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MARICOPA COUNTY RECORDER 99-0826428

COMPOMINIUM

**CAPTION HEADING:** 

CONDOMINIUM DECLARATION

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CAPTION HEADING: CONDOMINIUM DECLARATION

THIS DOCUMENT IS BEING RE-RECORDED FOR THE SOLE PURPOSE OF CORRECTING ERRORS AND ADDING AN EXHIBIT "A"

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# CONDOMINIUM DECLARATION

# FOR

# RIO VISTA CONDOMINIUMS RIVO/NIUSTA/COMBONINIUMS/INC/.

	THIS	CONDOMINIUM	DECLARATION	is	made	this	lst	day	of	September	
19 99	by										

#### ARTICLE I

#### DEFINITIONS

- General Definitions. Capitalized terms not otherwise defined in this Declaration shall have the meanings specified for such terms in the Arizona Condominium Act, A.R.S. 33-1201, et seq.
- 1.1 <u>Defined Terms</u>. The following capitalized terms shall have the general meanings described in the Act and for purposes of this Declaration shall have the specific meaning set forth below:
- (A) "Adjoining Unit" means the Unit which shares the common area with another Unit.
- (B) "Architectural Committee" means the committee established pursuant to Section 6.3 of this Declaration.
- (C) "Architectural Committee Rules" means the rules adopted by the Architectural Committee, as they may be amended from time to time.
- (D) "Articles" means the Articles of Incorporation of the Association, as they may be amended from time to time.
- (E) "Association" means the Arizona nonprofit corporation organized by the Declarant to administer and enforce the Condominium Documents and to exercise the rights, powers and duties set forth therein, and its successors and assigns. Declarant intends to organize the Association under the name Rio Vista Condominiums ///// Homeowners Association, Inc.
  - (F) "Board of Directors" means the Board of Directors of the Association.
  - (G) "Building" means the structures designated as buildings on the Plat.
- (H) "Bylaws" means the Bylaws of the Association, as they may be amended from time to time.
- (i) "Common Elements" or "Common Areas" means all portions of the Condominiums other than the Units.

- (J) "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.
- (K) "Common Expense Liability" means the liability for common expenses allocated to each Unit by the Declaration.
- (L) "Condominium" means the real property located in Maricopa County, Arizona, which is described in Exhibit A attached to this Declaration, together with all buildings and other improvements located thereon and all easements, rights, and appurtenances belonging thereto.
- (M) "Condominium Act" means the Arizona Condominium Act, A.R.S. 33-1201, et seq., as it may be amended from time to time.
- (N) "Condominium Documents" means the Articles, Bylaws, Rules and Architectural Committee Rules.
- (O) "Declarant" means Fountain Pasis Realth Inc., and any person or entity to whom it may specifically transfer in writing any Special Declarant Right.
- (P) "Declaration" means this Condominium Declaration, as it may be amended from time to time.
- (Q) "Development Rights" means any right or combination of rights reserved by or granted to the Declarant in this Declaration to do any of the following:
- (i) Amend the Declaration during the Period of Declarant Control to comply with applicable law or to correct any error or inconsistency in the Declaration if the amendment does not adversely affect the rights of any Unit Owner;

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- (ii) Amend the Declaration during the Period of Declarant Control to comply with (a) the Condominium Act, (b) the rules or guidelines, in effect from time to time, of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration, or (c) the rules or requirements of any federal, state or local governmental entity or agency whose approval of the Condominium, the Plat or the Condominium documents is required by law or requested by the Declarant.
- (R) "Eligible Insurer or Guarantor" means an insurer or governmental guarantor of a First Mortgage who has requested notice of certain matters in accordance with Section 9.0 of this Declaration.
- (S) "Eligible Mortgage Holder" means a First Mortgagee who has requested notice of certain matters from the Association in accordance with Section 9.0 of this Declaration.
- (T) "First Mortgage" means any mortgage or deed of trust on a Unit with first priority over any other mortgage or deed of trust.

- (U) "First Mortgagee" means the holder of any First Mortgage.
- (V) "Improvement" means all physical structures including, but not limited to, buildings, private drives, parking areas, fences, and walls, and all landscaping, including, but not limited to, hedges, plantings, trees, and shrubs of every type and kind.
- (W) "Limited Common Elements" means a portion of the Common Elements specifically designated in this Declaration as a Limited Common Element and allocated by this Declaration or by operation of the Condominium Act for the exclusive use of one or more but fewer than all of the Units.
- (AA) "Period of Declarant Control" means the time period commencing on the date this Declaration is recorded with the County Recorder of Maricopa County, Arizona and ending:

Ninety (90) days after the conveyance of One Hundred Percent (100%) of the Units which may be created to Unit Owners other than the Declarant.

- (BB) "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity, and in the case of a subdivision trust, means the beneficiary of the trust who holds the right to subdivide, develop or sell the real estate rather than the trust or trustee.
- (CC) "Plat" means the condominium plat for Rio Vista Condominiums

  , which plat has been recorded with the County Recorder of Maricopa
  County, Arizona in Book 436 of Maps, Page 34 and any amendments, supplements or corrections thereto, and any condominium plat which may be recorded by the Declaration plat which may be redoubled by the Declaration pursuant to this Declaration.
- (DD) "Purchaser" means any Person, other than the Declarant, who by means of a voluntary transfer becomes a Unit owner except for (i) a person who purchases a Unit and then leases it to the Declarant for use as a model in connection with the sale of other Units or (ii) a Person, who, in addition to purchasing a Unit, is assigned any Special Declarant Right.
- (EE) "Rules" means the rules and regulations adopted by the Association, as they may be amended from time to time..
- (FF) "Single Family" means a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of persons not all related, together with their domestic servants, who maintain a common household in a Unit.
- (GG) "Special Declarant Rights" means any right or combination of rights reserved by or granted to the Declarant in this Declaration or by the Condominium Act to do any of the following:
- (i) Construct improvements provided for in this Declaration or shown on the Condominium Plat;
  - (ii) Exercise any Development Right;

- (iii) Maintain sales offices, management offices, models and signs advertising the Condominium;
- (iv) Appoint or remove any officer of the Association or any member of the Board of Directors during the Period of Declarant Control.
- (HH) "Unit" means a portion of the Condominium as described in this Declaration and as shown on the Plat that is designated for separate ownership and occupancy.
- "Unit Owner" means the owner of record, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Unit. Unit owner shall not include (i) persons or entities having an interest in a Unit merely as security for the performance of an obligation, or (ii) a lessee or tenant of a Unit, or (iii) an individual or entity owning more than fifty percent (50%) of all of the Units. Unit Owner shall include a purchaser under a contract for the conveyance of real property, a contract for deed, a contract to convey, an agreement for sale or any similar contract through which a Seller has conveyed to a purchaser equitable title in a Unit under which the seller is obligated to convey to the purchaser the remainder of seller's title in the Unit, whether legal or equitable, on payment in full of all monies due under the contract. Unit Owner shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contract which are intended to control the rights and obligations of the parties to executory contracts pending the closing of a sale or purchase transaction. In the case of Units the fee simple title to which is vested in a trustee pursuant to Arizona Revised Statutes, Section 33-801, et seq., the Trustor shall be deemed to be the Unit owner. In the case of Units, the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the Unit shall be deemed to be the Unit Owner.

# SUBMISSION OF PROPERTY; UNIT BOUNDARIES; ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND COMMON EXPENSE LIABILITIES

2. <u>Submission of Property</u>. The real property described on Exhibit "A" attached to this Declaration and Plat, including 4 // Units, together with all improvements, easements, rights and appurtenances thereto, is hereby submitted to a Condominium in accordance with the provisions of the Condominium Act. The Identifying Numbers of the Units are 101/102/103/ahd/104.

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# 2.1 Unit Boundaries

(A) The Boundaries of each Unit or Garage are the interior finished surfaces of the exterior perimeter walls; the floor and ceiling of the Unit or Garage and the interior party wall to a depth equal to one-half of its width. All lath, furring, wallboard, plasterboard, plaster, stucco, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the interior surfaces are a part of the Unit or Garage.

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- (B) If any chute, flue, duct, wire, conduit, bearing wall, bearing column, heating or air conditioning unit or apparatus or other fixture lies partially within and partially outside the boundaries of a Unit, any portion serving only that Unit is a Limited Common Element allocated solely to that Unit and any portion serving more than one Unit is a part of the Common Elements.
- (C) Subject to the provisions of subsection (B) of this section, all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are part of the Unit.
- (D) Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, entryways, or patios, and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside of the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.
- 2.2 <u>Allocation of Common Element Interest, Votes and Common Expense Liabilities.</u>
  The undivided interests in the Common Elements and in the Common Expenses of the Association shall be allocated equally among the Units.
- 2.3 <u>Allocation of Votes in the Association.</u> The votes in the association shall be allocated equally among all the Units with each Unit having one (1) vote.

# 2.4 Allocation of Limited Common Elements.

- (A) The following portions of the Common Elements are Limited Common Elements and are allocated to the exclusive use of one Unit as follows:
- (i) Any gas or electric meter which serves only one Unit is allocated to the Unit which it serves;
- (ii) Each Unit is allocated those portions of the Common Elements designated as Limited Common Elements in Sections 2.1 (B) and (D) of this Declaration that serve the Unit.
- (B) A Limited Common Element may be reallocated by an amendment to this Declaration made in accordance with the provisions of Section 33-1218(B) of the Condominium Act.
- (C) A Common Element not previously allocated as a Limited Common element may be allocated as a Limited Common Element by an amendment to the Declaration.
- (D)/// ltd /ltd/ event a/Unit /Crynner/does /not /ox/n/ a /Crafage/ /such /Unit/ shall/be/ allocared/a/covered/parking space as a Linnited/Common.Element/

#### ARTICLE 3

#### **EASEMENTS**

3. <u>Utility Easement</u>. There is hereby created an easement upon, across, over and under the Common Elements for reasonable ingress, egress, installation, replacement, repair or maintenance of all

utilities, including, but not limited to, gas, water, sewer, telephone, cable television, communication systems and electricity.

3.1 Easements for Ingress and Egress. There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes that from time to time may exist upon the Common Elements. There are also created easements for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes, except that such easements shall not extend to any Limited Common Elements. Such easements shall run in favor of and be for the benefit of the Unit Owners and occupants of the Units and their guests, families, tenants and invitees.

# 3.2 Unit Owners' Easements of Enjoyment.

- (A) Declarant shall have the right and an easement to maintain sales or leasing offices, management offices and models throughout the Condominium and to maintain one or more advertising or sales signs on the Common Elements for such period as the Declarant shall deem appropriate. Declarant reserves the right to place models, management offices and sales and leasing offices in any Units owned by Declarant and on any portion of the Common Elements in such number, of such size and in such locations as Declarant deems appropriate.
- (B) Declarant may from time to time relocate models, management offices and sales and leasing offices to different locations within the Condominium.
- (C) So long as Declarant is marketing Units in the Condominium, Declarant shall have the right to restrict the use of the parking spaces which are not allocated as Limited Common Elements. Such right shall include reserving such spaces for use by prospective Unit purchasers, Declarant's employees and others engaged in sales, leasing, maintenance, construction or management activities.
- (D) The Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Condominium that has not been represented as property of the Association. The Declarant reserves the right to remove from the Condominium any and all goods and improvements used in development, marketing and construction, whether or not they become fixtures.

# 3.4 Declarant's Easements.

- (A) Declarant shall have the right and an easement on and over the Common Elements to construct the Common Elements and the Units shown on the Plat and all other buildings and improvements the Declarant may deem necessary and to use the Common Elements and any Units owned by Declarant for construction or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Condominium.
- (B) Declarant shall have the right and an easement on, over and under those portions of the Common Elements and Limited Common Elements not located within the Buildings for the purpose of maintaining and correcting drainage of the surface, roof or storm water. The easement

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created by this Subsection expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil or to take any other action reasonably necessary.

- (C) During the Period of Declarant Control and for a period of two (2) years thereafter the Declarant shall have an easement through the Units for any access necessary to complete any renovations, warranty work or modifications to be performed by Declarant.
- (D) The Declarant shall have the right and an easement on, over, and through the Common elements as may be reasonably necessary for the purpose of discharging his obligations and exercising Special Declarant Rights whether arising under the Condominium Act or reserved in this Declaration.
- 3.5 <u>Easement for Support</u>. To the extent necessary, each Unit shall have an easement for structural support over every other Unit in the Building, the Common Elements and the Limited Common Elements, and each Unit and the Common Element shall be subject to an easement for structural support in favor of every other Unit in the Building, the Common Elements and the Limited Common Elements.
- 3.6 <u>Common Elements Easement in Favor of Unit Owners</u>. The Common Elements and Limited Common Elements shall be subject to the following easements in favor of the Units benefited:
- (A) For the installation, repair, maintenance, use, removal or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or serve any Unit and which pass across or through a portion of the Common Elements or Limited Common Elements.

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- (B) For the installation, repair, maintenance, use, removal or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of a Common Element or Limited Common Element adjacent to such Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building, or impair or structurally weaken the Building.
- (C) For the maintenance of the encroachment of any lighting devices, outlets, medicine cabinets, exhaust fans, ventilation ducts, registers, grills and similar fixtures which serve only one Unit but which encroach into any part of the Common Elements.
- (D) For the performance of the Unit Owner's obligation to maintain, repair, replace and restore those portions of the Limited Common Elements that the Unit Owner is obligated to maintain under Section 5.1 (B) of this Declaration.
- 3.7 <u>Easement for Encroachments</u>. To the extent that any Unit or Common Element encroaches on any other Unit or Common Element as a result of original construction, shifting or settling or alteration or restoration authorized by this Declaration, a valid easement for the encroachment, and for the maintenance thereof, exists.

### USE AND OCCUPANCY RESTRICTIONS

- 4. <u>Single Family Residential Use</u>. Each Unit and Limited Common Element shall be used, improved and devoted exclusively to residential use by a Single Family. No gainful occupation, profession, trade or other nonresidential use shall be conducted on or in any Unit or Limited Common Elements, but a Unit Owner may maintain his own personal professional library in his Unit, keep his personal business or professional records or accounts in his Unit, or handle his personal business calls or correspondence from his Unit.
- 4.1 <u>Solar and Radio/Television Signal Collection Devices</u>. No Solar collection or energy device or equipment, including without limitation, solar water heaters, solar electrical generation units or solar ovens or cooking devices, may be placed on or located on, upon or about a Unit or the roof or walls thereof or on, upon or about the Limited Common Elements if the same is or shall be Visible from Neighboring Property, nor shall any so-called "satellite dish" or television or radio reception device, including, without limitation, antennas, aerials or other form of collectors, nor any telescope or other like optical device, be placed or located on, upon or about a Unit or the roof or walls thereof, or on, upon or about the Limited Common Elements if the same is or shall be Visible from Neighboring Property, without the advance written consent of the owner of the Adjacent Unit.
- 4.2 <u>Utility Service</u>. Except for lines, wires and devices existing on the Condominium as of the date of this Declaration, and maintenance and replacement of the same, no lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be erected, placed or maintained anywhere in or upon the Condominium unless they are contained in conduits or cables installed and maintained underground or concealed in, under or on Buildings or other structures approved by the owner of the Adjacent Unit. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of Buildings or structures approved by the owner of the Adjacent Unit.

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- 4.3 <u>Improvements and Alterations</u>. Any Unit Owner may make nonstructural additions, alterations and improvements within the interior of his Unit without the prior written approval of other Owners any damage to the other Unit and to the Common Elements which results from any such alterations, additions or improvements. No Person shall make any structural additions, alterations or improvements within a Unit, or modify the color or texture of any exterior part of his Unit unless prior to the commencement of each addition, alteration, improvement, or modification, the Unit Owner receives the prior written approval of the Owner of the Adjacent Unit. The Unit Owner shall, to the extent required by Arizona law, be responsible for any damage to Other Units and to the Common Elements which results from any such additions, alterations or improvements.
- 4.4 <u>Trish Containers and Collection</u>. No garbage or trash shall be placed or kept on the Condominium except in covered containers of a type, size and style which are approved by the Town of Fountain Hills. No incinerators shall be kept or maintained in any Unit.

- 4.5 <u>Machinery and Equipment</u>. No machinery or equipment of any kind shall be placed, operated or maintained upon the Condominium except such machinery of equipment as is usual and customary in connection with the use, maintenance or construction of buildings, improvements or structures which are within the permitted uses of such property, and except that which Declarant or the Association may require.
- 4.6 <u>Clothes Drying Facilities</u>. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on the Condominium
- 4.7 <u>Mineral Exploration</u>. No portion of the Condominium shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.
- 4.8 <u>Diseases and Insects</u>. No Unit Owner shall permit any thing or condition to exist upon the Condominium which could induce, breed or harbor infectious plant diseases or noxious insects.
- 4.9 <u>Motor Vehicles</u>. Except for emergency repairs, no automobile, motorcycle, motorbike or other motor vehicle shall be constructed, reconstructed, serviced or repaired on any portion of the Condominium so as to be Visible from Neighboring Property, and no inoperable vehicle may be stored or parked on any portion of the Condominium so as to be Visible from Neighboring Property, and no inoperable vehicle may be stored or parked on any portion of the Condominium so as to be Visible from Neighboring Property.
- 4. 10 <u>Lawful Use</u>. No immoral, improper, offensive, or unlawful use shall be made of any part of the Condominium. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over the Condominium shall be observed. Any violation of such laws, zoning ordinances or regulations shall be a violation of this Declaration.
- 4.11 <u>Nuisances and Offensive Activity</u>. No nuisance shall be permitted to exist or operate upon the Condominium, and no activity shall be conducted upon the Condominium which is offensive or detrimental to any portion of the Condominium or any Unit Owner or other occupant of the Condominium. No exterior speakers, horns, whistles, bells or other sound devices, except security or other emergency devices used exclusively for security or emergency purposes, shall be located, used or placed on the Condominium.
- 4.12 Applicability of the Fountain Hills Restrictions. The Condominium is encumbered by those certain Restrictions entitled "Declaration of Reservations, Fountain Hills, Arizona, Final Plat No. 101" at docket 8821, pages 72-120, on July 15, 1971 (the "Plat 101 Declarations") in the Maricopa County Recorder's Office. The Plat 10 1 Declaration establishes a Committee of Architecture for all areas of Fountain Hills having declarations which, by their language, are made subject to the Fountain Hills Committee of Architecture. The Condominium is hereby made subject to the jurisdiction of the Fountain Hills Committee of Architecture and to its rules of architecture. All owner, Members, Lessees, and others in the Condominium shall comply with the requirements of the Fountain Hills committee of Architecture and with the Architectural Committee established by this Declaration. If one or more of said architectural committees has rules or requirements which conflict, the more (or most) restrictive set of rules or requirements shall govern.

# MAINTENANCE AND REPAIR OF COMMON ELEMENTS AND UNITS

5. <u>Duties of the Association</u>. The Association shall have such duties and perform such functions as the Unit Owners shall jointly determine.

# 5.1 Duties of Unit Owners

- (A) Each Unit Owner shall maintain, replace and restore, at his own expense, all portions of his Unit, subject to the Condominium Documents.
- (B) Each Unit Owner shall be responsible for the maintenance and repair of the Limited Common Elements allocated to his Unit pursuant to Sections 2.1 or 2.4 of this Declaration. In the event of any failure of the Association to maintain the Common Elements, each Unit Owner shall be obligated to maintain the Common Elements comprising the real property contiguous to his Unit which is the real property which would be described by extending both ends of the line constituting the boundary between Adjoining Units to the legal limits of the property described on the Plat so as to divide the Common Elements approximately in half.
- 5.2 Repair or Restoration Necessitated By Owner. Each Unit Owner shall be liable to the Association and to the owner of the Adjoining Unit, to the extent provided for by Arizona law, for any damage to the Common Elements or the improvements, landscaping or equipment thereon which results from the negligence or willful conduct of the Unit Owner. The cost to the Association or to the Adjoining Unit Owner of any such repair, maintenance, or replacements required by such act of a Unit Owner shall be paid by the Unit Owner, upon demand, to the Association or to the Adjoining Unit Owner as the case may be. The Association or the Adjoining Unit Owner may enforce collection of any such amounts in any lawful manner.

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#### ARTICLE 6

# THE ASSOCIATION; RIGHTS AND DUTIES, MEMBERSHIP

6. Rights Powers and Duties of the Association. No later than the date on which the first Unit is conveyed to a purchaser, the Association shall be organized as a nonprofit Arizona corporation. The Association shall be the entity through which the Unit Owners shall act. The Association shall have such rights, powers, and duties as are prescribed by law and as are set forth in the Condominium Documents together with such rights, powers and duties as may be reasonably necessary in order to effectuate the objectives and purposes of the Association as set forth in this Declaration and the Condominium Act. Documents or the Condominium Act specifically require a vote of the Members, approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board.

# 6.1 <u>Directors and Officers.</u>

- (A) During the Period of Declarant Control, the Declarant shall have the right to appoint and remove the members of the Board of Directors and the officers of the Association who do not have to be Unit Owners.
- (B) Upon the termination of the Period of Declarant Control, the Unit Owners shall elect the Board of Directors which must consist of at least two members, both of whom must be Unit Owners. The Board of Directors elected by the Unit Owners shall then elect the officers of the Association.
- (C) The Declarant may voluntarily surrender his right to appoint and remove the members of the Board of Directors and the Officers of the Association before termination of the Period of Declarant Control, and in that event the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or the Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.
- 6.2 Rules. The Board of Directors, from time to time and subject to the provisions of this Declaration and the Condominium Act, may adopt, amend, and repeal rules and regulations. The Rules may, among other things, restrict and govern the use of any area by any Unit Owner, by the family of such Unit Owner, or by any invitee, licensee or lessee of such Unit Owner; provided, however, that the Rules may not unreasonably discriminate among Unit owners and shall not be inconsistent with the Condominium Act, this Declaration, the Articles or Bylaws. A copy of the Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Unit Owner and may be recorded.
- 6.3 Architectural Committee. The Board of Directors shall establish an Architectural Committee consisting of not less than two (2) members appointed by the Board of Directors to regulate the external design, appearance, use and maintenance of the Condominium and to perform such functions and duties as are imposed upon it by the Condominium Documents or by the Board of Directors.
- 6.4 <u>Composition of Members</u>. Each Unit Owner shall be a Member of the Association. The membership of the Association at all times shall consist exclusively of all Unit Owners.

## **ARTICLE 7**

#### ASSESSMENTS

7.1 <u>Common Expense Assessment</u>. For each fiscal year of the Association commencing with the fiscal year in which the first unit is conveyed to a Purchaser, the total amount of the estimated Common Expenses set forth in the budget adopted by the Board of Directors shall be assessed, if at all, against each Unit in proportion to the Unit's Common Expense Liability as set forth in Section 2.2 of this Declaration.

7.2. Subordination of Assessment Lien to Mortgages. Any Assessment Lien shall be subordinate to the Hen of any First Mortgage. Any First Mortgage or any other party acquiring title or coming into possession of a Unit through foreclosure of a First Mortgage, purchase at a foreclosure sale or trustee sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title free and clear of any claims for unpaid Assessments, monetary penalties and other fees and charges against the Unit which became payable prior to such sale or transfer. Any delinquent Assessments, monetary penalties and other fees and charges which are extinguished pursuant to this Section may be reallocated and assessed to all Units as a Common Expense. Any Assessments, monetary penalties and other fees and charges against the Unit which accrue prior to such sale or transfer shall remain the obligation of the defaulting Unit Owner.

#### ARTICLE 8

#### INSURANCE

- 8. <u>Scope of Coverage</u>. Commencing not later than the date of the first conveyance of a Unit to a purchaser, the Association shall maintain, to the extent reasonably available, the following insurance coverage:
- (A) Property insurance on the Common Elements, Units and Garages, exclusive of improvements and betterments installed in Units and Garages by Owners, issued under a standard form "All Risk of Direct Physical Loss Form" in an amount equal to the maximum insurable replacement value of the Common Elements, Units and Garages, as determined by the Board of Directors; provided, however, that the total amount of insurance after application of any deductibles shall not be less than one hundred percent (100%) of the current replacement cost of the insured property, exclusive of land, excavations, foundations and other items normally excluded from a property insurance policy.
- (B) Broad Form Comprehensive General Liability Insurance, for a limit to be determined by the Board, but not less than \$1,000,000.00 for any single occurrence. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements. Such policy shall include (i) a cross liability clause to cover liabilities of the Unit owners as a group to a Unit Owner, (ii) medical payments insurance and contingent liability coverage arising out of the use of hired and non-owner automobiles, and (iii) coverage for any legal liability that results from lawsuits related to employment contracts in which the Association is a party.
- (C) Workmen's compensation insurance to the extent necessary to meet the requirements of the laws of Arizona.
- (D) Directors' and officers' liability insurance covering all the directors and officers of the Association in such limits as the Board of Directors may determine from time to time.
- (E) Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association or the Unit Owners.

# RIGHTS OF FIRST MORTGAGEES

- 9. <u>Notification to First Mortgagees</u>. Upon receipt by the owner of a Unit of a written request from a First Mortgagee or insurer or governmental guarantor of a first Mortgage informing the owner of its correct name and mailing address and number or address of the Unit to which the request relates, the Owner shall provide such Eligible Mortgage Holder or Eligible Insurer or Guarantor with timely written notice of the following:
- (A) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor;
- (B) Any delinquency in the payment of Assessments or charges, if any, owed by a Unit Owner subject to a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor or any other default in the performance by the Unit Owner of any obligation under the Condominium Documents, which delinquency or default remains uncured for the period of sixty (60) days;
- (C) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (D) Any proposed action which requires the consent of a specified percentage of Eligible Mortgage Holders as set forth in Section 9.1 of this Declaration.
  - 9.1 Approval Required for Amendment to Declaration, Articles or Bylaws.
- (A) The approval of Eligible Mortgage holders holding First Mortgages on Units the Unit Owners of which have one hundred percent (100%) of the votes in the Association allocated to Unit owners of all Units subject to First Mortgages held by Eligible Mortgage Holders shall be required to add or amend any material provisions of the Declaration, Articles or Bylaws which establish, provide for, govern or regulate any of the following:
  - (i) Voting rights;
  - (ii) Assessments, assessment liens or subordination of assessment

liens;

(iii) Reserves for maintenance, repair and replacement of Common

Elements:

- (iv) Insurance or fidelity bonds;
- (v) Responsibility for maintenance and repairs of Common Elements;

- (vi) Expansion or contraction of the Condominium, or the addition or annexation of property to the Condominium;
  - (vii) Boundaries of any Unit;
- (viii) Reallocation of interests Limited Common Elements or Limited Common Elements or right to their use;
- (ix) Convertibility of Units into Common Elements or of Common Elements into Units;
  - (x) Leasing of Units;
- (xi) Imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit;
- (xii) A decision by the Association to establish self management when professional management had been required previously by an Eligible Mortgage Holder,
- (xiii) Restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;
- (xiv) Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs;
- (xv) Any provisions which expressly benefit First Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors.
- (B) Any action to terminate the legal status of the Condominium for reasons other than substantial destruction or condemnation of the Condominium must be approved by Eligible Mortgage Holders holding mortgages on Units the Unit Owners of which have at least one hundred percent (I 100% of the votes in the Association allocated to Unit owners of all Units subject to First Mortgages held by Eligible Mortgage Holders.
- (C) Any First Mortgagee who receives a written request to approve additions or amendments to the Declaration, Articles or Bylaws, which additions or amendments are not material, who does not deliver or mail to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request. Any addition or amendment to the Declaration, Articles or bylaws shall not be considered material if it is for the purpose of correcting technical errors or for clarification only.

- (D) The approvals required by this Section shall not apply to amendments that may be executed by the Declarant in the exercise of its Development Rights.
- 9.2 <u>Prohibition Against Right of first Refusal</u>. The right of Unit Owners to sell, transfer or otherwise convey his Unit shall not be subject to any right of first refusal or option to purchase or similar restriction.
- 9.3 Right of Inspection of Records. Any Unit Owner, First Mortgagee or Eligible Insurer or Guarantor will, upon written request, be entitled to (i) inspect the current copies of the Condominium Documents and the Books, records and financial statements of the Association during normal business hours, (ii) receive within ninety (90) days following the end of any fiscal year of the Association, an audited financial statement of the Association for the immediately preceding year of the Association, free of charge to the requesting party, and (iii) receive written notice of all meetings of the Members of the Association and be permitted to designate a representative to attend all such meetings.
- 9.4 <u>Prior Written Approval of First Mortgagees</u>. Except as provided by statue in case of condemnation or substantial loss to the Units or the Common Elements, unless at least on hundred percent (I 100%) of all First Mortgagees (based upon one vote for each First Mortgage owned) or Unit Owners (other than the Declarant or other sponsor, developer or builder of the Condominium) of the Units have given their prior written approval, the Association shall not be entitled to:
- (A) By act or omission, seek to abandon or terminate this Declaration or the Condominium;
- (B) Change the pro-rata interest or obligations or any individual Unit for the purpose of: (i) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro-rata share of ownership of each Unit in the Common Elements;
  - (C) Partition or subdivide any Unit;
- (D) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this Subsection;
- (E) Use hazard insurance proceeds for losses to any Units or the Common Elements for any purpose other than the repair, replacement or reconstruction of such Units or the Common Elements.

Nothing contained in this Section or any other provision of this Declaration shall be deemed to grant the Association the right to partition any Unit without the consent of the Owners thereof Any partition of a Unit shall be subject to such limitations and prohibitions as may be set forth elsewhere in this Declaration or as provided under Arizona law.

- 9.5 <u>Liens Prior to First Mortgage</u>. All taxes, assessments, and charges which may become liens prior to the First Mortgage under local law shall relate only to the individual Unit and not to the Condominium as a whole.
- 9.6 <u>Condemnation or Insurance Proceeds</u>. No Unit Owner, or any other party, shall have Priority over any rights of any First Mortgagee of the Unit pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or common Elements.
- 9.7 <u>Limitation on Partition and Subdivision</u>. No Unit shall be partitioned or subdivided without the prior written approval of the holder of any First Mortgage on such Unit.
- 9.8 Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Article and any other provision of the Condominium Documents, the provisions of this Article shall prevail; provided, however, that in the event of any conflict or inconsistency between the different Sections of this Article or between the provisions of this Article any other provision of the Condominium Documents with respect tot he number or percentage of Unit Owners, First Mortgagees Eligible Mortgage Holders or Eligible Insurers or Guarantors that must consent to (i) an amendment of the Declaration, Articles or Bylaws, (ii) a termination of the Condominium, or (iii) certain actions of the Association as specified in Sections 9.1 and 9.4 of this Declaration, the provision requiring the consent of the greatest number or percentage of Unit Owners, First Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors shall prevail; provided, however, that the Declarant, without the consent of any Unit Owner or First Mortgagee being required, shall have the right to amend this Declaration, the Articles or the Bylaws in order to comply with (i) the Condominium Act, (ii) the requirements or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or (iii) the rules or requirements of any federal, state or local governmental entity or agency whose approval of the Condominium, the Plat or the Condominium Documents is required by law or requested by the Declarant.

## GENERAL PROVISIONS

10. <u>Enforcement</u>. The Association, or any Unit Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Condominium Documents. Failure by the Association or by any Unit Owner to enforce any covenant or restriction contained in the Condominium documents shall in no event be deemed a waiver of the right to do so thereafter. In the event the Association should fail to exercise any of its rights set forth herein with respect to the Owner of a Unit, the Owner of the Adjacent Unit may exercise such right. In the event the Owner of either Unit becomes dissatisfied with the manner in which the Association is maintaining the Common Elements, such Owner may, by written notice to the owner of the other Unit, elect to require that the Owner of each Unit assume responsibility for the maintenance of the Common Elements contiguous to his Unit.

- 10.1 <u>Severability</u>. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.
- 10.2 <u>Duration</u>. The covenants and restrictions of this Declaration shall run with and bind the Condominium, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

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10.3 <u>Termination of Condominium</u>. The Condominium may be the manner provided for in the Condominium Act.

## 10.4 Amendment

- (A) Except in cases of amendments that may be executed by a Declarant in the exercise of its Development Rights under Section 33,1220 of the Condominium Act, by the Association under Section 3 3.1206 or 3 3.1216(D) of the Condominium Act, or by certain Unit Owners under Section 33.1218(B), Section 33-1222, Section 33-1223 or Section 33-1228(B) of the Condominium Act, the Declaration, including the Plat, may be amended only by a vote of the Unit Owners to which at least one hundred percent (100%) of the votes in the Association are allocated.
- (B) Except to the extent expressly permitted or required by the Condominium Act, an amendment to the Declaration shall not create or increase Special Declarant Rights, increase the number of Units or change the boundaries of any Unit, the allocated interest of a Unit, or the use as to which any Unit is restricted, in the absence of unanimous consent of the Unit Owners.

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- (C) An amendment to the Declaration shall not terminate or decrease any unexpired Development right, Special Declarant Right or Period of Declarant Control unless the Declarant approves the amendment in writing.
- (D) During the period of Declarant Control, the Declarant shall have the right to amend the Declaration, including the Plat, to comply with (i) the Condominium Act, (ii) the rules or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments, including without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, or (ii) the rules or requirements of any federal, state, or local governmental entity or agency whose approval of the Condominium, the Plat or the Condominium Documents required by law or requested by the Declarant.
- (E) During the Period of Declarant Control, the Declarant shall have the right to amend the Declaration or the Plat to comply with the applicable law or to correct any error or inconsistency in the Declaration or the Plat if the amendment does not adversely affect the right of any Unit Owner.
- (F) Any amendment adopted by the Unit Owners pursuant to Subsection (A) above shall be signed by the President or Vice President of the Association or by both of the Unit Owners and shall be recorded with the County Recorder of each County in which any portion of the Condominium is located. Any such amendment by the Declarant pursuant to Subsection (D) or (E) of

this Section shall be executed by the Declarant and shall be recorded with the County Recorder of each County in which any portion of the Condominium is located.

- 10.5 <u>Remedies Cumulative</u>. Each remedy provided herein is cumulative and not exclusive.
- given or served under this Declaration shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by United States mail, postage prepaid, return receipt requested, addressed as follows: (i) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and filed with the Association or, if no address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Association, the Declarant, or the Architectural Committee, to the Unit Owners pursuant to this Section. A Unit Owner may change his address on file with the Association for receipt of notices by delivering a written notice of change of address to the Association pursuant to this Section. A notice given by mail, whether regular, certified or registered, shall be deemed to have been received by the person to whom the notice was addressed on the earlier of the date the notice is actually received or three (3) days after the notice is mailed. If a Unit is owned by more than one person, notice to one of the Unit owners shall constitute notice to all Unit Owners of the same Unit. Each Unit Owner shall file his correct mailing address with the Association, and shall promptly notify the Association in writing of any subsequent change of address.
- Binding Effect. By acceptance of a deed or by acquiring any ownership interest in any portion of the Condominium, each person or entity, for himself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees, and assigns, to all of the provisions, restrictions, covenants, rules and regulations now or hereafter imposed by the Condominium Documents and any amendments thereof In addition, each such person by so doing thereby acknowledges that the Condominium Documents set forth a general scheme for the improvement and development of the real property covered thereby and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained in the Condominium Documents shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees and transferees thereof Furthermore, each such person fully understands and acknowledges that the Condominium Documents shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Unit Owners. Declarant, its successors, assigns and grantees, covenants and agrees that the Units and the membership in the Association and the other rights created by the Condominium Documents shall not be separated or separately conveyed, and each shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.
- 10.8 <u>Gender</u>. The singular, whenever used in this Declaration, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions of this Declaration apply either to corporations or individuals, or men or women, shall in all cases be assumed as though in each case fully expressed.
- 10.9 <u>Topic Headings</u>. The marginal or topical headings of the sections contained in this Declaration are for convenience only and do not define, limit or construe the contents of the sections or of this Declarations.

- 10.10 <u>Survival of Liability</u>. The termination of membership in the Association shall not relieve or release any such former owner or Member from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership or membership, or impair any rights or remedies which the Association may have against such former owner or member arising out of, or in any way connected with, such ownership or membership and the covenants and obligations incident thereto.
- 10.11 <u>Construction</u>. In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and the Articles, Bylaws, Association Rules or Architectural Committee Rules, the Provisions of this Declaration shall prevail.
- 10.12 <u>Joint and Several Liability</u>. In the case of joint ownership of a Unit, the liabilities and obligations of each of the Joint Unit Owners set forth in, or imposed by, the Condominium Documents shall be joint and several.
- 10.13 <u>Guest and Tenants</u>. Each Unit Owner shall, to the extent permitted by Arizona law, be responsible for compliance by his agents, tenants, guest, invitees, licensees and their respective servants, agents, and employees with the provisions of the Condominium.

Documents. A Unit Owner's failure to insure compliance by such persons shall be grounds for the same action available to the Association or any other Unit Owner by reason of such Unit Owner's own noncompliance.

10.14 Attorney's Fees. In the event the Declarant, the Association or any Unit Owner employs an attorney or attorneys to enforce a lien or to collect any amounts due from a Unit Owner or to enforce compliance with or recover damages for any violation or noncompliance with the Condominium Documents, the prevailing party in any such action shall be entitled to recover from the other party their reasonable attorneys' fees incurred in the action.

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- 10.15 Number of Days. In computing the number of days for purposes of any provision of the Condominium Documents, all days shall be counted including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or holiday.
- 10.16 Declarant's Right to Use Similar Name. The Association hereby irrevocably consents to the use by any other nonprofit corporation which may be formed or incorporated by Declarant of a corporate name which is the same or deceptively similar to the name of the Association provided one or more words are added to the name of such other corporation to make the name of the Association distinguishable from the name of such other corporation. Within five (5) days after being requested to do so by the Declarant, the Association shall sign such letters, documents or other writings as may be required by the Arizona Corporation Commission in order for any other nonprofit corporation formed or incorporated by the Declarant to use a corporate name which is the same or deceptively similar to the name of the Association.
- 10.17 <u>Notice of Violation</u>. The Association shall have the right to record a written notice of a violation by any Unit owner of any restriction or provision of the Condominium Documents. The notice shall be executed and acknowledged by an officer of the Association and shall contain

substantially the following information: (i) the name of the Unit Owner, (ii) the legal description of the Unit against which the notice is being recorded; (iii) a brief description of the nature of the violation; (iv) a statement that the notice is being recorded by the Association pursuant to this Declaration, and (v) a statement of the specific steps which must be taken by the Unit Owner to cure the violation. Recordation of a Notice of Violation shall serve as a notice to the Unit Owner and to any subsequent purchaser of the Unit that there is a violation of the provisions of the Condominium Documents. If, after the recordation of such notice, it is determined by the Association that the violation referred to in the notice does not exist or that the actual violation referred to in the notice has been cured, the Association shall record a notice of compliance which shall state the legal description of the Unit against which the Notice of Violation was recorded, and shall state that the violation referred to in the Notice of Violation has been cured, or if such be the case, that it did not exist.

10.18 <u>Arbitration</u>. Should a dispute arise between Unit Owners, the one Unit Owner will serve written notice to the other of the violation. The owners will be given a twenty-one day period of time to settle the dispute prior to the matter being referred to a Board of Arbitration agreeable to both parties, or in the event the parties cannot agree then an arbitrator or Board of Arbitration selected by the presiding judge of the Maricopa County Superior Court. The decision by the arbitrator or any Board of Arbitration will be binding on both parties and complied with within a thirty day period of time.

Arbitration will be binding on both	parties and complied with within a thirty day period of time.
	the Declarant has executed this Declaration on this 1 st day of
	MOHIO TRUST, L.L.C, an Arizona Limited Liability Co.  RAW / YIEM # / CON JOIN I WAS / JUNG /
	Moleolar S. Mattera
STATE OF ARIZONA )	May Ebilit / Matheson Statutety Nagetic  Malcoln K. Matheson, Managing Member
County of Maricopa )	SS.
The foregoing instrument will have been 1999 by Malcolm K. Matheson	as acknowledged before me this day of
JUDEE L GREEN NOTARY PUBLIC ARIZOMA MARICOPA OGENTY My Comm. Books. Jul. 29, 2001	Judge & Street
My Commission Expires:	V Notary Fuoric

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STATE OFARIZONA)
County of MARICOPA ) ss.
The foregoing instrument was acknowledged before me this day of
19 99 , by Malcolm K. Matheson, Managing Member
of Ohio Trust, L.L.C., an Arizona Limited Liability Co.
My commission expires:
OFFICIAL SEAL DONNA FRISCH NOTARY PUBLIC-ARIZONA MARICOPA COUNTY My Comm. Expires Oct. 16, 2001
ST-381 (5/89) RDC90

## EXHIBIT "A"

Units 1, 2, 3 and 4, RIO VISTA CONDOMINIUMS, according to Declaration of Condominium recorded in Document No. 990826428 and plat recorded in Book 436 of Maps, page 34, records of Maricopa County, Arizona.

Except all minerals as reserved unto the United States of America in Patent of said land recorded in Docket 1839, page 426, records of Maricopa County, Arizona; and

Except all underground water and water rights appurtenant thereto, and except all gas, oil, coal and minerals whatsoever, as reserved in Deed recorded in Docket 10706, page 565, records of Maricopa County, Arizona.





