so that it presents a pleasing appearance consistent with other entrance monuments on Camino del Sol.

## ARTICLE XIV

### AGE RESTRICTIONS

SECTION 1: Fair Housing Act. Canoa Hills Townhomes intends that all Units and Lots described in the Declaration shall have an opportunity to comply with the exemption provisions of the Fair Housing Act amendments of 1988, Public Law 100-430, 42 U.S.C. 3601, et seq., as further interpreted by Rules and Regulations of the Department of Housing and Urban Development promulgated January 23, 1989 at page 3290 which rules and regulations are incorporated herein by reference (the "Exemption"). The Exemption is based, generally, upon a standard that at least one occupant per household be 55 years of age or older. Certain exceptions are made in cases wherein at least 80 percent of the dwellings are so occupied.

SECTION 2: Exceptions. Accordingly, all Lots within the Properties, including the Units, presently occupied or unoccupied shall henceforth be intended for occupancy by at least one person per household 55 years of age or older. This provision does not prohibit occupancy by persons who, as of the date hereof, were in compliance with the original Declaration.

SECTION 3: Resale. It shall henceforth be the duty and obligation of each owner of a Lot to ascertain that, upon resale of his or her Lot, at least one occupant per household will be at least 55 years of age. This fact must be confirmed by the Association in writing prior to sale. Transfer of title of an owner occupied property to a surviving spouse shall not be considered as a sale for the purposes of this section.

SECTION 4: Amendment. This Article may be amended by a 51% vote of the members of the Association as defined in the Declaration and in the same fashion as set forth in the Declaration.

SECTION 5: Minors. This Article does not permit occupancy by minors, and no person under eighteen (18) years of age shall reside in any Dwelling Unit for more than three (3) months of any twelve (12) month period.

SECTION 6: Responsibility. It is understood that ultimate responsibility for compliance with the provisions hereof rests with the Owners, and not the Association. The Association and its officers, directors, agents and employees shall have no liability whatsoever for compliance with the foregoing provisions, it being the duty of each Owner to comply therewith and make appropriate notification to the Association. Each Owner acknowledges that the pattern of resales of Lots can be difficult to control or predict, and that compliance with the

aforementioned laws and with the Exemption depends upon the cooperation of the Owners as a whole.

## ARTICLE XV

### PARTY WALLS

#### SECTION 1: General Rules of Law to Apply.

Each wall, whether a patio yard wall or bearing wall of a Dwelling Unit, which is built as a part of the original construction of a building upon the Properties and placed on or immediately adjacent to the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply. Each Owner is deemed to acknowledge that some portions or all of the Properties are to be developed with structures having common lot lines and common party walls. In many instances, this will be the case for both rear yards and common Dwelling Unit walls. Each Owner therefore, in the case of such a structure, consents to the placement of the walls of the Dwelling Unit on the dividing lines between Lots as set forth above.

#### SECTION 2: Alterations.

No Owner may alter the appearance or structure of a party wall (except that landscaping shall not be precluded) without the consent of the Architectural Committee and such Committee may, but need not, deny approval if all Owners having an interest in the party wall have not consented to the alteration.

#### SECTION 3: Sharing of Repair and Maintenance.

The cost of ordinary repair and maintenance of a Party wall shall be shared equally by the Owners of the Lots which are divided by the wall.

#### SECTION 4: Destruction by Fire or Other Casualty.

If a party wall is destroyed or damaged by fire or other casualty, an Owner who has used the wall may restore it and is hereby granted a permanent access easement across adjoining Lot(s) for such restoration. The Owners of the Lots which are divided by the wall shall share equally in the cost of such restoration.

#### SECTION 5: Weatherproofing.

Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of repairing all damage resulting from such exposure.

#### SECTION 6: Right to Contribution - Runs with Land.

The right of any Owner to contribution from any other Owner sharing a party wall under this Article shall be appurtenant to and shall run with the land.

SECTION 7: Arbitration.

In the event any dispute arises concerning a party wall, or the provisions of this Article, each party shall choose one (1) arbitrator and the two (2) arbitrators shall choose a third (3rd) arbitrator, and the dispute shall be decided by a majority of all the arbitrators.

SECTION 8: Private Agreements.

Private agreements between Owners may not modify the Provisions of this Article.

SECTION 9: Eaves, Steps and Open Porches.

For purposes of this Article, eaves, steps and open porches shall not be considered to be part of a Dwelling Unit.

**ARTICLE XVI**

**GENERAL PROVISIONS**

SECTION 1: Enforcement.

The Association or any Member shall have the right, but not the duty, to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by the provisions of this Declaration. The prevailing party in any Court action shall be awarded reasonable attorney's fees and costs.

SECTION 2: No Waiver.

No delay or omission on the part of the Association or any Member in exercising their right of enforcement hereunder shall be construed as a waiver of any breach of any of the restrictions and covenants herein contained or acquiescence in any breach hereof and no right of action shall accrue against the Association or any Member for their neglect or refusal to exercise such right of enforcement, nor shall any right of action accrue against the Association for including herein provisions, conditions, restrictions or covenants which may be unenforceable.

SECTION 3: Lien of Mortgages.

No breach of the provisions, conditions, restrictions or covenants contained within this Declaration shall defeat or render invalid the lien of any Mortgage made in good faith for value as to any portion of the Properties. Such provisions, conditions, restrictions and covenants shall be enforceable against any portion of the Properties acquired by any person through foreclosure or by deed in lieu of foreclosure or any breach occurring after such acquisition.

SECTION 4: Severability.

Invalidation of any covenant, restriction provision or term of this Declaration by judgment or court order shall not affect any other covenant, restriction, provision or term hereof which shall remain in full force and effect.

SECTION 5: Amendment.

Except as provided elsewhere in this Declaration, the terms hereof may be amended by the Association; provided, however, that any amendments made by the Association shall be approved by at least fifty-one percent (51%) of the total votes held by Owners and shall be made only by an instrument in writing signed by the President and Secretary of the Association and recorded with the County Recorder of Pima County, Arizona.

Until January 1, 2015, each and every amendment hereof made by the Association shall first be submitted to Declarant for its approval and Declarant shall have the reasonable right to veto any proposed amendment, and upon such veto, such amendment shall be null and void and of no force and effect.

SECTION 6: Term.

The aforesaid provisions, conditions, restrictions and covenants, and each and all thereof, shall run with the land and continue and remain in full force and effect at all times and against all persons until January 1, 2015, at which time, they shall be automatically extended for successive periods of twenty-five (25) years, unless repealed by seventy-five percent (75%) of the votes of Owners.

SECTION 7: Binding Effect.

By acceptance of a deed or acquiring any ownership interest in any Lot, each person or entity, for himself or itself, his or its heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme to the development of the Properties and hereby evidences his intent that all restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future owners, grantees, purchasers, assignees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

SECTION 8: Captions.

All captions and titles used in this Declaration are intended solely for convenience or reference purposes only and in no way define, limit or describe the true intent and meaning of the provisions hereof.

IN WITNESS WHEREOF, We, being all the Directors of the Canoa Hills Townhomes, Inc., have hereunto set our hands this 14th day of April, 1992.

[Signature]  
Walter J. Geib

[Signature]  
Robert S. Vaughan

[Signature]  
Edwin H. Grant, Jr.

STATE OF ARIZONA )  
COUNTY OF PIMA )

SUBSCRIBED AND SWORN to before me by WALTER J. GEIB.

My Commission Expires:  
5-18-95

[Signature]  
NOTARY PUBLIC JUDITH M. BOYER  
NOTARY PUBLIC  
My Commission Expires  
5-18-95

STATE OF ARIZONA )  
COUNTY OF PIMA )

SUBSCRIBED AND SWORN to before me by ROBERT S. VAUGHN.

My Commission Expires:  
5-18-95

[Signature]  
NOTARY PUBLIC JUDITH M. BOYER  
NOTARY PUBLIC  
My Commission Expires  
5-18-95

STATE OF ARIZONA )  
COUNTY OF PIMA )

SUBSCRIBED AND SWORN to before me by EDWIN H. GRANT, JR.

My Commission Expires:  
5-18-95

[Signature]  
NOTARY PUBLIC JUDITH M. BOYER  
NOTARY PUBLIC  
My Commission Expires  
5-18-95