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AMENDED AND RESTATED

**COVENANTS , CONDITIONS AND
RESTRICTIONS**

**SUNRISE TERRITORY ESTATES HOMEOWNERS ASSOCIATION
FAIRFIELD SUNRISE EAST
LOTS 89-187 AND 199-213
AND COMMON AREAS E, F AND K**

With Revisions and Amendments

Through

February, 1996

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**AMENDMENT AND RESTATEMENT OF
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
SUNRISE TERRITORY ESTATES II
LOTS 89 THROUGH 187 AND 199 THROUGH 213
AND COMMON AREAS E, F, AND K
BEING A RESUBDIVISION OF LOTS 89 - 198
AND COMMON AREAS E & F OF THE PLAT FOR
FAIRFIELD SUNRISE EAST LOTS 1 - 520
AND COMMON AREAS A - J**

KNOW ALL MEN BY THESE PRESENTS:

This Amendment and Restatement of Declaration of Covenants, Conditions and Restrictions (hereinafter "Declaration") is made this 21st day of February 1996, by the Declarant, SUNRISE TERRITORY ESTATES HOMEOWNERS ASSOCIATION, (hereinafter the "Association"), the successor Declarant to LAWYERS TITLE OF ARIZONA, an Arizona Corporation, as Trustee under Trust No. 7243-T (hereinafter the "Predecessor Declarant"). This instrument is applicable to the "Properties" which are defined as Lots 89 through 187 and 199 through 213 within the subdivision Fairfield Sunrise East and Common Areas E, F, and K according to the map or plat thereof recorded in the Office of the Pima County Recorder.

The Association has been properly authorized to make this Restatement, and all amendments included herein, by the Articles of Incorporation, By-Laws, and Declaration for the Association. This instrument is executed by the President and Secretary of the Association acting at the proper direction of the Directors and Members pursuant to the provisions of said Declaration which has been recorded in the Office of the Pima County Recorder. This Amendment and Restatement of Declaration of Establishment of Covenants, Conditions and Restrictions is intended to and does hereby restate, supersede and completely replace any previous Declaration or Amendment thereto relating to the Properties commonly known as Sunrise Territory Estates as originally platted. (See Exhibit A for list of superceded documents, page 23.)

This Amendment and Restatement of Declaration constitutes a continuation of the general plan for the improvement, development, ownership, use and sale of all of the Lots and Common Areas shown on the plat, as may be amended. The real property as described herein shall be held, sold and conveyed subject to the following covenants, conditions and restrictions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the property. These covenants, conditions and restrictions run with the land and shall be binding upon all parties having acquired any right, title or interest in the described properties or any part thereof and shall inure to the benefit of each such party.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to SUNRISE TERRITORY ESTATES HOMEOWNERS' ASSOCIATION, an Arizona non-profit corporation, its successors and assignees.

Section 2. "Properties" shall mean and refer to that certain real property herein before described.

Section 3. "Common Areas" shall mean all the real property designated on the Plat or any amendment thereto (including resubdivision plat recorded Book 37, Page 27, and Book 38, Page 92, Pima County County Records) as Common Areas E, F, and K. (Common Area E designates our open space, Common Area F the roads/streets and Common area K designates the Recreation Center.)

Section 4. "Lot" shall mean the following numbered plots of land shown on the Plat (without regard to whether a structure has been constructed thereon), 89 through 187 and 199 through 213, subject to the provisions of Article XV below.

Section 5. "Member" shall mean and refer to every person who is an owner.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons, of the fee simple title to any Lot which is part of the Properties, including the buyer under a contract for the sale of real estate but excluding persons holding an interest merely as security for the performance of an obligation.

Section 7. "Guest" shall mean and refer to all persons present on the Properties with the consent of a Resident, express or implied, including all licensees and invitees.

Section 8. "Resident" shall mean and refer to an Owner, resident family member or Owner's lessee and lessee's resident family members.

Section 9. "Predecessor Declarant" shall mean and refer to LAWYERS TITLE OF ARIZONA, an Arizona corporation, as Trustee under Trust No. 7243-T, and its successors or assigns.

Section 10. "Declarant" shall mean and refer to SUNRISE TERRITORY ESTATES HOMEOWNERS ASSOCIATION, having succeeded to the rights of LAWYERS TITLE OF ARIZONA, the Predecessor Declarant hereunder.

Section 11. "Mortgage" shall include not only Mortgages but also Deeds of Trust, and "Mortgagee" shall include a Beneficiary under a Deed of Trust.

Section 12. "Plat" shall mean the map or plat or record in the Office of the County Recorder of Pima County, Arizona, in Book 35 of Maps and Plats at Pages 23 and 56 thereof, as resubdivided by plat recorded recorded Book 38, Page 92 thereof, and any other amendments or resubdivisions including, but not limited to, the following amendments, which are attached hereto and incorporated herein as Exhibit A.

Section 13. "Person" shall include a corporation, company, partnership, firm, association or society, as well as a natural person.

Section 14. "Gender/Number. The masculine, feminine or neuter gender, and the singular or plural number shall each be allowed to include any other whenever the context so indicates.

Section 15. "Rules and Regulations" shall mean those rules adopted by the Board of Directors which govern the conduct of the Owners on their Lots and which governs the use of the Common Areas by Residents and Guests.

ARTICLE II SCOPE OF DECLARATION

This Declaration is intended to regulate and control the use of the Common Areas for all Residents and Guests and to control the general use of the Properties as applicable to the Residents and Guests.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person who is an Owner of a Lot shall be a member of the SUNRISE TERRITORY ESTATES HOMEOWNERS ASSOCIATION. Membership shall be appurtenant to and may not be separated from ownership of a lot.

Section 2. Voting Rights. Each Owner shall be entitled to one (1) vote for each Lot he owns, except that there shall be but one (1) vote for each owned Lot, whether the same is owned by one (1) person, or by more than one (1) person, regardless of the form of ownership. Co-Owners must agree on the vote and, if they cannot agree, the vote shall be pro-rated among them.

Section 3. Exclusion, Lots 199 through 213. On matters relating to Common Area K, (the Recreation Center facilities), to which only the Owners of Lots 89 through 187 shall have access and privileges, the Owners of Lots 199 through 213 shall not have voting rights. This prohibition of voting rights shall apply, without limitation, to matters relating to assessments, maintenance, management and insurance.

Section 4. Suspension of Voting Rights by Association. The Association may suspend the voting rights of any Member for any period during which any assessment against a Lot remains unpaid and delinquent. The Association may also suspend the voting rights of any Member for a period specified by the Board when in the Board's discretion, such Member is in violation of this Declaration, the By-Laws and/or the Rules and Regulations of the Association.

ARTICLE IV
COMMON AREAS

Section 1. Ownership and Use. Ownership of the Common Areas is hereby vested in the Association for the benefit, use and enjoyment of the Members subject to the easements created in Article V, except that Common Area K shall be for the exclusive benefit of the Owners of Lots 89 through 187.

Section 2. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Areas and recreational facilities to the members of his family, his tenants or contract purchasers who reside on the Property, provided such delegation is in accordance with this Declaration, the By-Laws and the Rules and Regulations of the Association. In the event an Owner delegates his right to enjoy the Common Areas to any lessee or tenant, that Owner shall no longer be entitled to use the Common Areas and recreation facilities.

Section 3. Reservation of Association's Rights. The right and easement to use and enjoy the Common Areas is subject to the following provisions:

A. Rules and Regulations. The right of the Association to establish reasonable Rules and Regulations governing the use of the Lots and Common Areas.

B. Guests. The right of the Association to limit the number of Guests of Residents.

C. Suspension. The right of the Association to suspend the right of a Resident and his Guests to use the recreational facilities for any violation of the Declaration or the Rules and Regulations of the Association.

ARTICLE V
EASEMENTS AND LICENSES

Section 1. Use and Enjoyment. There is hereby created a blanket easement upon, across, over and under all of the Common Areas E and F for the use and enjoyment of all Residents and their Guests, subject to the provisions of this Declaration and Rules and Regulations. A similar blanket easement is created over and under Common Area K, but use and enjoyment thereof by Residents and their Guests shall be limited to Residents of Lots 89 through 187.

Section 2. Encroachment. Each Lot and the Common Areas shall be subject to an easement for encroachments created by construction, settling and overhangs.

Section 3. Utilities. There is hereby created in the Association and its assigns, a blanket easement upon, across, over and under all Common Areas, for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to water, sewer, gas, telephone, electrical, television and cable communication systems.

Section 4. Drainage. A drainage easement is hereby created upon, across, over and under each Lot for the benefit of all other Lots.

ARTICLE VI
THE ASSOCIATION

Section 1. General. The Association shall be governed by and act in accordance with its Articles of Incorporation, its By-Laws, and the provisions of this Declaration. In the event of any conflict between the Articles of Incorporation and the Declaration, the Articles shall control, and in the event of any conflict between the Declaration and the By-Laws, the Declaration shall control.

Section 2. Association Responsibilities. The Association shall be responsible for the management and operation of the Common Areas, including, but not limited to the following:

A. Streets. Maintaining the Common Area streets, roads, sidewalks, signage and barricades.

B. Landscaping. Installing and maintaining landscaping, erosion control and watering systems in the Common Areas.

C. View Enhancement. Providing for views of the city and surrounding mountains from the Lots through 1), a Landscaped Common Area landscaping policy which prescribes appropriate pruning, selection of new and replacement trees and other plants with an emphasis on views, and 2), promoting cooperation between Lot Owners to accomplish the same.

D. Restricted Entry System. Operating and maintaining a restricted entry system if one is constructed.

E. Recreation Facilities and other Structures. Operating, maintaining, (including insuring) and rebuilding, if necessary, all recreation facilities and other Common Area improvements, including, but not limited to, buildings, pools, spas, tennis courts and other improvements on Common Areas.

F. Taxes. Paying lawful real estate and other taxes, assessments or other charges levied by authorized local, state or federal agencies.

G. No Employees. It is the policy and objective of the Association to use volunteer services from its membership whenever possible to carry out the obligations set forth herein. The Association will not hire any "employees", but rather will employ "Independent Contractors" when volunteer services are found inadequate.

H. Contractors. Hiring, releasing, supervising and paying independent contractors, including, but not limited to, security personnel, landscapers, attorneys, accountants, architects, consultants, association managers and other contractors to carry out the obligations set forth herein. The Board of Directors may waive the requirement that contractors be licensed, bonded and present certificates of insurance for casualty and liability in amounts acceptable to the Board.

I. Accounting. Maintaining records of account of revenues and expenses in accordance with generally accepted accounting standards, filing tax returns, preparing annual financial statements and securing independent audit of annual statements.

J. Purchasing. Purchasing goods, supplies, labor and services which are considered to be reasonably necessary for the performance of the obligations set forth herein.

K. Cash Reserves. Establishing and maintaining such cash reserves as

the Association deems reasonably necessary for the maintenance, repair and replacement of the improvements for which it is responsible to maintain and for unforeseen contingencies.

L. Utilities. Providing and paying for all utility services and fees attendant thereto for common facilities.

M. Committees. Creating committees as deemed necessary to accomplish the objectives of the Association as set forth herein and appointing chairpersons to manage their activities.

N. Rules and Regulations. Promulgating or adopting such Rules and Regulations governing the use of the Properties and the Common Areas as may be reasonable and in accordance with the purposes, powers, and obligations of the Association stated or reasonably implied herein.

O. Enforcement. Enforcing the provisions of this Declaration.

P. Agreements. Entering into such agreements and taking such actions as are reasonably necessary and convenient for the accomplishment of the obligations set forth herein.

Section 3. Insurance. The Association shall be responsible for maintaining adequate and appropriate insurance further described below. The Association shall not provide any type or form of insurance whatsoever for Owners or Owners' Lots or for any improvements, structures or equipment thereon. The Board of Directors shall have the authority to negotiate with the insurance carriers and to make settlements and give releases to the insurance carriers when appropriate.

A. Liability Insurance. The Association shall secure a blanket insurance policy that is in force at all times providing liability coverage for the Common Areas in the amount of a minimum of one million dollars (\$1,000,000) or in such additional amounts as the Board of Directors deems advisable.

B. Special Form (All Risk) Insurance. The Association shall secure special form (all risk), replacement cost insurance in an amount to be determined by the Board of Directors and which will adequately and properly insure all structures, equipment and improvements located on the Common Areas. All insurance policies purchased by the Association shall provide that all proceeds covering property losses shall be paid to the Association. In the event of damage or destruction by fire or other casualty of the property covered by the described insurance policy, the Board of Directors shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed property to equal or better than original condition.

C. Directors and Officers Insurance. The Association shall maintain insurance coverage (e.g., errors and omissions) on Directors and shall maintain insurance coverage of persons appointed by the Board and acting on its behalf. The Board may, in its sole discretion, indemnify and hold harmless any Director or appointed agent for amounts claimed outside the insurance policy coverage or in excess of policy limits. A Director of the Association shall, to the fullest extent permissible under Arizona law, have no personal liability to the Association or its Members.

ARTICLE VII
ASSESSMENTS

Section 1. Covenants to Pay. An Owner, by the acceptance of a deed to a Lot, whether or not it is expressly stated in the deed, covenants and agrees to pay to the Association all assessments and any additional charges levied pursuant to this Article VII.

Section 2. Liability for Payment. The obligation to pay assessments shall run with the land so that each successive record Owner of a Lot shall become liable to pay all such assessments. No Owner may waive or otherwise escape personal liability for assessments or release the Lot owned by him from any lien and charges, by non-use of the Common Areas, by abandonment of the Lot, by attempting to renounce rights in the Common Areas of the facilities or services, or by any other means. Each assessment shall constitute a separate assessment and shall also be a separate distinct and personal obligation of the Owner of the Lot at the time when the assessment was levied and shall bind heirs, devisees, personal representatives and assigns. No offset against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties. Any assumption of personal liability by a successor Owner (including a contract purchaser under an installment land contract) does not relieve the predecessor Owner from personal liability for delinquent assessments. After the Owner transfers his interest in a Lot, as evidenced by the recording of a deed in the Office of the Pima County Recorder, he shall not be liable for any charges levied by the Association subsequent to the date the deed is recorded against the Owner of the Lot.

Section 3. Establishment of Lien. The Association may place a lien against a Lot to secure payment of all assessments levied against that Lot pursuant to this Declaration. Except for the transfer of a Lot pursuant to a foreclosure proceeding, the sale or transfer of a Lot shall not affect such lien. Any such lien shall be in favor of the Association. Each Owner empowers the Association to enforce its lien by foreclosure or any other proceeding at law to collect the amount due from each Owner by selling the Lot owned by the delinquent Owner to the highest bidder to satisfy the lien.

Section 4. Regular Assessments. Regular assessments are the Owners' pro-rata share of common expenses for each fiscal year, and shall be established when the Board approves a budget for that fiscal year. The budget shall include provisions for managing, operating, maintaining, replacing and repairing any and all properties owned by the Association, including such other activities, undertakings, or reserve accounts as are considered necessary and in consonance with the purpose of the Association for the ensuing year; except that owners of Lots 199-213 will not be liable for expenses, including reserve accounts, that relate to Common Area K. Regular assessments shall be levied on a fiscal year basis. Unless otherwise specified by the Board, regular assessments shall be due and payable in semi-annual installments on the first day of January and the first day of July during the term of this Declaration. All assessments shall be paid in full when due and any regular assessment not paid within thirty (30) days after it is due is delinquent and subject to the provisions of Sections 10 and 11 of this Article. Failure to receive an invoice does not relieve an Owner of his responsibility to contact the Association and pay regular assessments

when normally due.

Section 5. Special Assessments. Special assessments may be made only if approved by fifty one percent (51%) of those voting. Voting may be in person or by proxy at a meeting called for that purpose. Special assessments may be levied in addition to regular assessments for: (1) constructing capital improvements; (2) correcting an inadequacy in the current operating account; (3) defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of improvements in the Common Areas; or (4) paying for other such matters as the Board deems appropriate. A special assessment not paid within thirty (30) days after it is due is delinquent.

Section 6. Notice and Quorum Requirements for Special Assessments. Written notice of any meeting called to impose a special assessment, shall be sent to all Members not less than fifteen (15) days, nor more than sixty (60) days, prior to the date set for the meeting. At this meeting, fifty percent (50%) of the Owners must be present in person, or by proxy, to constitute a quorum. If the required quorum is not present, then other meetings may be called with at least ten days notice of the subsequent meeting. The required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Any subsequent meetings shall be held within sixty (60) days from the preceding meeting.

Section 7. Special Obligations Assessment. Any monetary obligation imposed upon the Association by any governmental entity acting within the scope of its authority may be assessed as part of the regular (annual) assessment or may be assessed as a special obligation assessment. All special obligation assessments shall be assessed equally against all Lot Owners; except owners of Lots 199-213 will not be liable for expenses related to Common Area K. A special obligation assessment which remains unpaid for a period of thirty (30) days or more after the due date is delinquent.

Section 8. Penalties Assessments. If a Resident violates any provision of this Declaration or any Rules and Regulations adopted by the Board, the Board may, after giving notice and an opportunity to be heard, impose a reasonable monetary penalty upon the Owner for each violation. Assessments for monetary penalties shall not be imposed by the Association until a written notice and an opportunity for a hearing, plus a reasonable time to remedy, have been given to the Owner. The Board may establish a schedule of monetary penalties, a procedure which imposes such penalties and the right to a hearing. A monetary penalty which remains unpaid for a period of fifteen (15) days or more after the hearing date is delinquent.

Section 9. Reimbursement Assessments. The Board may, after notice and an opportunity to be heard, impose a reimbursement assessment against an Owner and his Lot for: (1) common expenses caused by the misconduct of the Residents or Guests; (2) any expenditure of monies by the Association necessary to bring the Owner into compliance with this Declaration or any Rules and Regulations adopted by the Board, when such Owner fails to comply; or (3) additional charges as defined herein to enforce this Declaration. A reimbursement assessment shall not be imposed by the Association until a written notice and an opportunity for a hearing has been given to the Owner. A reimbursement assessment not paid in full within fifteen (15) days after the hearing date is delinquent.

Section 10. Additional Charges. Each Owner agrees to pay any costs, fees, charges or expenditures the Association may incur in the process of enforcing any Assessments as provided for in this Article VII. Additional charges incurred shall be imposed against the Lot as a reimbursement assessment and collected as provided therein; provided, however, that the notice and hearing provisions of Section 9 shall not be applicable. Additional charges include, but are not limited to, the following:

A. Late Charge. A late charge of twenty five dollars (\$25.00) to compensate the Association for additional collection costs incurred in the event any assessment or other sum is not paid when due.

B. Interest. Interest on all delinquent amounts in accordance with this Article VII at a rate of one percent (1%) per month which shall accrue from the date at which an assessment becomes delinquent.

C. Attorney Fees. Reasonable attorney fees and costs incurred in the event an attorney is employed.

D. Suit and Court Costs. Cost of suit and court costs incurred as are allowed by the Court.

E. Other. Any such additional costs that the Association may incur.

Section 11. Enforcement. In addition to any other remedies which may be provided for by law, the Association may enforce the obligations of any Owner to pay each assessment provided for in the Declaration by any or all of the following procedures:

A. By Lien. To perfect its lien, the Association shall record a Notice of Lien in the Office of the Pima County Recorder. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all Owners. The Association may commence and maintain proceedings to foreclose its lien in the same manner as the foreclosure of a mortgage.

B. By Suit. The Association may commence and maintain a suit at law against any Owner personally obligated to pay a delinquent assessment. Any judgment rendered in any action shall include the amount of the delinquency, additional charges and any other amounts the court may award, and shall include reasonable attorney fees. A proceeding to recover a judgment for unpaid assessments may be maintained without the necessity of foreclosing or waiving the Association's lien.

C. Suspension of Voting Privilege. The Association may suspend the right of a Member to vote during any period in which any assessment remains delinquent.

D. Suspension of Use of Recreation Facilities. The Association may suspend the right of a Resident to use the recreation facilities during any period in which any assessment remains delinquent.

ARTICLE VIII OWNERS RESPONSIBILITIES

Section 1. Costs and Upkeep. Each owner shall be responsible for the maintenance and repair of all Lot improvements, including, but not limited to, roofs, structures, walls, landscaping, walks and drives. Each Owner shall be responsible for

all exterior maintenance and repairs for buildings, fences, walls, trees, shrubs, grass, walks and other exterior items on his Lot. No Owner shall do any painting of the exterior portions of structures on his Lot, including fences, except in conformance with this Declaration and any and all applicable Rules and Regulations. If a roof must be repaired or replaced, it shall conform to the same architectural design, style, texture and color as the original roof. Each Owner shall be responsible for the installation and maintenance of utility service lines from the main utility lines to his Lot improvements.

Section 2. Construction, Alteration or Modification. Each Owner shall be responsible for assuring that all construction, alteration, modification or addition to building, walls, fences, copings, roads, driveways or other structures on his Lot, or to the exterior landscaping of his Lot, conform to the Use Restrictions of Article XII, herein. Owners shall also comply with the provisions of Article X, (Architecture Committee) and Article XI (Landscape Committee) and to any Rules and Regulations duly adopted by the Board of Directors. Owners who fail or refuse to comply with said restrictions, rules and regulations shall be responsible for, and pay for, the removal, repainting, alteration, replacement or upgrading of such non-conforming items to meet said requirements.

Section 3. Damages. Each Owner shall be responsible for and pay for all damages caused by Residents or pets to any other Owner's property or to the Common Areas. If an Owner fails or refuses to pay for or properly repair such damage to the Common Areas, the Association's cost of repairing will be handled in accordance with Article VII, Assessments. Nothing herein shall require the Association to charge for, or collect assessments for, damage caused by Residents, Guests or pets, to any other Owner's property; and the Association shall not be compelled by the damaged party to make repairs, charge the offending party or require a collection from the offending party.

Section 4. Failure to Comply. The failure of an Owner to comply with the requirements of the Articles of this Declaration or Rules and Regulations may result in additional assessments in accordance with Article VII, Assessments.

ARTICLE IX PARTY WALLS

Section 1. Application. This Article shall apply only to Lots 89 through 158, inclusive, and to any other Lots having improvements with party walls.

Section 2. General Rules of Law to Apply. Each wall on the dividing line between Lots shall constitute a party wall, and, to the extent consistent 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 thereto. An easement is hereby created over every Lot for party walls which are built on the dividing line, and no Owner shall have any claim by reason of alleged encroachment of a party wall or be reason of any neighbor's ordinary use of a party wall. Division walls between Lots and Common Areas are not party walls and shall be the Owner's responsibility.

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 and Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it and is hereby granted a permanent access easement for such restoration. The Owners of the Lots which are divided by the wall shall share equally in the cost of such restoration unless otherwise provided for in Section 2, above.

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

Section 7. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party may submit the issue to an arbitration process in accordance with American Arbitration Association recommendations, as specified in Article XIII, herein.

Section 8. Private Agreements. Private agreements between Owners may not modify the provisions of this Article.

ARTICLE X
ARCHITECTURE COMMITTEE

Section 1. Membership. The Chairman and members of the Architecture Committee shall be appointed by the Board of Directors. The Architecture Committee shall be composed of a minimum of three members who must be Members of the Association. The Committee may authorize and designate one or more of its members to act in its behalf. Members of the Architecture Committee shall not be entitled to any compensation for service performed pursuant to this covenant. Designated contractors or agents are entitled to reasonable compensation to be paid by the individual or Lot Owner requesting review and approval of building plans. The Board of Directors shall have the sole authority to hire and determine compensation for any contractor or agent that might be retained to serve the Architecture Committee.

Section 2. Authority. Subject to review and approval of the Board of Directors, the Architecture Committee shall have the authority to promulgate and amend written Rules and Regulations on construction, and to approve plans, specifications, colors and plot plans. Such rules and regulations as may be promulgated by the committee shall not be in conflict with any provisions in this Declaration.

Section 3. Obtaining Prior Approval. Prior to making any improvements, including, but not limited to, wall modifications, porch enclosures or extensions, awnings, gazebos, shelters, driveways, wrought iron works, modifications, or other changes, all Owners shall be required to obtain the prior approval of the Architecture Committee or its designee. Owners shall submit to the Architecture Committee two (2) complete sets of plans for proposed improvements, specifications (including exterior color schemes) and plot plans which shall include location of dwellings. Approval of the plans and specifications shall be evidenced by the written endorsement of the Architecture Committee made on the plans and specifications. One (1) copy of the endorsed plans shall be delivered to the Owner of the Lot proposed to be improved prior to the beginning of construction. One (1) set of plans and specifications shall be retained by the Architecture Committee. No changes or deviations in or from the plans and specifications, insofar as the exterior of the proposed improvements is concerned, shall be made without the written approval of the Architecture Committee. After construction is completed, no changes shall be made, including any change of exterior color, without the written permission of the Architecture Committee.

Section 4. Plans Criteria. All plans must meet the minimum criteria contained in the provisions of this Declaration and such further criteria as the Architecture Committee promulgates. Submitted plans shall:

A. Comply with the provisions of this Declaration and written rules and regulations of the Architecture Committee;

B. Specify in detail the location of improvements, style of architecture, size, exterior color schemes (including roofs) height and location of exterior lights, all of which items shall be in harmony with the general surroundings of the building or structures or proposed buildings or structures on any Lot subject to these covenants. (Determination of "harmony" shall be the prerogative of the Architecture Committee);

C. Provide sufficient detail to permit the Architecture Committee to make its determination; and,

D. Be complete and ready for submittal to obtain a building permit from Pima County.

Section 5. Approval of Plans. The Architecture Committee shall either approve or disapprove plans and specifications in their entirety within thirty (30) days from receipt thereof. No partial approvals shall be granted. If the Architecture Committee does not disapprove such plans and specifications, in writing, within thirty (30) days after receipt thereof, the plans and specifications shall be deemed approved.

Section 6. Architecture Approval Fee. The Association may charge each applicant for architecture approval a fee, which shall be paid to the Association. The fee shall not exceed two percent (2%) of the estimated cost of the improvements for which approval is sought; but only to reimburse the Association for any costs.

Section 7. Defects in Plans and Specifications. Neither the Association nor the Architecture 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. Failure to Comply. The failure of an Owner to comply with the requirements of this Article or with Architecture Committee Rules and Regulations within sixty (60) days following written notification by the Committee of an offending condition may result in additional assessment in accordance with Article VII.

Section 9. Protest of Notification. Any Owner notified of an offending condition may, within thirty (30) days after receipt of such notification, request in writing a hearing before the Board of Directors to protest the finding of an offending condition. The Board's determination regarding the existence and need for remedy of an offending condition shall be final.

ARTICLE XI LANDSCAPE COMMITTEE

Section 1. Membership. The Chairman and members of the Landscape Committee shall be appointed by the Board of Directors. The Landscape Committee shall be composed of a minimum of three members who must be Members of the Association. The Committee may designate one or more of its members as a representative to act for it. The members of the Landscape Committee shall not be entitled to any compensation for performance of their duties as members of the Committee. The Board of Directors shall have the sole authority to hire and determine compensation for any contractor or agent who might be retained to serve the Landscape Committee.

Section 2. Authority and Responsibility. Subject to review and approval of the Board of Directors, the Landscape Committee shall have the authority to promulgate and amend Rules and Regulations, which Rules and Regulations shall not be in conflict with any provision of this Declaration and which shall be relative to the following matters:

A. General. Promoting and fostering tasteful landscaping throughout the Properties in a manner consistent with the attractive physical setting of the neighborhood as well as neighborhood and Committee standards.

B. Undesirable Growth. Identification, definition and need for elimination of weeds and other undesirable growth or debris from the front yards of Lots (situated between the front of the Owner's dwelling and the adjacent street).

C. Erosion Control. Creation and maintenance of proper erosion controls for the Properties.

D. Common Areas. Landscaping for the Common Areas and preservation of the natural desert character of non-landscaped Common Areas.

Section 3. Owner's Duties.

A. Lot Landscaping. All trees and other landscaping features on the Lot shall be placed and maintained in a manner which will minimize interference with views from neighboring Lots and in a manner consistent with the attractive physical setting of the neighborhood as well as Committee standards. In the event of any unresolved view-interference disputes between Owners, the Owners may submit the issue to an arbitration process in accordance with American Arbitration Association standards defined in Article XIII, General Provisions.

Each Owner's yard shall be maintained free of weeds and other undesirable growth and debris. No trees, shrubs or obstructions of any kind shall be placed or maintained on a Lot in a manner so as to cause a traffic hazard.

B. Common Areas. The natural growth of plants and trees on the Common Areas shall not be altered, destroyed or removed without prior written approval of the Landscape Committee. Lot Owners desiring modification or removal of improved Common Area plants or trees restricting their views, may request such action in writing to the Landscape Committee.

C. Drainage. Each Owner shall refrain from changing the configuration of his Lot by landscaping, construction or otherwise, in a manner that alters, restricts or redirects a water runoff or drainage in way that affects any other Lot or part of the Common Area without the prior written consent of all affected Lot Owners and the Board of Directors.

Section 4. Failure to Comply. The failure of an Owner to comply with the requirements of this Article or with Landscape Committee Rules and Regulations within sixty (60) days following written notification by the Committee of an offending condition may result in additional assessment in accordance with Article VII.

Section 5. Protest of Notification. Any Owner notified by the Committee of an offending condition may, within thirty (30) days after receipt of such notification, request in writing a hearing before the Board of Directors to protest the finding of an offending condition. The Board's determination regarding the existence and need for remedy of an offending condition shall be final.

ARTICLE XII **USE RESTRICTIONS**

Section 1. Land Use and Building Type for Lots 89 - 187.

A. Residential Purpose. All Lots shall be used for residential purposes only. No structure other than a single-family residence shall be placed or maintained thereon.

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

C. Leasing. No room or rooms in any residence on said Lots may be rented or leased; nothing in this paragraph 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) consecutive days.

D. Colors. Selection of paint colors for all exterior surfaces (including roofs) for new construction and repainting must be made from the Architecture Committee list of currently approved exterior colors. All surfaces and materials to

receive paint, stains or coatings shall be covered completely. All vents and roof appurtenances shall be painted to match the approved color of the roof. Selection of paint colors must be made prior to approval of the plans.

E. Resubdivision. No Lot or Lots shall be re-subdivided except for the purpose of combining the re-subdivided portions with another adjoining Lot or Lots provided that no additional Lot is thereby created. Prior written approval of the Architecture Committee shall be required.

Section 2. Land Use and Building Type for Lots 199 - 213.

A. Residential Purpose. No improvement or structure, other than a private dwelling house, patio walls, swimming pool and customary outbuildings, garage, carport, servants' quarters or guest house, may be erected, placed or maintained on any Lot. First-class materials and workmanship are required. It should be understood that the Architecture Committee or its designee will base its final approval on the combined material usage, since even normally acceptable material may be improperly designed into the structure.

B. Building Codes Requirement. Structural work shall be in accordance with the Uniform Building Code as adopted by Pima County. Electrical and mechanical work shall conform to all applicable local and national codes.

C. Architectural Consistency. Generally, homes should be designed so that no exterior facade encompasses more than one type of period or architecture. The Architecture Committee is instructed to reject those houses with a "tract" appearance. With regard to size, quality, value and design, houses must be compatible with the median in the nearby area and have a valuation of at least twice the current valuation of the Lot; determination of "median" shall be the prerogative of the Architecture Committee.

D. Minimum Specifications. No residence shall be placed or maintained on any Lots which shall have an air conditioned/heated floor area of less than 2,400 square feet, such floor area to be exclusive of open porches and other ancillary structures. A minimum two car garage with a garage door shall be constructed on every building site before the residence constructed thereon is occupied. No building structure, fence, ledge, improvement or appurtenance of any nature shall be closer than twenty (20) feet to the front and rear Lot or property lines and ten (10) feet to the side property lines. All fences or walls may not exceed six (6) feet in height. Any planting used to form a hedge will be subject to the same set-back 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. The minimum square footage requirement of this subparagraph may be waived by the Architecture Committee in particular cases, provided that no dwelling shall have less than 2,000 square feet of air conditioned/heated floor area.

E. Equipment Exposure. No equipment of any type shall be left exposed to any adjoining street front. This includes, but is not limited to, air conditioning, evaporative coolers and pool equipment. No mechanical or communications equipment shall be installed on a roof unless completely concealed by parapet walls or other suitable architectural treatment. No such equipment shall be permitted to remain exposed at the side or rear unless concealed by planting or fence.

F. Walls and Fences. A service yard wall, a minimum of five (5) feet high may be required unless an enclosed patio wall is erected at the time of construction. All walls and fences must conform to approved materials. Bare concrete walls and chain link fences will not be permitted.

G. Off-street Parking. Surfaced, off-street parking shall be provided for a minimum of six (6) vehicles, including garage or carport space, and shall be treated and maintained with a minimum of 1 - 1 1/2" of asphaltic concrete.

H. Roof Coverings. Mission tile, wood shakes, No. 1 royal shingles and rigid asbestos will be acceptable. Crushed rock will be acceptable in sieve size not to exceed thirty percent (30%) fines with rock averaging 1 - 1/2 inches. Crushed brick in various colors with pieces averaging 1 - 1/2 inches may be used. No "river run" gravel or roll-type roofing will be acceptable unless concealed by parapet walls. Marble chips, asphalt shingles, galvanized or aluminum roofing will not be permitted.

I. Exterior Walls. Matte or textured face brick, mortar washed local brick, slush joint brick, hard-burned adobe, slump block, split face block, stone or stuccoed masonry walls are acceptable. Wood frame exterior walls, stuccoed or wood sheathed, will only be approved if architectural treatment, size of residence or other extenuating feature adds merit enough to make the residence a desirable addition to the neighborhood. If approved, frame stucco construction shall conform to the following specifications and be subject to special inspections: Frame stucco exterior walls, if approved by the Architecture Committee, shall be framed with 2" x 6" studs located 16" on center; such walls shall be insulated to a rating of R-19, minimum; the stucco underlayment shall be (1) 26 gauge, or heavier, expanded metal lath secured directly to the stud walls, or (2) building board attached to the stud walls with plaster mesh placed thereon.

The exposed exterior surface of any building wall, retaining wall (exceeding 18" in height) or patio wall, which is constructed of plain or colored standard CMU (concrete block), pumice block, cinder block or any similar material, shall be stuccoed in such a manner as will permanently conceal the nature of such construction. At least seventy-five percent (75%) of the area of exterior walls of buildings (exclusive of glass area) must be constructed of masonry.

J. Colors. Selection of paint colors for all exterior surfaces (including roofs) for new construction and repainting must be made from the Architecture Committee list of currently approved exterior colors. All surfaces and materials to receive paint, stains or coatings shall be covered completely. All vents and roof appurtenances shall be painted to match the approved color of the roof. Selection of paint colors must be made prior to approval of plans.

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

L. Commercial Use. No building or structure intended for or adapted to a business purpose, and no apartment house, double house, lodging house, rooming house, hospital, sanatorium or doctor's office, or other multiple family dwelling shall be erected, placed, permitted or maintained on said property, or on any part thereof.

M. Leasing. No room or rooms in any residence on said Lots shall be rented or leased; nothing in this paragraph 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) consecutive days.

N. Exceptions. Any and all of the restrictions of this section are subject to

waiver by the Architecture Committee, and any such waiver may apply at the option of the Architecture Committee to fewer than all of the Lots without waiver of such restriction as to any other Lot or Lots.

(Section 3 through Section 16 below refers to Lots 89-213)

Section 3. Temporary Buildings or Trailers.

A. Living Quarters. No temporary house, house trailer, motor home, tent, garage, camper, boat or out-building of any kind shall be placed, parked or erected upon any part of the Properties for use as living quarters, and no residence placed or erected on any Lot shall be occupied in any manner at any time 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 or materials, etc., 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.

B. Garages and Other Buildings. No garage or other building or structures shall be erected, placed or maintained on any Lot until the construction and completion of the principal residence thereof, except that the necessary outbuildings, garage or other structures relating to the main 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.

C. Moving of Structures. No structure of any nature shall be moved from within or without the Properties to any Lot within the Properties without prior approval of the Architecture Committee. 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 4. Miscellaneous Structures, Equipment and Devices.

A. Miscellaneous Structures. Unless concealed, solar devices, radio or television antennae, satellite dish antennae or any other communication devices shall be installed in a manner as required and approved by the Architecture Committee. This includes, but is not limited to, gazebos, porch additions, solariums, exterior hot tubs or spas, mechanical equipment, observatories, dog runs, roof access ladders, roof structures and other improvements.

B. Air Conditioning and Heating Equipment. Evaporative coolers, air-conditioning units and heating equipment must be installed in accordance with original construction specifications of the Predecessor Declarant, except where specifically approved otherwise by the Architecture Committee.

C. Storage Tanks. No permanent storage tanks of any kind, except water filters or conditioners, shall be erected, placed or permitted upon any part of the Properties.

D. Drilling Equipment. 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.

Section 5. Signs.

A. General. No billboards or advertising signs of any character shall be erected, placed or permitted at the entrances or elsewhere on the Properties except for security signs and real estate sales or lease signs, the use of which shall be regulated as provided herein.

B. Real Estate Signs. One (1) sign advertising the property of the Owner, or his agent or assigns, will be permitted on the Owner's property. In addition, temporary signs indicating an "Open House" for property for sale or lease may be placed at appropriate locations in the area to properly direct interested parties to the subject property, but only when it is open for inspection. "For Sale," "For Rent," "For Lease", "Sold" or other real estate signs must be removed from the premises no later than two weeks following the date of the seller's acceptance of an offer after all contingencies have been removed. All such signs shall be maintained in an attractive condition. It is the Owner's responsibility to inform the agent of these requirements. The Association reserves the right to establish one standard design for use on the Properties.

Section 6. Rubbish, Garbage, Wood Storage and Other Unsightly Objects.

A. General. No unsightliness shall be permitted on any Lot which is visible from any other Lot or from the Common Areas. Without limiting the generality of the foregoing, all unsightly facilities, equipment, objects and conditions shall be enclosed within a structure or shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring Lots and streets. Screening structures or fences shall require prior approval of the Architecture Committee before construction.

B. Storage and Collection. No refuse, garbage, trash, lumber, grass, shrub or tree clippings, plant waste, compost, metal, bulk materials, scrap or debris of any kind shall be kept, stored or allowed to accumulate on any Lot except within an enclosed structure or screened by adequate planting or fencing so as to conceal it from view of neighboring Lots and streets. However, on all trash collection days, or the night before such day, all trash and debris must be properly contained and may be placed at curbside. After collection, all remaining empty containers must be removed from view as soon as practicable, but by no later than the night of the day of collection.

C. Clotheslines. Clotheslines shall be concealed from view of neighboring Lots and streets.

Section 7. Animals.

A. General. 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 (unless such enclosures are not visible from adjoining streets or Lots). 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.

B. Leashed Pet Control. Pets outside the enclosed confines of a Lot shall be leashed. The Owner of a Lot where any pet is kept shall be required to remove immediately, and dispose of hygienically, any animal waste produced by the pet and

left on his or any other Owner's Lot or on any part of the Common Areas. All animals, while on a leash, must be kept under strict control to assure that they do not present a potential nuisance or hazard to other Residents.

Section 8. Noise.

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

B. Security Alarms. Any security alarm maintained on the Properties, including a vehicle alarm, must be equipped so that the alarm will automatically shut off within fifteen (15) minutes of being actuated.

C. Pets. The Resident of a Lot on which a pet is kept shall restrain and confine the pet at all times when it makes noise or causes any other type of disturbance to other Residents of the Properties.

Section 9. Vehicle Parking, Storage and Traffic Regulations.

A. General. Residents and Guests upon the Properties shall adhere to posted traffic regulations and park motorized or non-motorized vehicles in off-street, paved parking areas, which are limited to driveways. In addition, designated off-street parking areas may be provided for by the Board of Directors from time to time. The parking of any vehicle on Common Areas or public sidewalks, paved or otherwise, anywhere on the Properties is expressly prohibited except where roadways narrow to single lane traffic due to temporary restrictions for maintenance, etc. Notwithstanding the above provisions, Residents and Guests may temporarily park their vehicles on the streets in front of residences for the purpose of social events or commercial services.

B. Recreation Vehicles. Parking (or storing) of recreational vehicles (including, but not limited to, trailer, campers, motor homes, mobile homes, van conversions and boats) is prohibited on all portions of the Properties, except within the confines of enclosed garages. Notwithstanding the foregoing provisions, a recreational vehicle may be parked on the paved driveway of an Owner's Lot or in any parking area designated by the Board of Directors, for a period not exceeding three (3) days in any seven (7) day period and not exceeding seven (7) days in any thirty (30) day period.

The use and/or occupancy anywhere on the Properties of a recreational vehicle as living quarters (on either a temporary or permanent basis) is expressly prohibited.

C. Inoperable, Junked and Wrecked Vehicles. No inoperable, junked, wrecked, not-in-use vehicles as well as vehicles without current license tags, shall be placed on or stored on any portion of the Properties, other than inside a fully enclosed garage.

D. Commercial Vehicles. Except for commercial service vehicles on temporary business, no commercial, construction or like vehicles, including, but not limited to, pickup trucks in excess of three-quarter ton capacity, as well as any vehicles bearing commercial signs, advertising or other business insignia, (including any commercially licensed vehicles) shall be parked or stored at any place on the Properties, other than inside fully enclosed garages.

E. Special Parking Permits. Exceptions for limited periods of time to the foregoing parking restrictions may be permitted by the Board of Directors, in its discretion, upon a request made in writing by an Owner or tenant. A permit based on such an exception may be granted by the Board for the reason of accomplishing work

just and equitable solution satisfactory to all parties. If they do not reach such a solution within an acceptable period, then upon notice by any of the parties, the issue shall be referred to the Board of Directors for amicable resolution. Thereafter, any unresolved disputes may be settled by mediation and/or arbitration administered by the American Arbitration Association in accordance with its applicable rules, or other remedies may be pursued. Judgment on the award rendered by the arbiter may be entered for enforcement in any court having jurisdiction thereof.

B. Judicial Remedies. The Association, or any Owner, shall have the right, but not the duty, to enforce, by any proceeding at law or in equity, all covenants, conditions, and restrictions, 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 fees and costs.

C. Other Remedies. For violation of any provision of this Declaration or any Rule or Regulation promulgated and set forth herein, the Board of Directors of the Association shall have the authority to:

- a) Determine and impose monetary or other penalties; and/or
- b) Suspend a Member's right to vote; and/or
- c) Suspend the right of Residents and Guests to use Recreation facilities.

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

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

Section 2. Severability. Invalidation of any one of these covenants, conditions and restrictions by judgment of court order shall not affect any others which shall remain in full force and effect.

Section 3. Amendments. This Declaration may be amended by the Association; provided, however, that any amendment made by the Association shall be approved by at least fifty-one percent (51%) of the Members entitled to vote in accordance with Article III. Voting may be in person or by proxy at a meeting called for that purpose, notice of such meeting being provided at least thirty (30) days prior to the date of the meeting. Amendments shall be made by an instrument in writing signed by the President and Secretary of the Association and filed with the County Recorder of Pima County, AZ.

Section 4. Term. The aforementioned covenants, conditions, restrictions and


provisions of this Declaration, 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, 2000, at which time they shall be automatically extended for successive periods of ten (10) years, unless amended in whole or in part in accordance with Article XIII, Section 3, "Amendment".

Section 5. Compliance. All covenants, conditions, restrictions and provisions contained herein, or any amendments thereto, are subject to the Pima County Board of Supervisors' Subdivision Regulations and Ordinances, and any and all other applicable governmental rules and regulations.

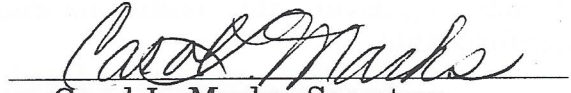
ARTICLE XIV
FLOODPLAIN RESTRICTIONS

Lots 95 and 102 and 103 through 109 are subject to the Pima County Floodplain Management Ordinance, No. 1974-86, and any changes in said ordinance. Any construction, reconstruction, alteration or change in any building or structure shall not be undertaken or erected without first applying for and obtaining a floodplain permit or use permit from the appropriate Pima County agency or official.

IN WITNESS WHEREOF, the undersigned have hereunto set their hand and seal this 21st day of February, 1996.



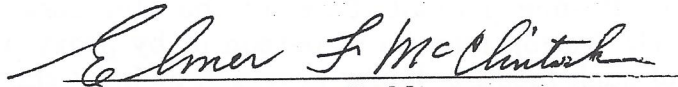
David B. Huston, President
Sunrise Territory Estates
Homeowners Association



Carol L. Marks, Secretary
Sunrise Territory Estates
Homeowners Association

STATE OF ARIZONA)
)
County of Pima)

The foregoing instrument was acknowledged before me this 21st day of February, 1996, by David B. Huston, President of SUNRISE TERRITORY ESTATES HOMEOWNERS ASSOCIATION, an Arizona corporation, on behalf of the Corporation.



Notary Public

My Commission Expires: February 2, 2000

EXHIBIT A
Superceded CC&R's

The following instruments, heretofore consisting of Declaration of Covenants, Conditions and Restrictions existing as servitudes running with the land, are hereby revoked, superseded and replaced by the herein Amendment and Restatement of the Declaration for Fairfield Sunrise East Lots 89-187, 199-213 and Common Areas E, F and K.

1) Declaration of Establishment of Conditions and Restrictions recorded in Book 6756, Page 723, Pima County Recorder's Office.

2) Amendment and Restatement Number One of Declaration of Covenants, Conditions and Restrictions for Sunrise Territory Estates Homeowners' Association, dated 31 March, 1990 and recorded in Book 8775, Pages 791-822, Pima County Recorder's Office.

3) Declaration of Establishment of Covenants, Conditions and Restrictions for Fairfield Sunrise East, Lots 89-187 and 199-220 recorded in Book 6756, Pages 679-694, Book 6756, Pages 723-752; Book 7475, Pages 434-482; and Book 7573, Pages 761-823 Pima County Recorder's Office.

EXHIBIT B
Lots 199-213

These Lots have been a part of this Association since before the developer (Fairfield) transferred the operation of the Association to the homeowners in 1988. Our Declaration has detailed our responsibilities to these Lots since that time. The homes built there are not the consistent, Territorial style homes found elsewhere in our Association; rather, this is an area of custom homes, all quite different from each other. The owners of these Lots do not use, and do not pay for, the maintenance of the Association's Recreation Center.

During the Board of Directors' researching of data at the Pima County Recorder's Office in preparation of the 1996 revision of this Declaration, it was discovered that the developer (Fairfield), when it first designated these Lots as a part of this Association, had neglected to change the name of that section to "Sunrise Territory Estates", and left it with the name used originally to describe most of the development - "Sunrise East". This description is found in Book 114, Map 16, Pima County Recorder's Office.

When the Board of Directors learned of this oversight, and that to correct the error would cost nearly \$2,000 and require three to six months time, it decided that the legal status of those Lots is not in question, and that the Association would take no action at this time to make any name change.

EXHIBIT C
Lots 214 to 220

Commencing with the 1996 revision of this Declaration, all mention of Lots 214 to 220 has been omitted. These Lots – located along the West side of Tanuri Drive and South of the via Colorada intersection – were deeded over to Pima County by a Resolution of the Board of Directors in 1988 at the recommendation of the developer (Fairfield) inasmuch as it was believed these Lots were unbuildable. In the unlikely event that any of those Lots should be sold and built upon in the future, the Association could conceivably seek to regain control and supervision of the size, quality and appearance of any construction on those Lots.