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THE LINKS AT SANTA RITA SPRINGS

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AMENDED AND RESTATED 1 2 **DECLARATION OF** 3 COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS 4 **FOR** 5 THE LINKS AT SANTA RITA SPRINGS 6 7 8 THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE LINKS AT SANTA RITA (this 9 "Declaration") is made this __ day of _____, 2006, by the owners (the "Owners") 10 of the real property described as: 11 12 13 Lots 1 through 104; and Common Areas A (Private Streets), B (Private Drainageway and Open Space), and C (Drainageway, Open Space, and 14 Public Pedestrian Access) of THE LINKS AT SANTA RITA SPRINGS, as 15 shown in the Plat of Record in Book 50 at page 70 and in Book 51 at page 38 16 17 of Maps and Plats of the Pima County Recorder's Office (the "Property"). 18 19 **INTRODUCTION** 20 21 The Declarant executed the Declaration of Covenants, Conditions and 22 Restrictions for THE LINKS AT SANTA RITA SPRINGS, which was recorded on December 9, 1997, in Docket 10688 at page 1621 et seq., office of the Pima County Recorder (the 23 "Original Declaration"); and 24 25 26 An Amendment to the Original Declaration was recorded on September 11, 27 1998, in Docket 10879 at page 1149 et seq., office of the Pima County Recorder; and 28 29 3. A second Amendment to the Original Declaration was recorded on June 25, 2001, in Docket 11577 at page 1146 et seq. office of the Pima County Recorder; and 30 31 32 In accordance with Section 14.2 of the Original Declaration, at least 67% of the Owner voted to adopt this Declaration and to supersede the Original Declaration and its 33 amendments and in accordance with Section 13.5 of the Original Declaration, Declarant 34 35 was given notice of and has approved the adoption of this Declaration. 36 37 **NOW THEREFORE**, the Owners hereby declare that the Property is and shall be 38 held, conveyed, encumbered, leased, and used subject to the following covenants, conditions, uses, restrictions, limitations, obligations, easements, equitable servitudes, 39 charges and liens (hereinafter collectively referred to as the "Restrictions"), all of which are 40 for the purpose of enhancing and protecting the value, desirability and attractiveness of the 41 42 Property. The Restrictions set forth herein shall run with the Property for all purposes, shall be binding upon all persons having or acquiring any right, title or interest therein, and 43 44 shall inure to the benefit of, be binding upon and enforceable by all Owners, the

Association and their successors in interest, whether or not stated in any document or deed 1 transferring any interest in any Lot to or from such persons. 2 3 4 5 **DEFINITIONS** 6 7 8 9 10 11 12 13 14 15 16 17 18 1.3 19 20 be amended from time to time. 21 22 23 24 25 1.5 26

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42 43 **ARTICLE 1**

The terms used in this Declaration and the Governing Documents shall generally be given their natural, commonly-accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below:

- "Architectural Review Committee" or "ARC" shall mean the committee established pursuant to Article 8 of this Declaration.
- "The Links Homeowners Guidelines" or "Guidelines" shall mean the rules and regulations adopted by the Architectural Review Committee, as such rules may be amended and supplemented from time to time by the Board.
- "Articles" shall mean the Articles of Incorporation of the Association which have been filed in the Office of the Arizona Corporation Commission as such Articles may
- "Association" shall mean The Links at Santa Rita Springs Homeowners Association, Inc., an Arizona non-profit corporation, its successors and assigns.
 - "Board" shall mean the Board of Directors of the Association.
- "Bylaws" shall mean the Bylaws of the Association, as such Bylaws may be 1.6 amended or restated from time to time.
- Common Area" or "Common Areas" shall mean all real property and the 1.7 Improvements or amenities thereon, all personal property, all easements and licenses and facilities which shall from time to time be constructed, owned, controlled or operated by the Association in and for the common use and enjoyment of the Owners.
- "Community-Wide Standard" shall mean the standard of conduct, 1.8 maintenance, or other activity generally prevailing throughout the Property. Such standard shall be that which has been established by the Declarant, and the Architectural Review Committee, and may be more specifically determined by the Board.
- "Declarant" shall mean Title Guaranty Agency of Arizona, Inc., an Arizona 1.9 corporation, as Trustee under Trust Nos. T-1298 and 1299, its successors and any person or entity to whom it may expressly assign its rights under this Declaration.

1.10 "Declaration" shall mean the covenants, conditions, restrictions and easements herein set forth in this entire document, and in any amendments.

1.11 "Dwelling Unit" shall mean any building, or part thereof, situated upon a Lot and intended for use and occupancy as a residence by a Single Family.

1.12 "Fair Housing Act" shall mean the Fair Housing Act and its Amendment of 1988, Public Law 100-430, 42 U.S.C. Section 3601, et seq., as further interpreted by Rules and Regulations of the Department of Housing and Urban Development, and which laws and regulations have been adopted in substantial conformity by Arizona Revised Statutes Section 41-1491.04.

1.13 "First Mortgage" shall mean the holder of any mortgage or deed of trust under which the interests of any Owner of a Lot is encumbered and which mortgage or deed of trust has first and paramount priority, subject only to the lien for general or ad valorem taxes and assessments, and such other matters as are recognized in such First Mortgage as permitted title exceptions. "First Mortgagee" shall mean the holder of a First Mortgage.

 1.14 "Governing Documents" shall mean this Declaration and any applicable Supplemental Declaration, the Bylaws, the Articles, The Links Homeowners Guidelines, and the Association rules and regulations that may be adopted by the Board, as they may be amended, as well as applicable Master Association Documents.

1.15 "Improvements" shall include any and all construction or alterations thereto, including but not limited to all buildings and structures, driveways, parking areas, fences, walls, landscaping, signs, excavation or site work, and including without limitation grading, road construction, utilities, alterations or modifications thereto.

1.16 "Lot" shall mean an area of real property designated as a "Lot" by numerical designation on the Plat of the Property.

1.17 "Master Development Plan" shall mean the conceptual or site development plan at any time in effect for the Property and approved by Pima County, Arizona or any other governmental jurisdiction having the authority to approve and regulate master plans for planned area developments located in the Property, as the same may be amended from time to time.

1.18 "Member" shall mean any Owner.

1.19 "Occupant" shall mean any Person, other than an Owner, occupying a Lot, or any portion thereof, or building or structure thereon, as a Resident, licensee or otherwise, other than on a merely transient basis.

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- 1.20 "Owner" shall mean the Record holder of legal title to the fee simple interest in any Lot, or in the case of a Recorded "contract" (as that term is defined in A.R.S. Section 33-714(2)), the holder of Record of the purchaser's or vendee's interest under said contract, but excluding others who hold such title merely as security. If fee simple title to a Lot is vested of Record in a trustee pursuant to A.R.S. Section 33-801 et seq. for purposes of this Declaration, legal title shall be deemed to be held by the trustor (or the trustor's successor of Record), and not by the trustee. An Owner shall include any Person who holds Record title to a Lot in joint ownership or as an undivided fee interest.
- 1.21 "Person" shall mean a natural person, a corporation, a partnership, a trustee or any other legal entity.
- 1.22 "Plat" shall mean the plats or surveys affecting the Property filed in the office of the Recorder for Pima County, Arizona, in Book 50 at page 70 and in Book 51 at page 38 of Maps and Plats of the Pima County Recorder's Office.
- 1.23 "Property" or "The Links at Santa Rita Springs" shall mean the property described on the Plat.
- 1.24 "Record", "Recording", and "Recorded" shall mean placing or having placed a document of public record in the Official Records of Pima County, Arizona.

1.25 "Resident" shall mean:

- 1. Each Tenant or Lessee who resides on the Property and the members of his/her immediate family, who resides on the Property;
- 2. Each Owner who resides on the Property and the members of his/her immediate family, who resides on the Property; and
- 3. Such persons as the Board, in its absolute discretion, may authorize, including, without limitation, guests of an Owner or a Tenant.
- 1.26 "Single Family" shall mean a group of one or more persons each related to the other by blood, marriage or legal adoption, or to group of not more than three unrelated persons which maintain a common household as a single housekeeping unit.
- 1.27 "Visible From Neighboring Property" shall mean, with respect to any given object, that such object would be visible to an individual whose eyes are six (6) feet above the ground and who is standing at natural grade level on the property within the Property.

ARTICLE 2 PROPERTY AND PERSONS BOUND BY THIS DECLARATION

2.1 <u>Master Association</u>. The property is a part of a master planned community known as Santa Rita Springs. The Property shall be subject to the terms and conditions of the Declaration of Covenants, Conditions and Restrictions for Santa Rita Springs recorded in Docket 9955, pages 1005 through 1061, records of Pima County, Arizona (the "Master Declaration") and the Articles of Incorporation, Bylaws, Architectural Committee Rules (collectively the "Master Association Documents") of the Santa Rita Springs Homeowners Association (the "Master Association"), including all amendments to the Master Declaration or the Master Association Documents. All assessments and other amounts payable by Owners to the Master Association pursuant to provisions of the Master Declaration and the Master Association Documents, and all consents required by this Declaration of the Architectural Committee or the Board shall be in addition to any consents required under the terms of the Master Declaration or the Master Association Documents.

2.2 <u>Association</u>. This Declaration shall be binding upon and benefit the Association, its successors and assigns.

ARTICLE 3 ASSOCIATION AND ASSOCIATION OBLIGATIONS

3.1 <u>Association</u>. The Association is a non-profit Arizona corporation charged with the duties and invested with the powers prescribed by law and set forth in the Governing Documents.

3.2 <u>Board of Directors and Officers</u>. The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and Bylaws, as amended from time to time. The Board may appoint or engage a manager to be responsible for the day-to-day operations of the Association and the Common Area. The Board shall determine the compensation to be paid to such manager.

3.3 <u>Association Responsibility for Common Areas</u>. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the management and control of the Common Areas dedicated under this Declaration or the Plat, and all Improvements of the Common Areas (including the furnishings and equipment related thereto).

3.4 <u>Association Rules and Regulations</u>. By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal the rules and regulations of the Association (the "Association Rules"). The Association Rules may restrict and govern the use of the Common Areas; provided,

however, that the Association Rules shall not discriminate among Owners and Occupants except to reflect their different rights and obligations as provided herein, and shall not be inconsistent with the Governing Documents. Upon adoption, the Association Rules shall have the same force and effect as if they were set forth herein. A copy of the Association Rules, as adopted or amended, shall be available to any Member upon request to the Secretary of the Association.

3.5 <u>Association's Responsibility for Compliance with Fair Housing Act.</u> The Association, subject to Article 12 below, shall be responsible for monitoring the age of Occupants of Dwelling Units to ensure that Owners are in compliance with the age restriction covenants contained herein and/or the Fair Housing Act. This shall include, but not be limited to, periodically conducting a survey by providing a questionnaire to all Owners of Dwelling Units.

3.6 <u>Borrowing Authority</u>. The Association, at the discretion of the Board, may borrow money in such amounts, at such rates, upon such terms and security, and for such periods of time as the Board deems necessary or appropriate.

3.7 <u>Implied Rights; Board Authority</u>. The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

3.8 <u>Personal Liability</u>. No Board member, officer, committee member, employee, agent and/or agent's personnel, representative of the Association or Association, shall be personally liable to any Owner, or to any other Person, including the Association, for any damage, loss, costs, fees (including attorneys' fees) or prejudice suffered or claimed on account of any of their acts, omissions, errors or negligence, provided, however, that the limitations set forth in this Section shall not apply to any Person who has failed to act in good faith or has engaged in willful or intentional misconduct.

3.9 <u>Indemnification of Officers, Directors and Others.</u> The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which indemnity is allowed under the Articles and Arizona law. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall maintain adequate general liability and officers' and director's liability insurance to fund this obligation, as such insurance is reasonably available.

- 3.10 <u>Mergers and Consolidations</u>. The Association shall have the right, power and authority to participate in mergers or consolidations with any other non-profit corporation whose objectives, methods and taxable status and format of operation are similar to those of the Association.
- 3.11 <u>Records and Accounting</u>. The Association shall keep, or cause to be kept, true and correct records of account at the sole cost and expense of the Association. Such books and records, together with current copies of the Governing Documents, shall be available for inspection by all Owners and First Mortgagees of record at reasonable times, by appointment only, during regular business hours.

ARTICLE 4 MEMBERSHIPS AND VOTING

4.1 Membership in the Association

- 4.1.1 <u>Qualifications</u>. Each Owner of a Dwelling Unit, by virtue of being such an owner and for so long as he or she is such an owner, shall be deemed a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in a Dwelling Unit merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned.
- 4.1.2 <u>Transfer of Membership</u>. Membership of each Owner in the Association shall be appurtenant to the Dwelling Unit owned and shall not be transferred, pledged, or alienated in any way except upon the transfer of ownership to said Dwelling Unit, and then only to the transferee thereof. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Dwelling Unit shall operate automatically to transfer said membership to the new owner thereof.
- 4.2 <u>Voting Rights</u>. Each Owner shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the Owners may determine and in accordance with the Bylaws, but in no event shall more than one (1) vote be cast with respect to any Lot owned. No change in membership shall be effective for voting purposes un til the Board receives written notice of such change.
- 4.3 <u>Suspending Voting Rights</u>. The Board may suspend the voting rights of a Member for any period during which an Assessment remains delinquent.
- 4.4 <u>Members' Rights</u>. Each Member shall have the rights, duties, and obligations set forth in the Governing Documents and The Links Homeowners Guidelines as the same may be amended from time to time.

4.5 <u>Voting For Board Members</u>. In any election of the members of the Board, every Owner entitled to vote at such election shall have the number of votes equal to the number of directors to be elected. Each Owner shall cast one vote per candidate. The candidates receiving the highest number of votes, up to the number of Board members to be elected, shall be deemed elected. There shall be no cumulative voting.

ARTICLE 5 RIGHTS, DUTIES, AND POWERS OF ASSOCIATION

- 5.1 <u>Rights, Powers and Duties of the Association</u>. In addition to the rights and powers of the Association set forth in this Declaration, the Association shall have such rights, powers and duties as are set forth in the Articles and Bylaws, together with such rights and powers as may be reasonably necessary in order to effect all the objectives and purposes of the Association as set forth herein. A copy of the Articles and Bylaws shall be available for inspection at the office of the Association during reasonable business hours. Some, but not all, duties of the Association shall include:
- 5.1.1 the maintenance of the streets, walkways, drainage easements, pedestrian easements, slope easements, monuments, water features and walkways (if applicable) located within the Common Areas, and entry way features and landscaping leading into the Property, including decorative structures, walls. etc.;
- 5.1.2 the maintenance of the landscaped portions of the Common Areas and other areas to be maintained by the Association, including all areas between Common Areas and the private walls of each Dwelling Unit, and all abutting property as within reason;
- 5.1.3 the operation, maintenance (including insurance) and, if necessary, the replacement, restoration or reconstruction of Association or Common Area related signage, walls, fences, and other Improvements originally constructed on the Common Areas; and,
- 5.1.4 the payment of *ad valorem* real estate taxes, assessments and other charges on those portions of the Common Areas owned by the Association.
- 5.2 <u>Association Rules</u>. In addition to the right to adopt, amend and repeat rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Association, acting through the Board, shall have the right to adopt, amend and repeal rules and regulations with respect to all other aspects of the Owners' rights and the Association's rights, activities and duties, provided such rules and regulations are not inconsistent with the provisions of this Declaration, the Articles and Bylaws. Upon adoption, the additional Association Rules shall be enforceable in the same manner as this Declaration and shall have the same force and effect as if they were set forth in and were a part of this Declaration.

5.3 <u>Contracts with Others (Including Management Contracts)</u>. Subject to the restrictions and limitations contained herein, the Articles, the Bylaws and the laws of the State of Arizona, the Association may enter into contracts with others, for services which may include, but are not limited to, water, refuse, utilities and maintenance for the benefit of the Members of the Association and for Common Areas. Any management contract entered into by the Association cannot exceed a three-year term, and must be terminable, without penalty, by the Association for cause at any time and without cause upon 60 days' written notice.

5.4 Procedure for Change of Use of Common Areas. Upon adoption of a resolution by the Board stating that the then current use of a specified part of the Common Areas is no longer in the best interests of the Owners and Occupants, and the approval of such resolution by not less than 67% of the Owners voting in person or by absentee ballot at a meeting duty called for such purpose, or by mail-in vote, provided a quorum is present, the Board shall have the power and right to change the use thereof (and in connection therewith to take whatever actions are required to accommodate the new use), provided such new use: (A) also shall be for the common benefit of the Owners and Occupants; and (B) shall be consistent with any applicable Tract Declaration, recorded restrictions or zoning regulations.

5.5 <u>Procedure for Transfers of Common Areas</u>. The Association shall have the right to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility provided that:

5.5.1 Such a transfer or dedication does not have substantial, adverse effect on the enjoyment of the Common Areas by the Owners and Occupants or on the easements and licenses with respect to the Common Areas granted by this Declaration to the Owners and Occupants; and

5.5.2 It is required by a Recorded subdivision plat, a zoning stipulation or an agreement with the County; and

5.5.3 Except as authorized above, the Association shall not make any such dedication or transfer or change the size, shape or location of the Common Areas, exchange the Common Areas for other property or interests which become Common Areas, or abandon or otherwise transfer Common Areas (to a non-public authority) except upon: (A) the adoption of a resolution by the Board stating that the ownership and/or use of the relevant Common Area—is no longer in the best interests of the Owners and Occupants, and that the change desired shall be for their benefit and shall not substantially, adversely affect them; (B) the approval—of such resolution by not less than 67% of the votes of Owners voting in person or by absentee ballot at a meeting duly called for such purpose, or by mail-in ballot; and (C) approval of the proposed action by any agency, as applicable, to the extent this Declaration has been approved by any Agency.

5.6 <u>Agreements with Adjoining Landowners for Common Areas.</u> The Association shall have the right to enter into agreements with persons owning land adjacent to the Property, pursuant to which the adjoining landowner pays for all costs associated with the installation and maintenance of enhanced landscaping on Common Areas located within the Property.

5.7 <u>Security</u>. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it might otherwise be. The Association. shall not be considered insurers or guarantors of security within the Property, nor shall it be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar system or other security system or measures, including any mechanism or system for limiting access to the Property, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended.

ARTICLE 6 EASEMENTS AND RIGHTS OF ENJOYMENT IN COMMON AREA

- 6.1 <u>Easements and Rights of Enjoyment</u>. Each Owner shall have a non-exclusive easement for the use and enjoyment in and to the Common Areas, which non-exclusive easement shall be appurtenant to and shall pass with the title to each Owner's Lot. All Occupants shall have a nonexclusive, nontransferable temporary license to use and enjoy the Common Areas so long as they remain Occupants. However, Common Area "C" shall be used only as a drainage way, open space, and for public pedestrian access. The foregoing grants and rights are subject, among other things, to the following limitations:
 - 6.1.1 Pertinent provisions in the Governing Documents.
- 6.1.2 The right of the Association to suspend an Owner's voting rights and rights to use recreational components, if any, of the Common Areas for infractions of the Governing Documents.
- 6.1.3 Any Owner or Occupant, in accordance with the rules and regulations of the Association, may delegate his or her rights of use and enjoyment in the Common Areas to the members of his or her family or his or her Occupants or guests, subject to the limitations set forth in this Declaration and the rules and regulations of the Association.
- 6.1.4~ The right of the Association to limit the number of guests of an Owner or Occupant who may use the Common Areas.
- 6.1.5 The right of the Association to regulate the use and operation of the Common Areas.

6.2 <u>Recorded Easements</u>. The Property, and all portions thereof, shall be subject to all easements shown on any Recorded Plat affecting the Property, or any portion thereof, and to any other easements of record or of use as of the date of Recordation of the Declaration.

6.3 <u>Easements for Encroachments.</u> The Property, and all portions thereof, shall be subject to an easement of up to ten (10) feet from the Lot lines or Common Area boundaries for the actual extent of encroachments created by construction as designed or constructed by the Declarant or any Owner and for settling, shifting, and movement of any portion of the Property. Such encroachments shall not be considered to be encumbrances upon any part of the Property.

Encroachments referred to include, but are not limited to, encroachments caused by error in the original construction of Improvements on any Lot, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any Improvements on the Property.

6.4 Reservation of Easements, Exceptions, and Exclusions. The Association, by and through the Board of Directors, has the right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area, for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions, and exclusions for the best interest of all the Owners and the Association, in order to serve all the Owners within The Links at Santa Rita Springs as initially built and expanded.

6.5 <u>Emergency Easement</u>. A general easement hereby is granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

6.6 <u>Maintenance Easement.</u> An easement is hereby granted to the Association, and any member of the Board of Directors, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Lots, and a right to make such use of the Lots as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Governing Documents. Included within the foregoing grant of easement is the right to enter upon any Lot for the purpose of performing maintenance to the landscaping or the exterior of Improvements to such Lot as required by the Governing Documents and by such entry shall not be guilty of trespass.

6.7 <u>Drainage Easement</u>. An easement is hereby granted to the Association, its officers, agents, employees, successors, and assigns to enter upon, across, over, in, and under any portion of the Property for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage

of water. Best efforts shall be made to use this easement so as not to disturb the uses of the Owners.

6.8 Easements for Golf Balls and Certain Golf Activities.

6.8.1 All of the Lots and the Common Area are burdened with an easement permitting golf balls unintentionally to come upon such areas, and for golfers at reasonable times and in a reasonable manner to come upon the Lots or Common Areas to retrieve errant golf balls, provided, however if any lot is fenced or walled, the golfer must seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: the Declarant, the Association and its Members (in their capacity as such), Santa Rita Springs, L.L.C., it successors or any officer, director, partner or agent of the foregoing.

6.8.2 The owner of any golf course adjacent to any portion of the Property, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of ingress and egress over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair and replacement of the golf course.

6.8.3 Any portion of the Property immediately adjacent to any golf course is hereby burdened with a non-exclusive easement in favor of the adjacent golf course for overspray of water from the irrigation system serving such golf course. Under no circumstances shall the Association or the owner of such golf course be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

ARTICLE 7 MAINTENANCE OBLIGATIONS OF OWNERS/ COMMUNITY-WIDE STANDARD/ PARTY WALLS AND OTHER SHARED STRUCTURES

7.1 Owners' Maintenance Responsibility. Each Owner shall maintain his or her Lot and all structures, parking areas, and other Improvements on the Lot in a manner consistent with the Community-Wide Standard and applicable covenants unless maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to a this Declaration.

7.2 <u>Standard of Performance</u>. Unless otherwise specifically provided herein, maintenance responsibility shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and the Governing Documents.

Shared Structures. A "Shared Structure" shall mean each wall, fence, 7.3 driveway or similar structure built as a part of the original construction of Improvements to contiguous Lots which serves and/or separates any two Lots. To the extent, not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omission shall apply to a Shared Structure. The cost of reasonable repair and maintenance of a Shared Structure shall be shared equally by the Owners who make use of the Shared Structure. If a Shared Structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the Shared Structure may restore it. If other Owners thereafter use the Shared Structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omission. The right of any Owner to contribution from any other Owner under this Section 8.3 shall be appurtenant to the land and shall pass to such Owner's successors-in-title. All disputes regarding a Shared Structure shall be submitted ARC, whose decision on the matter shall be final and binding.

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Improper Maintenance and Use of Lots. In the event any portion of any Lot 7.4 is used or maintained in a manner which violates this Declaration or any other Governing Document, or in the event the Owner, Occupant or Lessee of any Lot fails to perform his/her obligations under the Governing Documents or The Links Homeowners Guidelines, the Association, by Board resolution, may make a finding to such effect, specifying the particular conditions that exists. Thereafter, except when entry is required due to an emergency situation, the Owner shall be given notice that unless specified corrective action is taken within a specified time period, the Association, at such Owner's cost, may take whatever action is appropriate to compel compliance, including, without limitation, appropriate legal action. If, at the expiration of the specified time period the requisite corrective action has not been taken by the Owner, the Association hereby is authorized and empowered, at the sole discretion of the Board, to cause corrective action to be taken (including but not limited to the right to enter upon the Lot without being guilty of trespass and maintain landscaping, remove any weeds, rubbish or debris) and/or to commence appropriate legal action, the cost of which, including court costs and attorneys' fees, shall be added to and become a part of the Assessments to which the offending Owner and the Owner's Lot is subject, and shall be secured by the Assessment Lien, and by a Recorded Notice of Assessment Lien if deemed appropriate by the Board.

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ARTICLE 8 ARCHITECTURAL REVIEW AND LANDSCAPING RESTRICTIONS AND CONTROL

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8.1 <u>General and Obligation to Obtain Approval</u>. Except as otherwise provided in this Declaration or The Links Homeowners Guidelines, without the prior written approval of the Architectural Review Committee (hereinafter the "ARC") of plans and

specifications prepared and submitted to the ARC in accordance with the provisions of this Declaration and The Links Homeowners Guidelines:

8.1.1 No Improvement, structure or thing shall be placed, erected, installed or posted on the Property;

8.1.2 No building, fence, exterior wall, pool, roadway, driveway, dog run, flagpole or any other structure or exterior modification, shall be commenced, erected, maintained, altered, changed or made on any Lot at any time;

8.1.3 No exterior trees, bushes, shrubs, plants or other landscaping shall be planted or placed upon the Property, except by the Association on Common Area; and

8.1.4 No material changes or deviations in or from the plans and specifications for any work to be done on the Property, once approved by the ARC, shall be permitted without the prior written consent of the ARC to such change or deviation.

8.2 <u>Architectural Review</u>. Responsibility for the administration of The Links Homeowners Guidelines and review of all applications for construction and modifications under this Article shall be handled by the ARC. The ARC shall keep and maintain a written record of all actions taken by it. The ARC may hire consultants to assist in plan review. All costs incurred shall be borne by the Applicant.

8.3 <u>Architectural Review Committee</u>. The Board shall appoint the members of the ARC who shall thereafter serve and may be removed in the Board's discretion. The ARC shall consist of at least three but not more than five persons, and shall have exclusive jurisdiction over all original construction on the Property and all modifications, additions, or alterations made on or to existing structures or landscaping located on the Property.

8.4 The Links Homeowners Guidelines. The Board of Directors shall adopt and amend The Links Homeowners Guidelines for the Property (the "Guidelines"). The Guidelines shall contain general provisions applicable to all of the Property, and specific provisions which vary according to land use and from one portion of the Property to another, depending upon the location, unique characteristic, and intended use of the Property. The Guidelines may contain specific provisions pertaining to the height and type of trees and other plants within the Property, as well as conflict resolution between Lot Owners pertaining to same. Guidelines are intended to provide guidance to Owners regarding matters of particular concern to the Board and the ARC in considering applications thereunder. The Guidelines are not the exclusive basis for decisions of the ARC or the Board, and compliance with the Guidelines does not guarantee approval of any application.

Any amendments to the Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved, once the

approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Guidelines; the Board is expressly authorized to amend the Guidelines to remove requirements previously imposed, or to make the Guidelines less restrictive.

The Board shall make the Guidelines available to the Owners who seek to engage in development or construction or modifications within the Property.

8.5 <u>Procedures</u>. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and Improvements shall be submitted to the ARC for review and approval (or disapproval) along with any fee established by the ARC. In addition, information concerning irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted to the ARC as applicable. In reviewing each submission, the ARC may consider the quality of workmanship and design, harmony of exterior design with existing structures, and location in relation to surrounding topography, and finish grade elevation, among other things. Decisions of the ARC may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as members of the ARC change over time.

In the event that the ARC fails to approve or disapprove any application within 30 days after submission of any fees and information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Guidelines unless a variance has been granted in writing by the ARC pursuant to Section 8.7 hereof. Any Owner aggrieved by a decision of the ARC may appeal that decision to the Board in accordance with procedures established by the Board.

8.6 <u>No Waiver of Future Approvals</u>. Approval by the ARC of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings or other matters subsequently or additionally submitted to the ARC for approval.

8.7 <u>Variance</u>. The ARC may authorize variances from compliance with the Guidelines or any procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but such variances shall be made only in accordance with duly adopted rules and regulations of the ARC. Such variances may only be granted, however, when the ARC determines that unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance for the Guidelines.

8.8 <u>Limitation of Liability</u>. Review and approval of any application and plans and specifications pursuant to this Article is made on the basis of aesthetic considerations only and the ARC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, the ARC, or any member, director, or officer of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the ARC and its members shall be defended and indemnified by the Association to the fullest extent permitted by law.

8.9 <u>Enforcement</u>. Any structure, Improvement or other thing placed on the Property or made in violation of this Article shall be deemed to be "nonconforming work". Upon written request from the Board, the pertinent Owner shall, at his/her cost and expense, remove such structure or Improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore the property to substantially the same condition as existed prior to the nonconforming work, the Board or its designees shall have the right to enter onto the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate allowed by law, may be assessed against the benefitted Lot and collected as an Assessment pursuant to Article 10 hereof.

Unless otherwise specified in writing by the ARC, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, but not obligated to, after notice to Owner of the Lot, enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and Owner thereof which shall be collected as an Assessment pursuant to Article 10 hereof.

Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and conditions of this Article and the Guidelines may be excluded by the Board from the Property. In such event, neither the Association, the ARC, the Board or their officers, or directors shall be held liable to any Person for exercising the rights granted by paragraph.

The Board and Association, after notifying the Owner, shall have the right to enter, without being guilty of trespass, upon the Lot of an Owner for the purpose of repairing, modifying or demolishing Improvements which are not in conformance with the provisions of the Declaration or the Guidelines, and all expenses incurred shall be paid by the Owner who is in violation to the Association. If unpaid, said expenses shall be collectible like an Assessment in accordance with Article 10 below. In addition to the

foregoing, the Association shall have the authority and standing—to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

ARTICLE 9 USE RESTRICTIONS

The Property shall be held, used and enjoyed, subject to the following restrictions:

9.1 Animals.

- 9.1.1 <u>Animal Restrictions</u>. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that no more than a total of three dogs, cats or other household pets may be kept¹, provided that they are not kept, bred or maintained for any commercial purpose, and further provided that such pets do not create a nuisance for any other resident within the Property. The Board of Directors, in its sole discretion, is authorized to determine whether the number of pets kept on a Lot is "reasonable" and whether the presence of the pet constitutes a nuisance. The Board may require the removal of a pet that makes objectionable noise, endangers the health or safety of any Owner or Occupant, or otherwise creates a nuisance.
- 9.1.2 Required Use of Leash and Clean-Up. All dogs shall be restrained on a hand-held leash when outside a Lot, and all dogs shall be directly under control at all times. An owner must clean up after his/her pet and dispose of droppings, <u>bagged</u>, in a trash receptacle. Any Lot where a pet is kept or maintained shall at all times be kept in a neat and clean condition. Pets shall be licensed, registered and inoculated as required by law.
- 9.1.3 <u>No Structures for Animals</u>. No structure for the care, housing, confinement, or training of any animal or pet shall be maintained on any portion of the Properties so as to be visible from the exterior of the Lot.
- 9.1.4 <u>Rules and Regulations</u>. The Board of Directors shall have the right to adopt, amend and repeal rules and regulations governing the keeping of pets, and such rules and regulations may include an enforcement procedure. Any such rules and regulations are incorporated herein by this reference.
- 9.2 <u>Antennas and Exterior Devices</u>. Subject to the Telecommunications Act of 1996 and any other applicable law, no exterior antennas or other devices for the

Households that had more than three pets prior to the issuance of <u>The Links Homeowner Guidelines</u> in November 2004 are not subject to this restriction. However, in such a household, pets numbering more than three may not be replaced if they permanently leave the Dwelling Unit.

transmission or reception of communication, television or radio signals, including satellite dishes, which are not in keeping with similar devices already present within the Property, shall be erected or maintained without prior written authorization of the Board of Directors. No other exterior devices, modifications, or additions, shall be constructed on the exterior of a Lot (including the roof) without the prior written authorization of the Board of Directors. The installation of any antenna, satellite dish or exterior device shall be made so as to minimize, to the greatest extent possible, the visual impact of the installation.

9.3 <u>Business Activities</u>. Each Lot designated as residential under the Master Development Plan may be used only for residential purposes only. The following applies with respect to home business activities within the Property:

9.3.1 <u>Criteria for Home Business</u>. No trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in any Lot may conduct home business activities within a Dwelling Unit so long as (A) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Dwelling Unit; (B) the business activity conforms to all zoning requirements and any other governmental requirements for the Property; (C) the business activity does not involve any person conducting such business who does not reside in the Dwelling Unit or door-to-door solicitation of residents of the Property; (D) the existence or operation of the business does not increase that Dwelling Unit's use of Common Area facilities over the standard for a single family dwelling; (E) the existence or operation of the business does not require more than a reasonable number of customers or delivery trucks to visit the Lot; and (F) the business activity does not constitute a nuisance, or a hazardous or offensive use, or cause the owners to violate any other provisions of this Declaration, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board.

9.3.2 Pertinent Definitions. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally-accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (A) such activity is engaged in full or part-time; (B) such activity is intended to or does generate a profit; or (C) a license is required therefor. Notwithstanding the above, the leasing of a Lot shall not be considered a trade or business within the meaning of this Section. The establishment of a time sharing program, whereby the right to exclusive use of the Dwelling Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, is prohibited.

9.3.3 <u>Yard Sales or Garage Sales</u>. Yard sales, garage sales and estate sales are allowed in accordance with guidelines that may be set forth in the Rules.

9.4 <u>Clotheslines</u>. Unless otherwise provided by the Board, no clotheslines shall be erected or maintained upon the Property which are visible by any other Owner, nor shall any portion of the Common Area be used for drying personal articles belonging to the Owners, Occupants, guests or invitees.

9.5 <u>Diseases and Insects</u>. No Owner shall permit anything or any condition to exist upon the Property, which shall induce, breed or harbor infectious plant diseases or noxious insects.

9.6 <u>Drainage</u>. There shall be no interference with the established drainage pattern over any property, including any private drainage way or easement, within the Property, unless adequate provision is made for proper drainage conforming to Pima County rules, regulations, ordinances and drainage criteria, and is approved by the Pima County Flood Plain Board or its duly appointed representative. For purposes hereof, "established drainage" is defined as the drainage which existed at the time the overall grading of the Property was completed, or which is shown on the Plat or on any plans conforming to Pima County rules, regulations, ordinances and drainage criteria approved by the Pima County Flood Plain Board or its duly appointed representative.

9.7 <u>Drilling.</u> No derrick or other structure designed for use in drilling for water, oil or natural gas shall be erected, placed or permitted upon any part of the Property. No water, oil, natural gas, petroleum, asphaltum, hydrocarbon products or other mineral substances be produced or extracted therefrom.

9.8 <u>Flags and Banners</u>. The American flag may be displayed in accordance with Federal Flag Laws regarding the proper display of the flag, as well as the "flag rules" developed and approved by the Board. Flagpole style, placement, and installation must be approved by the Architectural Review Committee. Two flags may be displayed on the approved flagpole. No other flags or banners are permitted on the Property or Common Areas unless approved by the Board.

9.9 Leases.

9.9.1 <u>Obligations of Tenants</u>. All provisions of the Governing Documents which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to tenants and other Occupants. The Owner shall provide his/her tenant with copies of the Governing Documents. In the event the Owner fails to do so, the Association shall provide copies to the tenant and charge the Owner the cost of doing so.

 $9.9.2~\underline{\text{Requirements for Leases}}.$ All leases shall be in writing and shall specifically provide:

9.9.2.1 The lease is subject in all respects to the provisions of the Declaration and Rules.

9.9.2.2 The failure of the tenant to comply with the terms and conditions of the Declaration and Rules constitutes a material default of the lease, and the Owner shall be entitled to reenter and retake possession of the premises pursuant to the provisions of the Arizona Landlord Tenant Act, A.R.S. Section 33-1301 *et seq*.

9.9.2.3 All leases shall be for a minimum of 30 days.

9.9.3 <u>Enforcement of Leasing Restrictions</u>. An Owner shall provide a copy of an operative lease within ten days of the Association's written request therefor. An Owner shall be responsible for any violation of the Declaration and Rules by his/her lessee or tenant or any other persons residing in the Dwelling Unit, and their guests or invitees. In the event of any violation, the Owner, upon demand of the Association, shall immediately take all necessary actions to correct any such violations.

9.10 <u>Noise</u>. No Owner shall engage in any activity or permit any activity to occur on the Property which shall result in unusual, loud or obtrusive noises or sounds.

9.11 <u>Nuisances and Offensive Activity</u>. Nothing shall be permitted to exist or operate upon the Property, nor shall any activity be conducted which is materially offensive or detrimental to any portion of the Property or any Owner or Occupant, or which threatens the health or safety of any Owner or Occupant. Owners may burn wood in outdoor fireplaces or firepits approved by the ARC.

9.12 <u>Rubbish, Garbage and Storage</u>. No Lot shall be used in whole or part for the storage of construction materials (except during approved construction or remodeling), rubbish, or garbage of any character whatsoever, nor for the storage of anything which will cause the Lot to appear in an unclean or untidy condition or that will otherwise be obnoxious. No trash, yard waste, or rubbish of any kind may be dumped or otherwise discarded anywhere in the Property. No obnoxious or offensive activity shall be conducted on any Lot, nor shall anything be done, placed or stored thereon which may become an annoyance or nuisance to the neighborhood or occasion any noise, or odor which will or might disturb the peace, quiet, comfort or serenity of the occupants of surrounding Lots. All equipment for the storage or disposal of garbage or other waste shall be kept in a clean and sanitary condition. No storage of any item or material is permitted outside the walls of a Lot.

9.13 <u>Sales of Lots</u>. Each Owner shall promptly notify the Association of any sale or transfer of his/her Lot and shall provide the Board with the name and address of the grantee or transferee and any other information as may be reasonably required by the Association. The Board may charge a reasonable transfer fee to compensate the Association for changing its records and providing the new Owner with copies of all Association documents and other disclosure information required by applicable law.

9.14 <u>Security</u>. The Association may, from time to time, provide measures of security on the Property; however, the Association is not a provider of security and shall have no duty to provide any security on the Property. The obligation to provide security lies solely with each Owner individually. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or as a result of the ineffectiveness of security measure undertaken.

9.15 Signs, Open Houses and Garage Sales. Except as otherwise provided in this Section, no sign of any kind shall be on a Lot or Common Area, unless the sign has been approved by the Board, except security signs, or signs or other postings which may be required by legal proceedings. Political signs are only allowed in accordance with State of Arizona statutes. Only "For Sale" signs developed, specified and approved by the Architectural Review Committee may be used to sell a Dwelling Unit. No "For Rent" signs are permitted. Open houses can be held but are limited to no more than eight per month, and no more than four hours each. A maximum of three "Open House" signs can be used, not to exceed two square feet in size to indicate the location of the open house. A maximum of two garage sales may be held each year on any Lot. Sale hours shall be limited to the hours between 8 a.m. and 5 p.m. Sign specifications and requirements for a garage sale are the same as for an open house.

9.16 <u>Sports Courts or Facilities.</u> No basketball backboards with hoops or courts, tennis courts, golf backstops or other sports courts or facilities may be constructed on any lot without the specific approval of the Architectural Review Committee.

9.17 <u>Storage Tanks.</u> No elevated tanks of any kind shall be erected, placed or permitted on any part of the Property. No tanks may be erected, placed or buried in the Lots for the storage of any flammable product (such as gas, oil, etc.), except small tanks, such as those containing flammable substances for use in outdoor grills, recreational vehicles or medical purposes which may be exempt from this restriction. All evaporative coolers and air conditioning units shall be installed only as approved by the Association.

9.18 <u>Temporary Housing</u>. No vehicle, trailer, camper, basement, tent, shack, garage, carport or outbuilding or any structure of a temporary character shall be used on any portion of the Property at any time as a residence either temporarily or permanently

9.19 <u>Trash and Recycling</u>. All equipment for the storage or disposal of garbage or other waste shall be kept in a clean and sanitary condition. All containers, except when set out for collection, shall be kept enclosed by an approved fence or other structure, out of view of any other Lot or street. The Board may promulgate rules and regulations governing use and placement of trash receptacles, which rules and regulations are incorporated herein by this reference.

9.20 <u>Unsightly Objects or Articles</u>. No unsightly articles or objects shall be permitted which are visible from adjoining Lots or from the street or any public way. The

Board shall have the sole discretion in determining if any activity by an Owner, his/her family, invitees or lessees is in violation of this Section.

9.21 <u>Vehicle Parking and/or Storage</u>.

9.21.1 <u>Parking in Designated Areas Only</u>. Unless otherwise authorized by the Board of Directors or this Declaration, all Occupants shall park motorized or non-motorized vehicles only in the garage. No portion of any vehicle may extend outside the garage. Parking of any vehicles on public or private streets is prohibited; however, guests, construction, service, and delivery vehicles shall be exempt from this provision during daylight hours. Commercial vehicles may be parked on the street for such period of time as is reasonably necessary to make a delivery or service call to a Lot or to the Common Area.

9.21.2 <u>Variance for New Owners</u>. A one-time non-recurring six-week grace period from date of move-in shall be granted to new Owners or tenants to allow for the unpacking process.

9.21.2 <u>Parking Requirement</u>. No vehicles shall block any driveway or inhibit access to or from any Lot, be parked on a sidewalk, or be parked in any manner which restricts the flow of pedestrian or vehicular traffic or the delivery of mail.

9.21.3 <u>Off-Road Vehicles</u>. Motorized vehicles may not be used on or parked on Common Areas "B" or "C" or in washes within or adjacent to any of the Property.

9.21.4 <u>Recreational Vehicles</u>. Parking or storage of recreational vehicles (including, but not limited to, golf carts, trailers, campers, motorhomes, mobile homes, and boats) is prohibited on all portions of the Property, except within the confines of a garage, or with the permission of the Board. Owners may park golf carts, trailers or other recreational vehicles on the driveway of a Lot for no more than 48 hours in any month.

9.21.5 Prohibition Against Inoperable & Stored Vehicles. Unless concealed from view in a garage, no inoperable, unlicensed, junked or wrecked vehicles shall be parked on any portion of the Property, nor shall any major repair work, including changing any fluids, be done to any vehicle (other than vehicle washing or waxing). No vehicles shall be located on the Property in any state of disrepair or disassembly, unless concealed from view in a garage. No motorized or non-motorized vehicle (whether for recreational use or otherwise), aircraft, motorcycle, trailer or boat may be stored anywhere upon the Lot except entirely within the enclosed garage on the Lot of the respective Owner. No vehicle be stored on any part of the Common Area.

9.21.6 <u>Garage Doors</u>. Garage doors are to remain closed at all times, except: (A) for cross ventilation: the door may be elevated to a maximum of 24 inches; or (B) for Owner's or Occupant's activity: the door may remain open when the Owner or Occupant

is actively involved in car washing, landscaping, woodworking, etc., requiring access to the garage.

9.21.7 <u>Enforcement of Parking Restrictions</u>. In the event any Owner, occupant, guest or lessee violates this Section regarding vehicle parking and storage, the Association may take any action which is necessary to obtain compliance of this Section, including the removal of vehicles in violation hereof, the cost of which shall become the responsibility of the owner of the Lot where the vehicle owner resides or is visiting.

9.21.8 <u>Penalties for Non-Compliance with Parking Restrictions</u>. After notice and an opportunity to be heard, the Association may impose a fine for each violation of these Restrictions pertaining to vehicle parking and storage.

9.22 <u>Modification</u>. The Board may modify or increase the foregoing restrictions or otherwise restrict and regulate the use and occupancy of the Property and the Lots by the Association Rules and Regulations adopted by the Board from time to time.

ARTICLE 10 COVENANTS FOR ASSESSMENTS

Owner, upon the recordation of a deed to any Lot, whether or not it shall be so stated in such deed, agrees and covenants to pay to the Association: (A) Annual Assessments or charges, (B) Special Assessments, (C) Maintenance Assessments; and (D) Reimbursement Assessments. These Assessments shall be established and collected as provided in this Declaration. Except as may otherwise be provided by the Arizona Planned Communities Act (A.R.S. §33-1801 *et seq.*), all assessments levied against a Lot, together with interest from the date of delinquency until paid, late fees, collection costs and reasonable attorneys' fees and costs, shall be charged against the Lot and shall be a continuing lien upon the Lot.

Delinquent assessments, together with interest, late fees, collection costs, and reasonable attorneys' fees and costs, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment was levied, and shall bind his/her heirs, devisees, personal representatives and assigns. Except as otherwise provided herein, the personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

10.2 <u>Purpose of Assessments</u>. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners, Occupants, and their guests; to enhance the quality of life within the Property; to preserve the value of the Property; to pay the costs of administration of the Association; for the improvement and maintenance of the Common Area; and for all purposes of the Association as set forth in the Governing Documents. The Board of Directors shall assure

that Association assessments shall include the funding of adequate reserves for maintenance, repair and replacement of those elements of the Common Area owned by the Association that must be replaced on a periodic basis. All charges and assessments imposed by the Association shall be paid on a periodic basis in regular installments, rather than by special assessments, unless otherwise determined by the Board in accordance with this Declaration.

10.3 Annual Assessment.

absolute discretion to determine the amount of the Annual Assessment, based upon the operating budget of the Association, including appropriate reserves. The amount of the Annual Assessment may not be increased more than 5% over the previous year's Annual Assessment without the affirmative vote of 2/3rd of the Owners present or voting by absentee ballot at a duly-called Association meeting, or by mail vote, provided a quorum is present. During a fiscal year, the Board may revise the amount of the Annual Assessment (subject to the aforesaid 5% limitation) in order to meet expenses which exceed the amounts budgeted for that year, and may collect such increased Annual Assessment from the Owners.

10.3.2 <u>Notification to Owners of Annual Assessments</u>. The Board shall provide notice to the Owners of the amount of the Annual Assessment with the annual budget, as provided in 10.3.4 below.

10.3.3 <u>Acceleration of Annual Assessment</u>. At such time as any Owner is delinquent in the payment of any installment of Annual Assessment, the Board has the right, after notice to the Owner, to accelerate the balance of the year's Annual Assessment, the full amount of which shall be due within 30 days of written notice thereof.

10.3.4 <u>Budgeting</u>. Each year the Board shall prepare, approve and make available to each Owner, a budget containing: (A) estimated revenue and expenses; and (B) the amount of total cash reserves of the Association currently available for replacement or repair of the Common Area and other pertinent areas, and for contingencies. The total amount needed to fund the annual budget shall be charged equally against all Lots as Annual Assessments, subject to any limitations set forth in the Governing Documents. The Board shall prepare and approve the annual budget and distribute a copy thereof to each Owner at the Annual Meeting. Also, the Board shall provide written notice of the amount of the Annual Assessment to be levied against the Owner's Lot, not less than 10 days nor more than 30 days prior to the beginning of the fiscal year.

10.3.5 <u>Non-Waiver of Assessments</u>. If before the expiration of any fiscal year, the Board fails to fix the Annual Assessment for the next fiscal year, the Annual Assessment established for the preceding year shall continue until a new Annual Assessment is fixed.

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10.4 <u>Special Assessments</u>. Special Assessments may be recommended by the Board of Directors, in addition to the Annual Assessment, for: (A) constructing capital improvements; (B) correcting an inadequacy in the current operating account; (C) defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of improvements in the Common Area; or (D) paying for such other matters as the Board may deem appropriate for the Property or the good and welfare of the Owners. Special Assessments require the approval of 2/3rds of the Owners who are voting in person or by absentee ballot at a duly-called Association meeting, or by mail vote, provided a quorum is present.

Monies collected as a Special Assessment shall be used for the purpose(s) stated to the Owners during the approval process. Any surplus funds shall be added to the Non-Designated Reserve Fund.

Assessment if (A) Any Owner, his/her family member, tenant, guest, agent, or invitee, has failed to comply with the Governing Documents, which failure has necessitated an expenditure of money by the Association to bring the Owner or his/her Lot into compliance; (B) Any Owner, his/her family member, tenant, guest or invitee has caused damage to the Common Area; or (C) Any Owner, his/her family member, tenant, guest or invitee has acted in a manner which resulted in the imposition of a fine or penalty. A Reimbursement Assessment shall not be levied by the Association until notice and an opportunity for a hearing has been given to the Owner. Reimbursement Assessments may be enforced in the same manner as Annual Assessments, or as provided in any superseding law.²

10.6 Reserve Fund.

10.6.1 <u>Requirement for Reserve Fund</u>. The Association shall maintain separate reserve accounts with the funds therein being used for the periodic maintenance, repair and replacement of the Common Area and other property that are the Association's responsibility to repair or maintain, as required hereunder.

10.6.2 <u>Funding the Reserves</u>. To the greatest extent possible, this reserve fund shall be funded by a portion of the Annual Assessments rather than by Special Assessment; provided however, that this provision shall not be deemed to limit the power of the Association to levy any Assessment or charge authorized by this Declaration.

A.R.S. §33-1803 (Arizona Planned Communities Act) states that penalties levied for infractions of the Governing Documents are not part of the Association's assessment lien. To enforce payment of penalties, the Association must get a personal judgment against the non-compliant Owner.

of the Annual Assessments shall be deposited by the Association in a separate bank account to be held in trust for the purposes for which they are collected or allocated. Such reserves shall be deemed a contribution to the capital account of the Association by the Owners and, once paid, no Owner shall be entitled to any reimbursement of those funds. The Board is only responsible for providing for such reserves as the Board, in good faith, deems reasonable, and no member of the Board is liable to any Owner or to the Association if the amount in the reserve account proves to be inadequate.

10.6.4. <u>Uniform Rate of Assessment</u>. Except as otherwise provided in this Declaration, all Assessments must be fixed at a uniform rate for all Lots.

10.6.5. <u>Certificate of Payment</u>. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of the Association as of the date of its issuance.

Assessment is not paid within 15 days of its due date, a late fee and interest may be charged, in an amount to be determined by the Board of Directors. The prevailing party in any Court action shall be awarded reasonable attorneys' fees and costs. If no Court action is brought, the Association shall be reimbursed, by the pertinent Owner(s), all reasonable attorneys' fees and collection costs it incurs. If a check tendered for any Assessment or associated charge, is returned as unpaid for any reason, a penalty shall be assessed, as determined by the Board of Directors. In addition to all other remedies provided by law, the Association, or its authorized representative, may enforce the obligations of any Owner to pay the Assessments in any manner provided by law or in equity, or without any limitation to the foregoing, or by either or both of the following procedures:

10.7.1 <u>Lawsuit</u>. The Board may cause a suit at law to be commenced and maintained in the name of the Association against any Owner who is personally obligated to pay delinquent Assessments. Any judgment obtained in the Association's favor shall include the amount of the delinquent Assessments, interest and late fees; any additional charges incurred by the Association; and the Association's reasonable attorneys' fees, court costs and collection costs. A proceeding to recover a judgment for unpaid Assessments may be maintained without the necessity of foreclosing or waiving the Association's lien.

10.7.2 <u>Enforcement of Lien</u>. As provided in Section 10.1 above, all Assessments, plus late fees, interest, attorney fees and collection costs connected therewith, shall be a continuing lien upon the Lot assessed.

 $10.7.2.1 \underline{\qquad Notice\ and\ Perfection\ of\ Lien}.\ As\ more\ fully\ provided$ in A.R.S. §33-1807, the recording of the Original Declaration constitutes record notice and

perfection of the Association's lien. The Association is not required to record a notice of lien, but may do so to provide notice to third parties of its interest in a Lot. The Association's lien is senior to all matters other than tax liens for real property taxes on the Lot, Assessments on the Lot in favor of any municipal or other governmental assessing unit, reservations in patents, and the lien of any First Mortgage. Except for the transfer of a Lot pursuant to a foreclosure of a First Mortgage or other superior lien, the sale or transfer of a Lot does not affect the Association's lien.

10.7.2.2 <u>Foreclosure of Lien</u>. The Association's lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a realty mortgage, as set forth by the laws of the State of Arizona, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Owners. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each Owner hereby expressly waives any objection to the enforcement and foreclosure of this lien.

10.8 <u>Billing and Collection Procedures</u>. The Board may adopt procedures pertaining to the making, billing, and collecting of Assessments. The failure of the Association to send an invoice or other notification to an Owner shall not relieve such Owner of his/her liability for Assessments. No Assessment Lien shall be foreclosed or otherwise enforced until the Owner has been given not less than thirty (30) days written notice of his/her delinquency. The notice shall be addressed to the Owner at his/her address Owner on the records of the Association. It shall be the responsibility of the Owner to inform the Board in writing of any change of address. The Association shall not refund any payments it has received if the ownership of a Lot changes during an Assessment Period. Any successor Owner shall be given credit for any prepayments made by a prior Owner.

10.9 <u>No Offset and No Exemption of Owner</u>. No offset against any Assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties. No Owner is exempt from liability for payment of Assessments because he/she does not use or enjoy the Common Area, or has abandoned his/her Lot, or for any other reason, including (but not limited to) any allegation that the Board of Directors is not performing its obligations under the Governing Documents. Payment of Association Assessments shall not be contingent on the performance by the Association of any obligations under the Governing Documents.

10.10 <u>Subordination of the Lien to First Mortgages; Sale or Transfer of Lots</u>. The lien for Assessments provided for herein, including without limitation any fees, costs, late charges, or interest which may be levied by the Association in connection with unpaid Assessments, shall be subordinate to the lien of any First Mortgage. Sale or transfer of any

Lot pursuant to foreclosure of any such First Mortgage or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of such executory land sales contract, shall extinguish the lien of Assessments or charges which became due prior to any such sale or transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract; provided, however, that any such delinquent Assessments or charges, including interest, late charges, costs, and reasonable attorneys' fees, which are extinguished as provided herein, may be reallocated and assessed to all Lots as a common expense or may be expressly assumed by a Successor Owner. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture of such executory land sales contract, shall relieve any Owner of a Lot from liability for any Assessments or charges thereafter becoming due, nor from the lien thereof. In the event of foreclosure of a First Mortgage or the taking of a deed in lieu thereof, such First Mortgagee shall not be liable for unpaid Assessments or other charges which accrued prior to the acquisition of title to the Lot in question by such First Mortgagee.

10.11. <u>Mortgage Protection and Additional Assessment as Common Expense</u>. Notwithstanding and prevailing over any other provisions of this Declaration, or the Association's Articles or Bylaws, or the Rules, the following provisions shall apply to and benefit each First Mortgagee of a Lot:

10.11.1 First Mortgagees shall not be personally liable for the payment of any Assessment or charge, nor for the observance or performance of any covenant, restriction, regulation, Rule, Article or By-Law, except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, nor shall a First Mortgagee be liable for any violation of the Restrictions that occurred prior to such First Mortgagee acquiring title.

10.11.2 During the pendency of any proceeding to foreclose the first mortgage, including any period of redemption, the mortgagee (or receiver appointed in such action) may, but is not required to, exercise any or all of the rights and privileges of the Owner of the mortgaged Lot, including (but not limited to) the exclusion of the Owner's exercise of such rights and privileges.

10.11.3. At such time as the first mortgagee becomes the record Owner of a Lot, he, she or it shall be subject to all of the terms and conditions of this Declaration, including but not limited to, the obligation to pay for all Assessments and charges accruing thereafter, in the same manner as any Owner.

10.11.4 The first mortgagee, or any other party acquiring title to a mortgaged Lot through foreclosure suit or through any equivalent proceeding arising from said first mortgage, such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title to the mortgaged Lot free and clear of any lien authorized by or arising out of any of the provisions of this Declaration or Bylaws which secured the payment of any

Assessment for charges accrued prior to the final conclusion of any such foreclosure suit or equivalent proceeding, including the expiration date of any period of redemption.

10.11.5 First mortgagees are entitled to pay taxes or other charges which are in default and which may or have become a charge against any Common Area owned by the Association, and such first mortgagees may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area, and any first mortgagees making such payment may be owed immediate reimbursement from the Association.

10.11.6 Nothing in this Declaration shall in any manner be deemed to give an Owner, or any other party, priority over any rights of a first mortgagee of a Lot pursuant to the terms of such first mortgagee's mortgage in the case of a distribution to an Owner of insurance proceeds or condemnation awards for losses or to a taking of any Lot or any part of the Common Area owned by the Association. Each first mortgagee shall be entitled to timely written notice of such loss or taking.

10.12 <u>Surplus Funds</u>. The Association is not obligated to spend all funds received by it in any fiscal year. The Board may vote to carry forward as a surplus, any balance remaining at year-end. The Board shall not be obligated to reduce the amount of the Annual Assessment in the succeeding year if a surplus exists.

10.13 <u>Green Valley Recreations (GVR)</u>. Lot Owners in The Links at Santa Rita Springs shall be members of GVR, and are required to pay any assessments or charges levied by GVR. Such assessment is in addition to the Annual Assessment levied by the Association, and shall be subject to the collection provisions of this Article.

ARTICLE 11 INSURANCE

11.1 <u>Required Coverages</u>. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available the most nearly equivalent coverages as are reasonably available:

11.1.1 Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

11.1.2 Commercial general liability insurance on the Common Areas, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

11.1.3 Workers compensation insurance and employers liability insurance, if and to the extent required by law;

11.1.4 Directors and officers liability coverage;

11.1.5 Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth of the Annual Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

11.1.6 Such additional insurance as the Board, in its best business judgment, determines advisable.

11.2 <u>Policy Requirements</u>. The Association may arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Pima County, Arizona area.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 11.1. In the event of an insured loss, the deductible shall be treated as an expense of the Association in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lot(s) as a Reimbursement Assessment.

11.3 <u>Additional Requirements</u>. All insurance coverage obtained by the Board shall:

11.3.1 be written with a company authorized to do business in the State of Arizona which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

11.3.2 be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Areas shall be for the benefit of the Association and its Members: not be brought into contribution with insurance purchased by Owners, Occupants, or their Mortgagees individually; contain an inflation guard endorsement; 11.3.4 11.3.5 include an agreed amount endorsement, if the policy contains a coinsurance clause: provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area or membership in the Association: provide a waiver of subrogation under the policy against any Owner 11.3.7 or household member of an Owner; include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and 11.3.9 include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association. Optional Requirements. In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide: a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests; 11.4.2 a waiver of the insurer's rights to repair and reconstruct instead of paying cash; an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause,

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11.4.4 an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

11.4.5 a cross liability provision, and

- 11.4.6 a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.
- 11.5 Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Owners representing at least 75% of the total votes in the Association, may decide within 60 days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No First Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged Improvements, and no alternative Improvements are authorized, the affected property shall be cleared of all debris and ruins, and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members and placed in the operating account of the Association. This is a covenant for the benefit of Mortgagees and may be enforced by the First Mortgagee of any affected Lot .

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Owners, levy a Special Assessment(s) to cover the shortfall,

ARTICLE 12 AGE RESTRICTIONS, COVENANTS AND CONDITIONS

12.1 <u>Age Restriction</u>. Except as provided below, each Dwelling Unit located in the Property shall be occupied by at least one person per household who is 55 years of age or older.

12.2 Exceptions to Age Restriction. There may be original Owners who do not comply with the foregoing age restriction. These Owners are exempt from the requirements of Section 12.1; however, when these Owners' Lots are subsequently resold, they must be occupied by at least one person fifty-five (55) years of age or older. Notwithstanding the foregoing, should an Occupant that is fifty-five (55) years of age or older die and leave the Dwelling Unit to a surviving spouse or other companion previously residing with the deceased Occupant, then provided that such surviving spouse or other co-habitant is at least forty-five (45) years of age, and provided that at least eighty percent (80%) of the Dwelling Units shall continue to be occupied by at least one person 55 years of age or older, the Board may allow the surviving spouse or co-habitant to remain in the Dwelling Unit as an exception to the age restriction in Section 12.1.

- 12.3 <u>Owners' Obligations</u>. It shall be the duty and obligation of each record Owner of a residential Lot, prior to reselling, reconveying or leasing the Lot, to ascertain that after the purchase or the lease, at least one Occupant will be fifty-five (55) years of age or older, and shall further confirm this fact to the Association.
- 12.4 <u>Minors</u>. Nothing in this Declaration shall be construed as to permit occupancy of any Lot by any person less than 18 years of age (a "Minor"). No Minor shall reside in any Dwelling Unit for more than three months during any 12-month period.
- 12.5 <u>Occupants</u>. The occupancy restrictions of this Declaration dealing with both minimum age restrictions and the prohibition of Minors applies to all Occupants, whether Owners, Residents, Lessees or Tenants, and to all leases as well as sales.
- 12.6 <u>Compliance</u>. On an annual basis, Owner and Occupants, shall provide written verification to the Association that a Dwelling Unit is occupied by at least one person over the age of fifty-five (55), subject to the reserved rights of the Declarant. It is understood that the ultimate responsibility for compliance with the provisions of this Article 12 rests with the Owner and not the Association or the Declarant. The Association, Declarant, and the Association's officers, directors, agents and employees shall have no liability whatsoever for compliance with the foregoing provisions, it being the duty of each Owner to comply therewith and ensure that all Occupants comply therewith and make appropriate notification to the Association. Each Owner acknowledges that the leasing of Dwelling Units and the pattern of resales of Dwelling Units can be difficult to control or predict, and that compliance with the Fair Housing Act and with the Exemption depends upon the cooperation of the Owners and Occupants.
- 12.7 <u>Amending Age Restrictions</u>. Notwithstanding anything contained in this Declaration to the contrary, the provisions of this Article 12 may only be amended by the affirmative vote of ninety percent (90%) of the Owners then entitled to vote.

ARTICLE 13 ENFORCEMENT

13.1 <u>Right of Association to Enforce</u>. The Association or any Member has the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by the provisions of this Declaration. This shall include enforcement of Rules and Regulations adopted by the Board to carry out its purposes and duties under this Declaration. The prevailing party in any Court action shall be awarded reasonable attorneys' fees and costs. If no Court action is brought, the Association shall be reimbursed by the pertinent Owner(s), all reasonable attorneys' fees and costs it incurs in enforcing the Governing Documents.

13.1.1 <u>Waiver</u>. No delay or omission on the part of the Association in exercising its right to enforcement of this Declaration shall be construed as a waiver of or acquiescence in any breach of any of the restrictions and covenants, and no right of action shall accrue against the Board of Directors, the Association or any member for their neglect or refusal to exercise such right of enforcement.

13.1.2 <u>Protection of Mortgagee</u>. No breach of the foregoing provisions, conditions, restrictions or covenants shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value as to any portion of the Property. Such provisions, conditions, restrictions and covenants shall be enforceable against any portion of the Property acquired by any person through foreclosure for any breach occurring after such acquisition.

13.2 Fines and Penalties. If any Owner, his/her family, or any licensee, invitee, tenant or lessee violates the Governing Documents, the Board may levy a fine upon the Owner of the Dwelling Unit for each violation and/or may suspend the right of such person to use the Common Area, under such conditions as the Board may specify. Each day a violation continues after written notice to cease has been mailed shall be considered a separate violation and shall be subject to the imposition of a fine. The Board shall establish a procedure by which it imposes such fines, including the right to notice and an opportunity to be heard. Any fines which remain unpaid for a period of ten (10) days after notice to pay, shall become a lien on the Owner's Lot, unless prohibited by applicable law³, and shall be collected in the same manner as delinquent Assessments, including the imposition of late fees and interest.

As of the date of this Declaration, A.R.S. §33-1807(A) states that "Fees, charges, late charges, monetary penalties and interest charged" for breaches of the Association's Governing Documents shall not be part of the Association's assessment lien. The Association must obtain a judgment from a court of competent jurisdiction to enforce payment of penalties or fines and associated late fees and costs. The Association's judgment lien is effective only on conveyance of any interest in the pertinent Lot.

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- 13.3 <u>Enforcement Procedures</u>. Before a fine or penalty is levied, the following enforcement procedure will be followed:
- 13.3.1 <u>Demand</u>. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (A) the alleged violation; (B) the action required to abate the violation and, (C) if the violation is a continuing one, a time period of not less than ten (10) days, unless the violation constitutes a safety or health hazard, or if the violation is not a continuing one, a statement that any further violation of the same rule may result in the imposition of sanctions after notice and hearing.
- 13.3.2 <u>Notice</u>. Within one month of such notice, if the violations continue past the period allowed in the notice for abatement without penalty, or if the same rule is subsequently violated, the Board shall serve the violator with written notice of a hearing to be held by the Board in executive session. Service may be made personally or by first class mail to the violator's address of record. The notice shall contain: (A) the nature of the alleged violation; (B) the time and place of the hearing, which time shall be not less than ten days from the giving of notice; (C) an invitation to attend the hearing and produce any statement, evidence and witnesses on his/her behalf; and (D) the proposed sanctions to be imposed, which may include the imposition of a fine.
- of Directors, pursuant to the aforesaid Notice, thereby affording the Member a reasonable opportunity to be heard. Protocol of the hearing will be set by the Board of Directors. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered into the minutes by the officer or director who delivered such notice. If the Member does not appear at the hearing, the Board will presume the validity of the notice of violation and may levy a fine or penalty.
- 13.4 <u>Notice of Violation</u>. In the event that any Owner, his/her guests, tenants or family members are in violation of any of the provisions of the Governing Documents, the Association, after providing notice and an opportunity to cure the violation, has the right to record a "Notice of Violation" with the Pima County Recorder's Office, stating the name of the Owner, the Lot and the nature of the violation, and the Association's intent not to waive any of its rights of enforcement. The Notice shall remain of record until the violation is cured.
- 13.5 <u>No Obligation to Enforce</u>. The Association is not obligated to take any enforcement action if the Board determines, in its sole discretion, that because of considerations pertaining to the Association's finances, possible defenses, the time and expense of litigation or other enforcement action, the likelihood of a result favorable to the Association, or other facts deemed relevant by the Board, enforcement action would not

be appropriate or in the best interests of the Association. The failure of the Association or an Owner to take enforcement action with respect to a violation of the Governing Documents shall not constitute or be deemed a waiver of the right of the Association or any Owner to enforce the Governing Documents in the future.

13.6 <u>Cumulative Rights and Remedies</u>. All rights and remedies of the Association under the Governing Documents or at law or in equity are cumulative, and the exercise of one right or remedy shall not waive the Association's right to exercise another right or remedy.

13.7 <u>Violation of Law</u>. Each and every provision of this Declaration, as amended from time to time, is subject to any and all applicable federal, state and local governmental rules and regulations, ordinances and subdivision regulations. Any violation of any federal, state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within The Links at Santa Rita Springs is declared to be a violation of the Governing Documents and subject to any and all enforcement procedures set forth in such Governing Documents.

13.8 <u>Survival of Liability</u>. The termination of membership in the Association shall not relieve or release any such former Member from any liability or obligation incurred under or in any way connected with the Association during the period of such membership, or impair any rights or remedies which the Association may have against such former Member arising out of, or in any way connected with such membership and the covenants and obligations incident thereto.

13.9 <u>Attorney Fees</u>. In the event the Association or Board retains or employs an attorney to enforce any lien granted to it under the terms of this Declaration, or to collect any assessments or other amounts due from an Owner, or to enforce compliance with or recover damages for any violation or noncompliance with this Declaration or the Rules, the Association shall be entitled to recover from the pertinent Lot Owner its reasonable attorneys' fees and costs incurred, whether or not court action is initiated.

13.10 <u>Joint and Several Liability</u>. In the case of joint ownership of a Lot or Dwelling Unit, the liabilities and obligations of each of the joint owners set forth in or imposed by this Declaration shall be joint and several.

ARTICLE 14 GENERAL PROVISIONS

14.1 <u>Severability</u>. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any others which shall remain in full force and effect.

14.2 <u>Termination</u>. this Declaration may be terminated at any time if Members representing 90% of the Members vote in favor of termination at an election held for such purpose. If the necessary votes and consents are obtained, the Board shall Record a certificate of termination, duly executed by the President or Vice President of the Association and attested to by the Secretary of the Association. Upon the Recording of the termination certificate, this Declaration shall be of no further force and effect and the Association thereupon shall be dissolved in accordance with its Articles and Bylaws and the laws of the State of Arizona.

14.3 <u>Amendment</u>. This Declaration may be amended at any time with the approval of 67% of the voting power of the Association at any annual meeting or at any special meeting called for that purpose. The Declaration may also be amended by a written ballot. Any amendment to this Declaration shall be evidenced by a written document signed by the President and Secretary of the Association, attesting that the Owners consented to such amendment. The Amendment shall become effective when Recorded at the Pima County Recorder's Office.

14.4 <u>Term</u>. The provisions of this Declaration shall run with the land and continue and remain in full force and effect at all times and against all persons.

14.5 <u>Binding Effect</u>. By acceptance of a deed or acquiring any ownership interest in any Lot, each person or entity, for himself, herself, or itself, his/her heirs, personal representatives, successors, transferees and assigns, bind himself/herself and his/her heirs, personal representatives, successors, transferees and assigns to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereto. In addition, each such person doing so acknowledges that this Declaration sets forth a general scheme for the Property and evidences his/her intent that all restrictions, conditions, covenants, and rules and regulations contained herein or promulgated hereafter by the Association shall run with the land and be binding upon all subsequent and future Owners, grantees, purchasers, assignees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

14.6 <u>Captions, Headings and Gender</u>. The captions and headings of Sections and Articles of this Declaration are inserted for convenience of reference only and in no way define, describe or limit the scope or intent thereof or any of the provisions of this Declaration. All pronouns utilized herein shall be deemed to apply to all genders and numbers as the context requires to make them properly applicable to the Parties and any and all third parties.

14.7 <u>Interpretation</u>. The Board of Directors for the Association has the exclusive right and authority to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the

| 1 2 | Association's construction or interpretation of the provisions of the Governing Documents shall be final, conclusive and binding on all Owners. |
|----------|---|
| 3 | |
| 4 | 14.8 <u>Construction</u> . In the event of any discrepancies, inconsistencies or conflicts |
| 5 | between the provisions of this Declaration and any other Governing Documents, the |
| 6 | provisions of this Declaration shall prevail. |
| 7 | |
| 8 | 14.9 <u>Change of Circumstances.</u> Except as otherwise expressly provided in this |
| 9 | Declaration, no change or conditions or circumstances shall operate to extinguish, |
| 10 | terminate or modify any of the provisions of this Declaration. |
| 11 | |
| 12 | 14.10 <u>Notices</u> . If notice of any action or proposed action by the Board or any |
| 13 | committee or of any meeting is required by applicable law, this Declaration or any other |
| 14 | Governing Document or any resolution of the Board to be given to any Owner or Occupant |
| 15 | then, unless otherwise specified herein or in the resolution of the Board, such notice |
| 16 | requirement shall be deemed satisfied if notice of such action or meeting is hand-delivered |
| 17 | or sent by mail to each Owner. This Section shall not be construed to require, that any |
| 18 | notice be given if not otherwise required and shall not prohibit satisfaction of any notice |
| 19 | requirement in any other manner. |
| 20 | IN MITNESS MILEPEOE the undersigned contifu that at least 67% of the |
| 21 22 | IN WITNESS WHEREOF, the undersigned certify that at least 67% of the Owners have voted to approve this Amended and Restated Declaration. |
| 23 | Owners have voted to approve this American and Restated Declaration. |
| 24 | |
| 25 | THE LINKS AT SANTA RITA HOMEOWNERS |
| 26 | ASSOCIATION, INC., an Arizona non-profit |
| 27 | corporation |
| 28 | 1 |
| 29 | |
| 30 | By: |
| 31 | Its: President |
| 32 | ATTEST: |
| 33 | |
| 34 | |
| 35 | By |
| 36 37 | Secretary |
| 38 | STATE OF ARIZONA) |
| 39 |) ss: |
| 10 | County of Pima) |
| 41 | |
| 42 | The foregoing instrument was acknowledged before me this day of , |
| 43 | The foregoing instrument was acknowledged before me this day of, 2006, by, President, and by |
| | · ———— |

| 1 | , Secretary, of THE LINKS AT SANTA RITA HOMEOWNERS |
|---|---|
| 2 | ASSOCIATION, INC., an Arizona non-profit corporation, on behalf of the corporation. |
| 3 | |
| 4 | |
| 5 | |
| 6 | |
| 7 | Notary Public |
| 8 | |