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C/O J C HARRY & ASSOCIATES
5995 E GRANT RD RD #200
TUCSON AZ 85712

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GRANTEE: RESTRICTION

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RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR ROSEMONT REGENCY ASSOCIATION

This Restated Declaration is made this 15th day of January, 1990, by Rosemont Regency Home Owners Association, its successors and assigns ("Declarant").

RECITALS

WHEREAS, a Declaration of Covenants, Conditions, and Restrictions ("the CCR's") was recorded in the records of the Pima County Recorder at Docket 6125, pages 1341, et seq., against the property described as:

Lots 1 through 54 and Common Areas A, B, and C within the Rosemont Regency Subdivision Plat recorded in book 31 of Maps and Plats at page 43 in the office of the Recorder of Pima County, Arizona;

WHEREAS, the CCR's were amended as set forth in the records of the Pima County Recorder at Docket 6832, pages 198, et seq.,

WHEREAS, Declarant desires to amend and fully restate the covenants, conditions, and restrictions applied to the property,

NOW THEREFORE, pursuant to Declarant's right as stated in paragraph 31 of the CCR's, Declarant hereby restates the CCR's and declares that the property and each of the lots thereon are and will be held, sold and conveyed subject to the following easements, covenants, conditions and restrictions, which constitute a general scheme for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the property.

This Restated Declaration ("Declaration") shall run with the land and is hereby declared to inure to the benefit of and to bind the property and the owners thereof, their heirs, assigns, successors, grantees, and lessees.

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ARTICLE I
Definitions

Section 1: "Association" shall mean Rosemont Regency Home Owners Association, a non-profit corporation organized under the laws of the state of Arizona.

Section 2: "Board" shall mean the Board of Directors of the Association.

Section 3: "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 4: "Articles" shall mean the Articles of Incorporation for the Association as recorded and amended with the Arizona Corporation Commission.

Section 5: "By-Laws" shall mean the by-laws of the Association as recorded and amended with the Arizona Corporation Commission.

Section 6: "Rules" shall mean the Rules and Regulations adopted by the Board from time to time.

Section 7: "Owner" or "owners" shall mean the owner or owners of record title to each lot or a portion of any lot. The term "owner" shall be deemed to include a contract purchaser who is entitled to possession of a lot under the terms of a recorded contract for the sale of real estate and to exclude the holder of the vendor's interest to such a contract.

Section 8: "Property", "subdivision" and "plat" shall mean the real property described as Lots 1 through 54 and Common Areas A, B, and C within the Rosemont Regency Subdivision Plat recorded in book 31 of Maps and Plats at page 43 in the office of the Recorder of Pima County, Arizona.

Section 9: "Mortgage" shall mean any mortgage, deed of trust or other recorded security instrument by which a dwelling unit or any part thereof is encumbered, and the term "first mortgagee" or mortgagee shall mean the holder of any mortgage under which the interest of any owner is encumbered and which mortgagee has first and paramount priority, subject only to the lien of general or ad valorem taxes and assessments.

Section 10: "Declarant" shall share the same meaning as "Association."

Section 11: "Improvement" or "improvements" shall mean any and all alterations of the land and exterior modifications existing structures, including but not limited to, guest houses, swimming pools, walls, fencing, and landscaping, whether intended to be temporary or permanent. It shall also include all construction, modification, or acts upon exterior structures whether for maintenance or for alterations of color or other aesthetic effect.

Section 12: " Building site" shall mean that portion of any lot upon which a structure designated to be a residence may be constructed.

Section 13: "Common area" shall mean all real property owned by the association for the common use and enjoyment of the members of the association, including but not limited to, Common areas A, B and C of the property described in Section 4 of this article.

Section 14: "Common facilities" shall mean all improvements located on the common area.

Section 15: "Common wall" shall mean each wall which is constructed as a part of the original construction and part of which is placed on a dividing line between separate lots or within twelve (12) inches of the lot line and substantially parallel thereto.

Section 16: "Lot" shall mean any lot shown on the plat as defined in Section 8 above.

ARTICLE II Homeowners Association

Section 1: Association. The Association shall be a non-profit corporation of the State of Arizona. The affairs of the association shall be conducted by the Board. The officers and members of the Board shall not be liable to the association or owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith.

1.1 It is anticipated that residential dwelling units will be constructed on Lots 1 to 54, inclusive, and that the ownership of individual units will be evidenced by a deed to the lot upon which each such unit is situated. Any action necessary or appropriate to the proper maintenance, safety, control and upkeep of all or any of the common elements, and any action necessary or appropriate to the maintaining of, if provided, central television antenna and cable systems to the lots, security or guard services for the premises or any portion thereof, streets, common areas, swimming pools and other recreational facilities, shall be taken

through the Association. Except for the purposes of filling vacancies in the Board, a majority of the whole Board shall constitute a quorum for the transaction of business at any meeting. Any act of a majority of the directors present at any meeting at which a quorum shall be present shall be the act of the Board. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given, other than by announcement at the meeting at which such adjournment shall be taken. The Board may hold its meetings at such place or places within Pima County as the Board from time to time may determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

1.2 The Association shall pay all ad valorem taxes which may be assessed against the common elements and improvements.

1.3 The owner or owners of each of said Lots 1 to 54, inclusive, shall be subject to all of the provisions of the Articles, By-Laws, Management Agreement (if any), this Declaration, as now in effect or duly adopted and amended, and all rules and regulations adopted by the Board.

1.4 Each new member of the Association shall prepay the Association, upon closing of escrow regarding the purchase of a lot, or upon taking possession of same, if acquired without use of an escrow, a sum equal to twelve (12) times the monthly charges then in effect by the Association applicable to said lot. This sum, less any unpaid dues, shall be repaid to the owner upon sale of the unit. The amount required to be paid, pursuant to the terms of this paragraph, may be reduced in any single transaction, at any time, and in such amount as the Board may direct.

1.5 No owner of a lot may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit.

1.6 The Board shall have the right and power to provide for the construction of additional recreational and other common facilities, from time to time, as in their discretion appears to be in the best interest of the Association. Any such construction, improvements, or additions that will require a disbursement by the Association in excess of \$10,000.00 in any one calendar year, must be authorized by an affirmative vote of two-thirds (2/3) of all of the members of the Association.

1.7 The Board shall have the right and power to assess reasonable monetary fines against any owner who violates these covenants, conditions, and restrictions or any rule adopted by the Board. Such fines shall be assessed in accordance with the schedule contained in the Rules and Regulations adopted by the

Board. Before assessing such fines, the Board shall give such owner notice and opportunity for hearing before the Board. Any assessment made pursuant to this paragraph shall be recorded as a lien against such owner's property and foreclosed in accordance with these CCR's.

1.8 In addition to any other enforcement provision contained herein, the Board may suspend the right of any owner, guest, invitee, and lessees to use the common areas, under such conditions as the Board may specify, for a period not to exceed ninety (90) days for each violation of these covenants, conditions, and restrictions or rules adopted by the Board.

Section 2: Restrictions. The membership in the Association held by any owner of a lot shall not be transferred, pledged, or alienated in any way, except upon the sale of such lot and then only to the purchaser, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer shall be void and will not be reflected upon the books and records of the Association. In the event the owner of any lot should fail or refuse to transfer the membership registered in his name to the purchaser of such lot, the Association shall have the right to record the transfer upon the books of the Association and issue a new membership to the purchaser, and thereupon the old membership outstanding in the name of the seller shall be null and void as though the same had been surrendered.

Section 3: Management and Service Contracts.

3.1 Any agreement for professional management of the subdivision ("management agreement"), or any other contract providing for services of the declarant shall not exceed two years. Any such agreement shall provide for termination by either party without cause and without payment of a termination fee on thirty (30) days' written notice.

3.2 Each owner hereby agrees to be bound by the terms and conditions of any management agreement. A copy of such management agreement entered into by the Association shall provide that said management agreement may be cancelled by an affirmative vote of two-thirds (2/3) of the members of the Association. Any and all management agreements shall be made with a licensed and qualified party or parties having experience with the management of a project of this type.

Section 4. Implied Rights. The Association may exercise any right or privilege given to it expressly by this declaration or the bylaws, and every other right or privilege reasonably implied from the existence of any right or privilege stated herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE III
Membership and Voting Rights

Section 1. One Vote Per Lot. One (1) membership certificate of Rosemont Regency Association shall be issued to the owner of record of each of Lots 1 to 54, inclusive, of Rosemont Regency as recorded in Book 31 of Maps, Page 42, Official Records, Pima County, Arizona, and shall entitle such owner to one vote in the Association. Until then, it is understood voting rights of each lot continue as stated in these CC&R's. In the event any such lot is owned by two or more persons, a single share shall be issued in the names of all, and they shall designate to the Association in writing one of the number who shall have the power to vote said share. In the absence of such designation and until such designation is made, the Board of this Association shall make such designation.

Section 2. Automatic Proxy to Board. Whenever an owner's vote shall be required by any provision in, or any action taken pursuant to, this declaration, the owner shall be deemed to have given his proxy to the Board if he fails to vote within thirty (30) days from notice made upon the owner in accordance with this declaration. The Board may thereafter vote the owner's proxy as the majority of the Board sees fit solely on the particular question(s) or issue(s) for which the owner's vote was required. The Board's vote of the owner's proxy shall have full force and effect and shall be binding upon the owner as if it were his own.

ARTICLE IV
Property Rights

Section 1: Common Area Enjoyment. Every member shall have a non-exclusive easement for use and enjoyment in and to the common areas and such rights shall be appurtenant to and shall pass with the title to every assessed lot, subject to all the easements, covenants, conditions, restrictions, and other provisions contained in this declaration including, without limitation, the following provisions:

(a) The right of the Association to limit the number of guests of members and owners;

(b) The right of the Association to establish rules and regulations pertaining to the use of the common areas;

(c) The right of the Association to suspend the right of a member to use the recreational facilities located on the common area or any portion thereof designated by the Board during any time in which any assessment against a member remains unpaid; or for a period not to exceed ninety (90) days for any single infraction of the rules and regulations set by the Association and Board, provided that any suspension of such right to use such recreational

facilities, except for failure to pay assessments, shall be made only by the Association or duly appointed committee thereof after notice and hearing given and held.

Section 2: Delegation of Use. Any owner may delegate, in accordance with the bylaws and rules and regulations of the Association, his right of enjoyment to the common area and facilities to members of his family, his tenants, or contract purchasers who reside on the property, subject to rules and regulations adopted by the Association. Any owner who leases his unit shall provide his tenant with a copy of this declaration, along with the current applicable rules and regulations.

ARTICLE V Common Walls

The rights and duties of the owners of lots with respect to common walls shall be governed by the following:

(a) Each of the adjoining owners shall assume the burdens and be entitled to the benefit of these restrictive covenants and, to the extent not inconsistent herewith, general rules of law regarding common walls shall be applied thereto.

(b) In the event any such common wall is damaged or destroyed through the act of one adjoining owner or any of his agents or guests or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining owner of the full use and enjoyment of such wall, then the first of such owners shall forthwith proceed to rebuild or repair the same to as good condition as formerly without cost to the adjoining owner.

(c) In the event any such common wall is damaged or destroyed by some cause other than the act of one of the adjoining owners, his agent, guests, or family (including ordinary wear and tear and deterioration from lapse of time), then both such adjoining owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense.

(d) In addition to meeting the other requirements of these restrictive covenants and of any building code or similar regulations or ordinances, any owner proposing to modify, make additions to, or rebuild his residence in any manner which requires the extension or other alteration of any common wall shall first obtain the written consent of the adjoining owner and the Board, which consent shall not be unreasonably withheld.

(e) In the event of a dispute between owners with respect to the repair or rebuilding of a common wall or with respect to the sharing of the cost thereof, upon written request of one of such owners addressed to the Association, the matter shall be submitted

to arbitration under such rules as may be adopted by the Association. If no such rules have been adopted, then the matter shall be submitted to arbitration in accordance with the procedures set forth in Arizona Revised Statutes (1956) Section 12-1501 et seq (as amended). The expense of arbitration shall be borne equally between the parties.

(f) These covenants shall remain in full force and effect until modified or abrogated as to any particular common wall (with the exception of provision (d) above) by the agreement of all persons then having an interest therein.

(g) The right of any owner to contribution from any other owner under this article shall be appurtenant to the land and shall pass to such owner's successors in title.

(h) These covenants shall be binding upon the heirs and assigns of any owner but, except as otherwise provided for the expenses of arbitration in Section (e) above, no person shall be liable for any act or omission respecting any common wall except as took place while an owner.

ARTICLE VI Duties of Association and Owners

Section 1: Repair and Maintenance by Association

1.1 The Association shall maintain and manage and provide for the safety and control of the common elements, together with any other areas which may be acquired by the Association and set aside for the use, enjoyment or convenience of the lot owners. The Association shall also maintain all front yards and front yard landscaping for all dwellings within the property and all sidewalks, walkways, streets, and common recreational areas.

1.2 In the event any common element or storage facility is damaged or destroyed through the negligent or culpable act of any owner or any of his guests, agents or members of his family, such owner does hereby irrevocably authorize the Association to repair said damaged element or storage facility. The owner shall then repay the Association in the amount actually expended for said repairs, to the extent not paid by insurance. Each owner further agrees that these charges for repairs, if not paid within ten (10) days after completion of the work, shall become a lien upon said owner's lot and shall continue to be such lien until fully paid. The amount owed by said owner to the Association shall be a debt, and shall be collectible by any lawful procedure allowed by the laws of the State of Arizona. Each such owner, by his acceptance of a deed to a parcel, hereby expressly vests in the Association or its agents the right and power to bring all actions against such owner for the collection of such charges and to enforce the aforesaid lien by all methods available for the enforcement of such

liens and such owner hereby expressly grants to the Association a power of sale in connection with said lien. In the event the Association fails to record or foreclose such lien within ten (10) days of the expiration of the time permitted by law to do so, any individual member may pursue such remedy on behalf of the Association at the sole expense of the member recording such lien and filing such action.

1.3 The Association shall also be responsible for:

(a) Operating, maintaining and rebuilding, if necessary, all street signs, walls and fences and other improvements which were part of the original construction of the subdivision.

(b) Hiring, firing, supervising and paying employees, managing agents, and independent contractors including, but not limited to, workmen, landscapers, attorneys, accountants, architects, and contractors to carry out the obligations set forth herein.

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

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

(e) Providing and payment for all utility services for common areas and common facilities.

(f) The Association is also empowered to maintain a street lighting system. However, owners shall be responsible for electricity costs associated with any portion of the street lighting system located on their lot.

(g) Purchasing and maintaining such insurance coverage on the common areas and facilities as set forth in Article XI, Section 1 below.

Section 2: Repair and Maintenance by Owners

2.1 The responsibility for maintenance of electricity, plumbing and other utilities, shall remain with the owners of lots in the same manner as is normal and customary with owners of single family residences.

2.2 Except as the Association shall be obligated to maintain and repair as specifically set forth in Article VI Section 1, every owner shall be responsible for maintenance and repair of his or her unit and such obligation includes the following duties:

(a) Maintain, repair, replace and restore all of the elements of the unit, including, without limitation, the roof, floor, patio, glass surfaces, all interior and exterior surfaces, and improvements. The Association shall have the right, but not the duty, to elect to perform exterior wall maintenance, such as painting. Upon such election, each owner shall receive the maintenance service elected by the Association and each owner shall be charged for the cost of the maintenance performed.

(b) Maintain rear yards and side patios in a clean and sanitary condition. Owner shall not, without prior written approval of the Board, place any plant, landscaping, decoration or structure upon any lot area outside of any enclosed area.

(c) Repair and replace all window glass for each owner's unit and be responsible for the interior and exterior cleaning of such windows.

(d) Repair, maintain, paint or replace garage doors, including without limitation, the garage doors opening systems, hinges, springs and other parts of the door mechanism.

(e) Maintain all portions of the unit, including without limitation, the interior walls, ceilings, floors, window coverings, and doors in a clean, sanitary and original condition, ordinary wear and tear and decor excepted.

(f) Repair, maintain or replace any gate along the boundary of a patio or yard.

Section 3. Failure By Owner to Maintain.

3.1. In the event the Association shall determine that any portion of the unit for which the owner is responsible is in need of repair, replacement or maintenance, the owner so responsible shall repair such damage in a timely manner after written notice from the Association, in accordance with any rules the Board or Association may from time to time adopt.

3.2. In the event that an owner fails to accomplish any repair or maintenance required by this article, the Association may, but shall not be obligated, to cause such repair or maintenance to be accomplished after hearing upon written notice to the owner. Upon a finding by the Association of a deficiency in such maintenance, repair or replacement obligation, the Board shall give written notice of the deficiency to the owner, which notice shall briefly describe the deficiency and set a date for hearing before the Association or a committee selected by the Association for such purpose. The Association, or appointed committee, shall have the right to undertake such maintenance, repair or replacement deficiency and the cost of such repair, replacement or maintenance

shall be a special assessment to the affected owner in residence. Each owner hereby grants an irrevocable easement to the Association for accomplishment of repair and maintenance as stated in this section. The Association, after reasonable notice to an owner, shall have the right to enter upon any lot and unit in connection with any maintenance, repair, replacement or construction in the exercise of the powers and duties of the Association.

ARTICLE VII
Covenant for Assessments

Section 1: Purpose of Assessments. Each such lot will be subject to assessments as follows and the owner thereof shall pay to the Association assessments as follows:

(a) Such lot's pro rata share of the actual cost to the Association of all taxes, hazard insurance premiums, repair, maintenance, safety and control of common elements, including but not limited to maintenance of walkways, sidewalks, streets, water and sprinkler systems, swimming pools within the common area, utilities for services within the common area, and other charges required by this Declaration of Restrictions.

(b) Such lot's pro rata share of the actual cost to the Association of such recreational facilities, central television antenna or cable systems and security or guard services as may from time to time be provided by the Association.

(c) Such lot's pro rata share of such sums as the Board of the Association shall determine to be fair and prudent for the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges as specified herein, including fire and other hazard insurance premiums as hereinafter provided, and a liability policy in the face amount of not less than \$1,000,000 which policy, in addition to public liability, shall cover repair and construction work to all of the assets and property owned by or to be maintained by the Association. The disposition of liability insurance proceeds shall be made upon majority vote of the Board but in all events shall be used to and for the purpose of the Association.

Section 2: Annual Report. An annual compilation report prepared by a certified public accountant shall be mailed or delivered on or before March 31st of each year to each member. Extensions beyond March 31st may be granted with reasonable cause. Such report shall show the Association's balance sheet, income statement and statement of changes in financial position for the preceding year. Notes to the financial statement are considered unnecessary unless there are borrowed moneys. All assessments shall be the same for every lot.

Section 3: Commencement of Assessments. The initial share of all expenses determined under Article VII, Section 1 above shall be \$60.00 per month for each lot, and such assessments shall be in effect until the Board meets and determines that the total estimated expenses should be increased or decreased and different assessments made. The index to determine increases or decreases of association dues shall be the July 1982 Consumer Price Index-Urban (the "CPI-U") rounded to the nearest five (5) dollar increment, excluding increases. Furthermore, collection of association dues will be collected in a manner as to minimize the management company fees to the Association (i.e., monthly, quarterly, semi-annually or annually) and as approved by the Board.

Section 4: Delinquent Assessments. Each lot owner shall become liable for said monthly charges commencing with the first full calendar month after the closing date of the escrow regarding the purchase of a lot in the subdivision. All monthly charges, as required by these CCR's or any act of the Board, shall be paid in advance on the first day of each month to the Association or its designated agent and, if not paid by the twentieth (20th) of the month, the amount of such charges shall become a lien in the following manner: The Association shall cause to be executed and recorded an affidavit of non-payment in the form of a materialman's lien and shall post a copy of such affidavit on the lot liable for such charges. Such lien shall be foreclosed in the manner provided by Arizona law for the foreclosure of materialman's liens. Any and all lien notices and lien forms should be recorded by the Association or its agent automatically per Arizona law. In the event the Association fails to record or foreclose such a lien within ten (10) days of the expiration of the time permitted by law to do so, any individual member may pursue such remedy on behalf of the Association at the sole expense of the member recording such lien and filing such action.

Section 5. Special Assessments. In addition to the assessments previously referred to in this document by the Board of Directors, the Association may levy, at any time, a special assessment for the purpose of defraying in whole or in part, the cost of any re-construction, repair or replacement of a capital improvement upon any common area, provided that any such reconstruction, improvement, or addition that will require a disbursement by the Association in excess of \$10,000.00 in any one calendar year must be authorized by an affirmative vote of two-thirds (2/3) of the total membership of the Association. If a homeowner does not return their ballot by the stated deadline, then the Board has the right to vote the unreturned ballot. Such special assessment shall be paid when and in such manner as may be required by the Board and if not so paid within the time specified, the amount of such assessment shall become a lien in the following manner: The Association shall cause to be executed and recorded an affidavit of non-payment in the form of a materialman's lien and shall post a copy of such affidavit on the lot liable for such

charges. Such lien shall be foreclosed in the manner provided by Arizona law for the foreclosure of materialman's liens. In the event the Association fails to record or foreclose such a lien within ten (10) days of the expiration of the time permitted by law to do so, any individual member may pursue such remedy on behalf of the Association at the sole expense of the member recording such lien and filing such action.

Section 6: Uniform Assessments. Assessments shall be fixed at a uniform rate for all lots and may be collected monthly, or as determined by the Board. Special assessments levied against all lot owners shall be fixed at a uniform rate and shall be collected monthly, or as determined by the Board.

Section 7: Mortgagee's Rights. If any one or more of said Lots 1 to 54, inclusive, is subject to a mortgage, the first mortgagee, or any other party acquiring title to a mortgaged lot and improvements thereon through suit to foreclose a first mortgage or through any equivalent proceedings such as, but not limited to, the taking of a deed in lieu of foreclosure, and the successor in interest to said purchasers shall, except as provided below in this paragraph, acquire title to the mortgaged lot and improvements thereon free and clear of any lien authorized by or arising out of any of the provisions of this Declaration which secures the payment of any assessment for charges accrued prior to the final conclusion of any such foreclosure suit or equivalent proceedings, including the expiration date of any period of redemption. Any such unpaid assessment shall nevertheless continue to exist as the personal obligation of the defaulting owner of the respective lot to the Association, and the Board may use reasonable efforts to collect the same from the owner even after he is no longer a member of the Association.

ARTICLE VIII Architectural Control

No building, fence, wall, swimming pool, roof or other structure, and no front yard or side yard landscaping, shall be commenced, erected, or maintained, until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, if applicable, location and approximate cost of such structure or landscaping shall have been submitted to and approved by the Board and a copy thereof as finally approved shall be filed permanently with the Board. The Board shall have the right to refuse to approve any such plans, specifications or grading plans when they are not suitable or desirable, in its opinion, for any reason, and in so passing upon such plans, specifications and grading plans, it shall take into consideration, among other items, the suitability of the proposed building or other structure and of the materials of which it is to be built, or the plans proposed to erect the same, the harmony thereof with the surroundings, and the effect of the building, other structure, or landscaping as planned

on the outlook from the adjacent or neighboring property. All subsequent additions to or changes or alterations in any building, fence, wall, or other structure shall be subject to the prior approval of the Board as well as any applicable code, ordinance or statute. Before the commencement of any construction on any lot or common area, the Board may require the builder to furnish such bonds in such amounts the Board determines to be in the best interest of the Association and for the protection of the property.

ARTICLE IX
Use Restrictions

1. Said lots 1 to 54, inclusive, are hereby restricted to dwellings for residential use, and no business, professional or trade activity of any kind whatsoever shall be conducted upon said lots.

2. All buildings or structures erected on said lots shall be of new construction, and no buildings or structures shall be moved from other locations onto said lots. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, motor home or camper, or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

3. No livestock, animals, or poultry of any kind shall be kept on any townhouse or homesite lot that will disturb the peace and quiet of the remaining members or owners, and each owner shall be responsible for his or her pets. Ownership of pets under this paragraph allowed shall be limited strictly to dogs, cats, caged birds, or fish in proper receptacles or tanks. In no event shall more than two (2) dogs or two (2) cats more than ten (10) weeks old be permitted on any one lot. All dogs shall be kept in an enclosed area except when accompanied on a leash. All owners shall clean up the waste of their pets.

4. Only one sign not more than four (4) square feet in size shall be displayed to the public view on any lot advertising a lot for sale or rent. If a dwelling has been built on any lot for sale, any such sign may be displayed only in the windows of the dwelling.

5. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for a builder of any portion of the residential units to maintain during the period of construction and sale of the units, upon such portion of the lots, such facilities as may be reasonably required, convenient or incidental to the construction and sale of said units, which, in any event, shall be deposited in a closed receptacle daily and removed within two weeks of the completion of the last permitted unit. All of the builder's rubbish, trash or garbage shall be deposited in a closed receptacle daily and removed from the

premises no less than twice a week and shall not be allowed to accumulate thereon.

6. All equipment, garbage cans, incinerators, service yards, woodpiles or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring lots and streets.

7. No unsightly objects shall be erected, placed or permitted to remain on any of the lots. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood or which may endanger the health or unreasonably disturb the holder of any of the lots. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices, shall be placed on the property without the prior written approval of the Board. The Board in its sole discretion shall have the right to determine the existence of any such nuisance.

8. All rubbish, trash or garbage shall be removed from the premises and shall not be allowed to accumulate thereon. Garbage and trash shall only be kept in covered containers of a type, size, and style which have been approved by the City of Tucson or other responsible agency or approved by the Board. Garbage containers shall be stored in garages, except when necessary to allow for collection. No toxic or hazardous waste of any kind shall be stored on any lot for any period of time.

9. No trees or other plants which grow to such size as to extend outside the boundary of a lot shall be planted by a homeowner without the advance written permission of the Board.

10. No boats, trailers, campers, travel trailers, motor homes, or any other vehicle or equipment which is more than fourteen (14) feet in length may be stored or permanently parked on any part of the property, and no such vehicle or equipment which is fourteen (14) feet or less in length may be so stored or permanently parked other than entirely within an enclosed garage. No vehicle of any type which is abandoned or inoperable shall be stored or kept on the property in any manner that it may be seen from any other lot, common area or street. No vehicle or equipment belonging to a guest of a lot owner shall remain on the premises in excess of forty-eight (48) hours without prior consent of the Board.

11. No vehicle or portion of any vehicle may block any portion of the sidewalks, driveways, or common areas within the property. Lot owners shall direct their guests to use designated parking areas only. Repairing or rebuilding of motor vehicles

shall not be permitted on the property without prior approval of the Board.

12. No ground cover shall be used on any lot without being approved in writing in advance by the Board.

13. No exposed or exterior radio transmission and/or receiving antenna or satellite dishes shall be erected, placed on or maintained on any part of the subdivision without prior written approval therefor from the Board.

14. All electrical service and telephone lines shall be placed underground and no outside electrical lines shall be placed overhead except by a builder of a permitted unit for use during construction, but in any event, not to exceed six (6) months.

15. No planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon any individual lots except (1) such as are installed in accordance with the initial construction of the improvements located hereon or (2) as approved by the Board or its designated representatives, or (3) within areas entirely enclosed by patio walls and/or dwelling units. Planting and/or gardening to areas adjacent to units is permissible; however, the Board of the Association reserves the right to disapprove or approve any planting and/or gardening.

16. No growth nor other landscaping upon any common area shall be permitted to be destroyed or removed except as approved by the Association. In the event that such growth is removed, except as stated above, the Association may require the replacing or replanting of same, the cost thereof to be borne by the one who removed it.

17. No personal plantings or growing of any type vegetation is permitted on the common areas without the prior written approval of the Board.

18. Private swimming pools are allowed provided written approval is first obtained from the Board, subject to all local, state and federal government regulations. Construction or maintenance of the private swimming pool shall not relieve owner from liability for his pro rata share of the assessments on common swimming pools, and for all other common areas. In the event construction of such a swimming pool requires an extension or other alterations of any common patio wall, prior written consent shall also be required from the adjoining owners as provided in Article V above.

19. Only masonry walls and fences conforming with original construction shall be permitted on any lot.

20. The Owners shall have the right to lease their dwelling unit. All lease agreements shall be in writing and shall provide that the failure of any lessee to comply with the rules and regulations of the Association and this Declaration shall be a default under the lease. No unit may be leased or rented for a period of less than thirty (30) days.

ARTICLE X Easements

Section 1. Easements to permit the placing of sewer pipelines, electrical and television cables and natural gas pipelines along, under, around, adjacent to, and across the lots which are subject to these restrictions are hereby granted, reserved, and established; this shall include the right to excavate any of the aforesaid lines in a workmanlike manner. This right shall be exercised in such manner as to preserve the greatest amount of natural desert growth and vegetation. The location of this easement on any lots shall be determined by the Board, provided the location meets the approval of any public agency requesting such easements.

Section 2. The owner of each lot, by his acceptance of a deed to that lot, hereby expressly agrees that if any portion of a dwelling unit on an adjacent lot encroaches on his lot, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. Each owner of a lot similarly gives and grants to each adjoining lot owner an easement of any encroachment of any portion of the adjoining lot owner's dwelling unit upon a dwelling unit of said lot owner, it being agreed by each owner that an easement is hereby given or any variation, if any, between the legally described lot and the dwelling unit as actually laid out on the real property. If the walls surrounding a dwelling unit are partially or totally destroyed and rebuilt, the owners of the lots adjacent thereto similarly agree that minor encroachment of part of the elements and facilities or of one dwelling unit to the adjacent one, due to construction or reconstruction, shall be permitted and that valid easements for said encroachment and for the maintenance thereof shall exist.

ARTICLE XI - Insurance

Section 1. Common Areas and Facilities.

The Board or its duly authorized agent, shall obtain insurance for all the common buildings and other insurable common elements, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard, and shall also obtain a broad form public liability policy covering all common elements. Premiums for such insurance shall

be common expenses, but the Board may require that each lot owner's pro rata share of those premiums shall be collected by any agent it designates, including without limitation the carrier of any master policy of fire and casualty insurance for all lot owners. Such insurance coverage shall be written in the name of the Association. In the event of damage or destruction to any of the common elements by fire or other casualty, the Board shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the common elements to as good condition as before the fire or other casualty. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal government agency, with the proviso agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the Board. The Board shall contract with any licensed contractor, who, at the Board's option, may be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all the costs of repairing or rebuilding to the same condition as formerly, the Board shall levy a special assessment against all owners to make up any deficiency. In the event such insurance proceeds exceed the cost of repair and reconstruction, such excess shall be paid over to the mortgagee, if any, or to the owners. Such payment shall be made to the owners equally on a lot basis. The assessments levied against said owners pursuant to this paragraph shall be levied equally on a lot basis.

Section 2: Lots. The Board requires that each lot owner purchase and maintain fire and extended coverage insurance on his lot and the improvements thereon under a master insurance policy or policies to be issued by an insurance carrier or carriers. Such policies shall name the Association as an additional insured. Each lot owner shall be liable to pay the premium for such insurance on his lot and improvements when required to do so under the applicable master policy or policies. On each anniversary of each homeowner's insurance policy, a proof of payment and coverage for the following year's insurance must be submitted to the Board of the Association. Should a homeowner change or cancel his policy at any time, the Board requires a notice ten (10) days prior to cancellation. If a homeowner fails to do so, the Association may pay those premiums for the account and at the expense of the lot owner, and the lot owner shall reimburse the Association on account thereof upon demand, plus interest at the prime rate plus 3% per annum, using the prime rate set by Citibank. The amount of any such premiums not paid by a lot owner shall become a lien in the manner provided in Article VII, Section 4, set forth above.

ARTICLE XII - General Provisions

Section 1: Enforcement. The Association or any owner shall have the right to enforce by proceedings at law or in equity, all

restrictions, covenants, conditions, reservations, liens or charges now or hereafter imposed by the provisions of this declaration or any amendment thereto.

Section 2: Non-Waiver Clause. Failure by the Board, the Association or any owner to enforce any of the provisions contained herein shall not be deemed a waiver of the right to enforce any provision contained herein.

Section 3: Severability. Invalidation of any of these covenants, conditions or restrictions by judgment or court order shall in no wise affect the validity of any of the other provisions and the same shall remain in full force and effect.

Section 4: Cumulative Remedies. All rights, options and remedies of the Association, the owners and members under this declaration are cumulative and not one of them shall be exclusive of any other, and the Association, owners and members shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this declaration.

Section 5: Covenants Run with the Land. The covenants, conditions and restrictions contained herein shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing or occupying any lot or lots after the date on which this instrument is recorded. These covenants, conditions, and restrictions may be enforced by the owner of any lot or the Association provided, however, that any breach of said covenants, conditions and restrictions, shall not defeat or affect the lien of any mortgage, or deed of trust made in good faith for value upon said land, but except as hereinafter provided, each and all of said covenants, conditions and restrictions may be enjoined, abated or remedied by appropriate proceedings, notwithstanding the lien or existence of any such deed of trust or mortgage. All instruments of conveyance of any interest in all or any part of the premises shall contain reference to this instrument and shall be subject to the covenants, conditions and restrictions herein as fully as though the terms and conditions of this instrument were therein set forth in full; provided, however, that the terms and conditions of this instrument shall be binding upon all persons affected by its terms, whether express reference is made to this instrument or not.

Section 6: Term and Amendment. These covenants, conditions and restrictions shall remain in full force and effect for a period of one (1) year from the date hereof. Thereafter they shall be deemed to have been renewed for successive terms of one (1) year, unless revoked or amended by an instrument in writing executed and acknowledged by the owners of not less than two-thirds (2/3) of the lots in the said subdivision, provided that the instrument shall not be effective unless and until it is recorded in the office of the Recorder of Pima County, Arizona, within ninety (90)

days prior to the expiration of the initial effective period hereof or any one (1) year extension.

Section 7: Captions. Paragraph captions are inserted for convenience purposes and are not intended to describe all subjects covered within the paragraph. Whenever the context of this declaration requires it, the singular shall include the plural and the masculine shall include the feminine and the neuter.

Section 8: Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against the nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Association or any member. Such remedy shall be deemed cumulative and not exclusive.

Section 9: Attorney's Fees. In the event action is instituted to enforce any of the provisions contained in this declaration, the party prevailing in such action shall be entitled to recover from the other party thereto reasonable attorney's fees and costs incurred in such suit.

Section 10: Notices. Any notice to be given to an owner under the provisions of this declaration shall be in writing and shall be delivered as follows:

(a) Notice to an owner shall be deemed to have been properly delivered when delivered personally or placed in the first class United States mail, postage prepaid, to the address of the owner's lot, or to the most recent address furnished by such owner in writing to the Association for the purpose of giving notice. Any notice so deposited in the mail within Pima County, Arizona shall be deemed delivered fifty-two (52) hours after such deposit. In the case of co-owners, any such notice may be delivered or sent to any one of the co-owners on behalf of all co-owners and shall be deemed delivered on all such co-owners.

(b) The affidavit of an officer or authorized agent of the Association declaring that a notice has been mailed to any owner or owners, or to all members to the address or addresses shown on the records of the Association, shall be deemed conclusive proof of such mailing, whether or not such notices are actually received.

Section 11: Effect of Declaration.

11.1. This declaration is made for the purposes set forth in the recitals and declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this declaration, or as to the compliance of

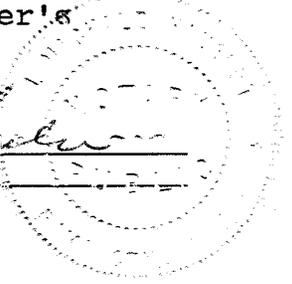
any of these provisions with public laws, ordinances and regulations applicable hereto.

11.2. All provisions hereof shall be subject to the subdivision regulations and ordinances of Pima County, Arizona, as they exist or as they may be amended.

Dated: 15 JAN 1990

ROSEMONT REGENCY ASSOCIATION,
a Non-profit Homeowner's
Association

By James J. Wheeler
Its President



STATE OF ARIZONA)
) ss
COUNTY OF PIMA)

This instrument was acknowledged before me this 15TH day of JANUARY, 1990, by JAMES WHEELER.

J. Michael Haubert
Notary Public

My commission expires: MARCH 31, 1992

CERTIFICATE OF ROSEMONT REGENCY ASSOCIATION

The undersigned, being President and Secretary of Rosemont Regency Association, hereby acknowledge and certify that the Owners of more than seventy-five (75%) percent of Dwelling Units of the Rosemont Regency Association as required by Article 31 of the current Declaration have approved, by giving their written consent, the foregoing restated Declaration of Covenants, Conditions and Restrictions for Rosemont Regency Association.

ROSEMONT REGENCY ASSOCIATION,
an Arizona non-profit corporation

By James Wheeler
James Wheeler, President

By Todd Jaeger
Todd Jaeger, Secretary



STATE OF ARIZONA)
)
) SS.
COUNTY OF PIMA)

SUBSCRIBED AND SWORN to before me this 15th day of January, 1990
by James Wheeler, in his capacity as President of Rosemont Regency
Association, an Arizona non-profit corporation

J. Michael Haurbert
Notary Public

My Commission Expires
MARCH 31, 1992