

Official Records of Maricopa County
Recorder Helen Purcell

20090379042,04 /29/2009 01: 03,02413-32-1-1-- ,N

When recorded return to:

Electronic Recording.

Ekmark & Ekmark, L.L.C.
6720 North Scottsdale Road, Suite 261
Scottsdale, Arizona 85253

**SECOND AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
AND OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LASTORRES**

Table of Contents

ARTICLE I	DEFINITIONS.....	2
	UNIT.....	2
SECTION 1.	ARTICLES.....	3
SECTION 2.	ASSOCIATION.....	3
SECTION 3.	BOARD.....	3
SECTION 4.	BUILDING.....	3
SECTION 5.	BYLAWS.....	3
SECTION 6.	CONDOMINIUM.....	3
SECTION 7.	CO-OWNER'S INTEREST.....	3
SECTION 8.	GENERAL COMMON ELEMENTS.....	3
SECTION 9.	DECLARANT.....	3
SECTION 10.	IMPROVEMENTS.....	3
SECTION 11.	OWNER.....	3
SECTION 12.	PROPERTY.....	4
SECTION 13.		
ARTICLE II	EASEMENTS.....	4
	OWNER'S RECIPROCAL EASEMENTS OF ENJOYMENT.....	4
SECTION 1.	EASEMENTS FOR ENCROACHMENTS.....	5
SECTION 2.	RECIPROCAL UTILITY USE EASEMENTS.....	5
SECTION 3.	PUBLIC UTILITY EASEMENTS.....	5
SECTION 4.		
ARTICLE III	PROPERTY USE; CONDITIONS AND RESTRICTIONS.....	5
SECTION 1.	PERMITTED USES, CONDITIONS AND RESTRICTIONS.....	5
	(a) Residential Use.....	5
	(b) Antennas and Utility Service.....	6
	(c) Improvements and Alterations.....	6
	(d) Lawns and Plantings.....	6
	(e) Repair of Buildings.....	6
	(f) Trash Containers and Collection.....	7
	(g) Restriction on Further Subdivision.....	7
	(h) Signs.....	7
	(i) Utility Relocation.....	7
	(j) Pets.....	7
	(k) No Residence Other Than Units.....	7
	(l) Trailers and Motor Vehicles.....	8
	(m) Nuisances.....	8
	(n) Clothes Drying Facilities.....	8
	(o) Diseases and Insects.....	8
	(p) Interior and Other Maintenance.....	8
	(q) Structural Integrity.....	9
	(r) Party Walls.....	9
SECTION 2.	AGE RESTRICTION.....	10
ARTICLE IV	OTHER PERMITTED USES, RESTRICTIONS AND MAINTENANCE RELATING TO THE GENERAL COMMON ELEMENTS.....	12
SECTION 1.	PERMITTED USES.....	12
SECTION 2.	RESTRICTED USES.....	12
SECTION 3.	MAINTENANCE BY ASSOCIATION.....	13
SECTION 4.	DAMAGE OR DESTRUCTION OF GENERAL COMMON ELEMENTS BY OWNERS.....	14
ARTICLE V	LAS TORRES HOMEOWNERS ASSOCIATION.....	14
SECTION 1.	ORGANIZATION.....	14

(a) <i>The Association</i>	14
(b) <i>Board of Directors and Officers</i>	14
SECTION 2. POWERS AND D UTI ES OF THE A SSOCIATION	14
SECTION 3. R ULES	15
SECTION 4. PERSONAL LIABILITY	15
ARTICLE VI MEMBERSHIP, NOTICE AND VOTING RIGHTS IN THE ASSOCIATION	15
SECTION I. MEMBERSHIP IN THE A SSOCIATION SHALL BE LIMITED TO O W NERS	15
ARTICLE VII COVENANT FOR MAINTENANCE ASSESSMENTS.....	16
SECTION I. CREATION OF ASSESSMENTS AND THE LIEN AND PERSONAL O BLIGATION OF ASSESSMENTS.....	16
SECTION 2. PURPOS E OF ASSESSMENTS	17
SECTION 3. NOTICE OF ASSESSMENT	17
SECTION 4. M AXIMUM A NNUAL ASSESSMENT	17
SECTION 5. S PECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS	17
SECTION 6. UNIFORM R ATE OF ASSESSMENT	18
SECTION 7. E FFECT OF NONPAYMENT OF ASSESSMENTS; REMED IES OF THE ASSO CIATION	18
SECTION 8. NO W AIYER OF USE.....	18
SECTION 9 . STATEMENT	18
ARTICLE VIII ARCHITECTURAL CONTROL.....	19
SECTION I. O R GANIZATION, POW ER OF APPOINTMENT AND REMOV AL OF MEMBERS	19
(a) <i>Committee Composition</i>	19
(b) <i>Board in Absence of Committee</i>	19
SECTION 2. D UTIES	19
SECTION 3. M EET I NGS AND COMPENSATION	19
SECTION 4. A RCHITECTURAL C OMMITTEE RULES	19
SECTION 5. IMPROVEMENTS AND ALTERATIONS	19
SECTION 6. TIME FOR A PPROVAL	20
SECTION 7. O THER A RCHITECTURAL C OMMITTEES	20
SECTION 8. LIABILITY	20
SECTION 9. WAIVER	21
ARTICLE IX INSURANCE	21
SECTION I. G ENERAL COMMON ELEMENTS	21
SECTION 2. PUBLIC LIABILITY INSURANCE	22
SECTION 3. NON-LIABILITY	22
SECTION 4. D IRECTORS' INS URAN CE	22
SECTION 5. O THER INSURANCE	22
SECTION 6. O WNER INSURANCE.....	22
SECTION 7. CERTAIN POLICY TERMS	23
SECTION 8. INSUREDS	23
ARTICLE X GENERAL PROVISIONS.....	23
SECTION I. E NFORCEMENT	23
SECTION 2. HOLD ER OF FIRST MORTGAGE OR FIRST TRUST DEED- UNPAJD ASSESSMENTS	24
SECTION 3. A MENDMENT	25
SECTION 4. VIOLATIONS AND NUISANCE	25
SECTION 5. REMEDIES C UMUL ATIVE	26
SECTION 6. DELIVERY OF N OTICES AND DOCUMENTS	26
SECTION 7. D ECLARATION RUNS WITH THE PROPERTY	26
SECTION 8. I NSTRUMENTS OF CONVEYANCE	26
SECTION 9. S AVING CLAUSE	26
SECTION 10. A TTORNEY 'S FEES	27
SECTION 11. G ENDER	28
SECTION 12. T OPICAL H EADINGS	28

**SECOND AMENDED AND RESTATED DECLARATION OF CONDOMINIUM
AND OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LASTORRES**

This Declaration is made as of the date hereinafter set forth by LAS TORRES HOMEOWNERS ASSOCIATION ("Association").

W I T N E S S E T H:

WHEREAS, Declarant, First American Title Insurance Company of Arizona, Trustee ("Declarant") recorded a Declaration of Horizontal Property Regime and of Covenants, Conditions and Restrictions for Canyon Ridge Homes, recorded on October 30, 1979 at Docket Number 13996, Page 589, et seq., records of Maricopa County, Arizona, as amended by the Association in the Amended and Restated Declaration of Horizontal Property Regime and of Covenants, Conditions and Restrictions for Canyon Ridge Homes (a/k/a/ Las Torres), recorded on June 5, 2003 at Recording number 2003-0729521, records of Maricopa County, Arizona and all amendments thereto, governing the real property described on Exhibit "A" attached thereto ("Declaration"), (such real property hereinafter included in the "Property" as defined in Article I hereof); and

WHEREAS, the Association, by and through its members, wishes to amend the Declaration and restate it in its entirety as set forth herein;

WHEREAS, the Property was originally governed by the Horizontal Property Regime statutes, Arizona Revised Statutes Section 33-551 through 33-561, inclusive;

WHEREAS, the Condominium Act was enacted to supersede the Horizontal Property Regime Statutes;

NOW, THEREFORE, the Association submits the Property as a Condominium, to be governed by the Condominium Act. The Association further declares that the Property shall be subject to the covenants, conditions and restrictions herein and shall be held, conveyed, mortgaged, encumbered, leased, rented, occupied, improved and used subject to these uniform restrictions, covenants, conditions, easements and equitable servitudes. This Declaration (as it may be amended from time to time) shall run with the Property, shall be binding upon all persons having or acquiring any right, title or interest in such Property or any part thereof, shall inure to the benefit of and be binding upon every portion of the Property and any interest therein, shall inure to the benefit of and be binding upon any successor in interest of each Owner and may be enforced by any Owner or their successors in interest, or by the Association, all as hereinafter provided.

Each Unit shall be held, mortgaged, encumbered, sold, leased, transferred, conveyed, and otherwise dealt with or affected, together with such Unit's appurtenant undivided Co-Owner's Interest (as defined in Article I) in the General Common Elements. A Co-Owner's Interest shall be deemed included in any such transaction involving a Unit whether or not any reference is made to such interest. A Co-Owner's Interest shall not be subject to partition or separation from a Unit and no Owner or other person or entity shall bring an action for partition.

ARTICLE I

Definitions

Section 1. Unit shall mean a freehold estate, designated by one of the numbers on Exhibit B attached to the original Declaration ("Exhibit B"), consisting of:

- (a) An airspace within the Building defined as follows, such definition not including the surface described:
- (1) The lower boundaries are the planes of the upper surfaces of the floors thereof;
 - (2) The upper boundaries are the planes of the lower surfaces of the ceilings thereof;
 - (3) The lateral boundaries are the planes of the interior surfaces of the perimeter walls and any other load-bearing walls; and
 - (4) Unless otherwise necessitated by the construction of the Building, all airspace boundary lines intersect at right angles.
- (b) The following in addition to the airspaces so described:
- (1) The portions of any improvements lying within said boundaries (e.g., non-load bearing walls);
 - (2) Any range, dishwasher, garbage disposal unit, refrigerator and/or other household appliances or utility outlets (e.g., water, electricity, gas) within said boundaries;
 - (3) Where applicable, the airspaces for patios or balconies, carports or garages, heating and air conditioning units (and storage lockers if any are so designated) for the exclusive use of the Unit; and
 - (4) Each individual cooling and heating unit appurtenant to the Unit and any duct work pertaining thereto.

(c) The cubic content space of each Unit is that cubic volume within the boundaries of the airspace defined above.

Section 2. Articles shall mean the Articles of Incorporation of the Association which are, or shall be, filed in the Office of the Corporation Commission of the State of Arizona, as said Articles may be amended from time to time.

Section 3. Association shall mean and refer to LAS TORRES HOMEOWNERS ASSOCIATION, an Arizona nonprofit corporation, its successors and assigns.

Section 4. Board shall mean the Board of Directors of the Association.

Section 5. Building shall mean the principal structures constructed or to be constructed on the Property for the purpose of containing the Units, the location of which are shown on Exhibit B attached to the original Declaration. The aggregate cubic volume contained within the outside surfaces of each such structure shall be the cubic content of the Building.

Section 6. Bylaws shall mean the Bylaws of the Association, as such Bylaws may be amended from time to time.

Section 7. Condominium shall mean this Condominium, as set forth in the Declaration.

Section 8. Co-Owner's Interest shall mean the undivided fractional or percentage interest in the General Common Elements appurtenant to a Unit, which interest is set out in Exhibit C attached to the original Declaration ("Exhibit C").

Section 9. General Common Elements shall mean all of the Property which is not a Unit.

Section 10. Declarant shall mean and refer to First American Title Insurance Company of Arizona, an Arizona corporation, its successors, and assigns.

Section 11. Improvements shall mean the Building, roads, driveways, parking areas, fences, walls, plantings, swimming pool and all other structures or improvements of every type and kind on the Property, whether now existing or subsequently placed or constructed, excluding the Units.

Section 12. Owner shall mean and refer to the record owner, whether one or more persons or entities (if more than one, any reference to Owner shall be construed as joint and several), of beneficial or equitable title or interest (or legal title if equitable title has merged) of any Unit (together with its Co-Owner's Interest) in the Property, including the purchaser entitled to possession as shown by a recorded contract for sale of the Unit. Owner shall not include a person or entity having an ownership interest merely as security for the performance of an obligation. In the case of Units the fee simple title to which is vested of record in a Trustee

pursuant to Arizona Revised Statutes, Section 33-801, et seq. (Deed of Trust), the Owner shall be deemed to be the Trustor.

Section 13. Property shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by being made subject to this Declaration (as it may be amended pursuant to the terms hereof); all Improvements located or to be constructed thereon (including without limitation the Building); the Units, and all easements, rights and appurtenances belonging to all the foregoing.

ARTICLE II

Easements

Section 1. Owner's Reciprocal Easements of Enjoyment. Every Owner shall have an undivided reciprocal easement of use and enjoyment in and to the General Common Elements, which easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated in or upon the General Common Elements.

(b) The right of the Association to impose fines and suspend recreational facility use privileges and voting rights for nonpayment by an Owner of assessments during any period which any assessment against the Owner's Unit remains unpaid, or to impose the same sanctions for other breaches by an Owner (or those utilizing this easement through his auspices) of this Declaration, the Association's Bylaws or its established Rules and Regulations.

(c) The right of the Association to dedicate or transfer all or any part of the General Common Elements to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association. Any such dedication or transfer shall first have received the assent of at least eighty percent (80%) of the votes of the members of the Association and be executed by an agreement in the same manner as a deed, as set forth in A.R.S. 33-1252.

(d) The right of the Association to establish uniform Rules and Regulations pertaining to the use of the General Common Elements including the recreational facilities thereon, and also including the right of the Association to limit the number of guests or invitees of Owners.

(e) This right of use and enjoyment may be exercised by any person properly in possession of a Unit in a manner not in violation of the provisions hereof, but nothing herein shall be deemed to alter or amend the definition of "Owner" in Article I hereof, or to affect the provisions of this Declaration with respect to membership in the Association or voting rights.

Section 2. Easements for Encroachments. As originally designed or constructed, if any portion of the General Common Elements encroaches upon any Unit or if any Unit encroaches upon any other Unit or upon any portion of the General Common Elements, or if any such encroachment shall occur hereafter as a result of repairing or rebuilding (substantially according to original design) after destruction, a valid easement shall exist in favor of the Owners or the Association (including its agents, contractors and employees) for such encroachments and for the repair and maintenance of such encroachments.

Section 3. Reciprocal Utility Use Easements. Each Owner shall have an easement for his Unit in common with all other Owners for their Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other General Common Elements serving any of the Units or the General Common Elements. Upon reasonable written notice (except for an emergency) the Board or its duly appointed agent shall have a right of access to each Unit to inspect the above named items, to remove violations therefrom and to maintain, repair, or replace the General Common Elements contained adjacent thereto, therein or elsewhere in the Building.

Section 4. Public Utility Easements. Each Unit and all of the General Common Elements shall be subject to a blanket easement for the purpose of permitting the Association or utility companies, such as those providing telephone, gas, electric, water, sewage and any and all other utility services, and any governmental agency to install, affix, maintain, operate and replace, telephone wires and equipment, electric wires, buried cables, circuits, conduits, fixtures, gas lines, sewer lines, water lines and television cables and other utility elements or fixtures in all the walls, ceilings, roofs, floors and ground or any other part of the Property. Said easements shall also include the right to use all driveways, passageways, stairways and hallways for ingress and egress to all or any part of the Property and to temporarily use any part of the Property necessary to permit construction, installation and maintenance of any of said utilities.

ARTICLE III

Property Use; Conditions and Restrictions

Section 1. Permitted Uses, Conditions and Restrictions. The permitted uses, conditions and restrictions for the Property shall be as follows:

(a) Residential Use. All Units shall be used and devoted exclusively to single family residential use. "Single Family" shall mean a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than four (4) persons not all so related, who maintain a common household in a Unit. No trade or business may be conducted in or from any Unit, except that an Owner or other resident of a Unit may conduct a business activity within a Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside of the Unit; (ii) the business activity conforms to all applicable zoning ordinances or requirements for the Property; (iii) the business activity does not involve persons coming onto the Property or the door-to-door solicitation of Owners or other residents in the Property; and (iv) the business activity is consistent with the residential character of the Property and does not constitute nuisance or a hazardous or offensive use or threaten security or safety of other residents in the Property, as

may be determined from time to time in the sole discretion of the Board. Furthermore, no advertising or directional signs may be placed upon the Unit or any portion of the Common Elements regarding the business activity. Additionally, no on-street parking may occur relating to the business activity. The terms "business" and "trade" as used in this section shall be construed to have 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 or does generate a profit; or (c) a license is required for such activity. Nothing herein shall be deemed to prevent the leasing of any Unit to a single family from time to time by the Owner thereof, subject to all of the provisions of this Declaration.

(b) Antennas and Utility Service. Other than as initially constructed by Developer, no antennas, lines, wires, or other devices for the communication, transmission or receiving of electric current, waves or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon the Property whether attached to a building or structure or otherwise, unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures, all as shall be submitted to and approved by the Architectural Committee. No provision hereof shall be deemed to forbid the construction of other structures which have been approved by the Architectural Committee, or the installation of television antennas, satellite dishes, or other forms of antennas that must be allowed pursuant to rules adopted by The Federal Communications Commission ("FCC"). Such antennas may not be installed in the General Common Elements. However, they may be installed in accordance with rules and regulations adopted by the Board of Directors for the Association.

(c) Improvements and Alterations. No improvements, construction alterations, repairs, excavation or other work or action which in any way alters the exterior appearance of the Property or the Improvements located thereon from its natural or improved state as constructed by the Developer (or as subsequently modified with Architectural Committee approval) shall be made or done without the prior approval of the Architectural Committee, except as may otherwise be expressly provided in this Declaration.

(d) Lawns and Plantings. No Owner shall plant, remove, alter, injure or interfere in any way with any landscaping, shrubs, trees, grass or plantings upon any General Common Element without the written consent of the Association having first been obtained.

(e) Repair of Buildings. No Unit upon the Property shall be permitted by the Owner (including any authorized occupant) to fall into disrepair, and each such Unit shall at all times be kept in good condition and repair and adequately painted or otherwise finished. The Association shall have the right, after fifteen (15) days' written notice to an Owner, to repair, paint, or otherwise maintain any such Unit (and without notice in the event of an emergency) which the Association, acting through its Board, determines in its discretion is in violation of this provision. All costs and expenses, including reasonable attorneys' fees, incurred by the Association, shall be borne by the Owner, and shall be paid to the Association on demand plus

interest at the rate of fourteen percent (14%) per annum from ten (10) days after said demand until paid in full. Any sum not paid by an Owner may be treated as an assessment. The Association shall have an easement and right of entry in an Owner's Unit to the extent reasonably necessary to carry out the provisions of this Subsection.

(f) Trash Containers and Collection. No garbage or trash shall be placed or kept on the Property except in covered containers of a type, size, style and at a location approved by the Architectural Committee.

(g) Restriction on Further Subdivision. No Unit shall be further subdivided or separated into smaller Units by any Owner, and no portion less than all of any such Unit, and any easement or other interest therein, shall be conveyed or transferred by any Owner, except for undivided interests to multiple owners. No portion of a Unit but for the entire Unit may be rented or leased, and then only to a single family; provided, however, that no Unit may be leased or subleased without prior written notice to the Board of the names of the lessee and their family members and the term of the lease, nor without compliance with such other rules and regulations as may be established by the Board.

(h) Signs. No signs whatsoever which are visible from the General Common Elements shall be erected or maintained on any Unit or the General Common Elements except such signs the nature, number and location of which have been approved in advance by the Architectural Committee and except for a "for sale" sign not to exceed eighteen by twenty-four inches, and a sign rider, not to exceed six by twenty-four inches, which may be displayed in the Owner's Unit, patio or balcony.

(i) Utility Relocation. No sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on said Property except as initially developed and approved by the Developer or thereafter as approved by the Board.

(G) Pets. No animals, birds, fish or other living thing not otherwise authorized herein, except a reasonable number of generally recognized house pets, shall be maintained on the Property, and then only if they are kept, bred or raised thereon in a Unit and solely as domestic pets and not for commercial purposes. No pet shall be allowed to make an unreasonable amount of noise, become a nuisance, or roam loose upon, be left unattended upon or litter the General Common Elements. No structure for the care, housing or confinement of any pet shall be maintained on the General Common Elements. Upon the written request of any Owner, the Board shall conclusively determine, in its sole and absolute discretion, whether, for the purposes of this paragraph, a particular pet is a generally recognized house pet, a nuisance or whether the number of pets in any Unit is reasonable. Any decision rendered by the Board shall be enforceable as other restrictions contained herein.

(k) No Residence Other Than Units. No trailer, vehicle, recreational vehicle, mobile home, motorhome, tent, shack, or garage, and no structure, improvement, or other instrumentality of any kind (except for Units) shall be used at any time for a residence on the Property, either temporary or permanent.

(l) Trailers and Motor Vehicles. No mobile home, motorhome, boat, recreational vehicle, trailer of any kind, truck, camper, permanent tent, similar structure or project of any kind shall be kept, placed, maintained, constructed, reconstructed or repaired, nor shall any motor vehicle be constructed, reconstructed or repaired, upon the Property or any street (public or private) within the Property, in such a manner as will be visible from the General Common Elements; provided, however, that the provisions of this paragraph shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any Improvement approved by the Architectural Committee. Garages in the Units shall be used for parking vehicles and storage purposes only, and shall not be converted for living or recreational activities without the written consent of the Architectural Committee. Except as provided above, only automobiles in operating condition may be parked in parking areas outside the garages in accordance with this Declaration or established rules. Automobiles or other motor vehicles owned by Owner shall not be parked overnight in or on the streets or private drives constituting part of the General Common Elements. Motor vehicles belonging to Owner's temporary invitees, guests or licensees may be parked overnight on the General Common Elements in parking areas for that purpose, if they otherwise conform to this Declaration or any established rules.

(m) Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to the Property, and no odors shall be permitted to arise therefrom, so as to render any of the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other portion of the Property or to its occupants. No nuisance shall be permitted to exist or operate upon any of the Property so as to be offensive or detrimental to any other portion of the Property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on the Property. The Board in its sole discretion shall have the right to determine the existence of any such nuisance. No motorcycles or motor driven vehicles (except lawn maintenance equipment) shall be operated on any walkways or sidewalks within the Property.

(n) Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on the Property.

(o) Diseases and Insects. No Owner shall permit any thing or condition to exist in his Unit which shall induce, breed or harbor infectious plant diseases or noxious insects.

(p) Interior and Other Maintenance. Each Owner shall be responsible for the upkeep, repair and maintenance of the interior of his Unit, and for the maintenance, repair and replacement of exterior windows and doors in his Unit even though they are part of the General Common Elements. Subject to any other applicable provisions hereof, each Owner shall have an easement in the Building to the extent reasonably necessary to affix paint, wallpaper, carpet or other appropriate coverings on those portions of the Building defining the boundaries of an Owner's Unit. An Owner shall do no act nor any work that will impair any easement or hereditament, nor do any act or allow any condition to exist which will adversely affect the other Units or their Owners.

(q) Structural Integrity. No Owner shall do or permit any act which impairs the structural integrity of the Building.

(r) Party Walls. The rights and duties of the Owners with respect to party walls shall be governed by the following:

- (1) Each wall which is part of the original construction of a Unit, any part of which is between the divides separate Units, shall constitute a party wall. With respect to any such wall, each of the adjoining Owners shall assume the burdens and be entitled to the benefits of these restrictive covenants, and, to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.
- (2) As between adjoining Owners, an Owner shall be responsible for the negligent or willful acts of himself, his agents, tenants, licensees, invitees, guests or family and such persons' licensees, invitees or guests.
- (3) An Owner who, by his negligent or willful act, causes any party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary immediate protection against such elements.
- (4) In addition to meeting the other requirements of the restrictive covenants and of any building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his Unit in any manner which requires the extension or other alteration of any party wall, shall first obtain the written consent of the adjoining Owner prior to submitting a request to the Architectural Committee.
- (5) In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, upon written request of both of such Owners (those entitled to notice on the records of the Association), addressed to the Association, and acceptance by the Board of Directors, the matter shall be submitted to decision by the Board of Directors (or such committee or other person as it shall appoint) and, after an informal hearing or such other procedure as the Board may establish for such dispute, the written decision rendered by the Board (or its appointee with approval by the Board) shall be final and binding upon the Owners, who shall share any cost of the procedure equally, and there shall be no further right of action, legal or otherwise.

- (6) Each Owner shall permit an adjoining Owner of a party wall or his representative, or the Association or its representative, when reasonably required, to enter his Unit for the purpose of repairing or maintaining a party wall or for the purpose of performing installations, alterations or repairs to the Unit of such adjoining Owner, providing that requests for entry are made in advance for entry at a reasonable time. In case of an emergency, such right of entry shall be immediate.

(s) An Owner shall be responsible for all violations of this Declaration by the Owner's family or tenants, and his or their guests, invitees, licensees, agents and any other person on the Property under the auspices of any of the foregoing, and further, wherever this Declaration refers to the Owner's obligation to act or to refrain from acting, it shall also be deemed to refer to all of the foregoing persons.

Section 2. Age Restriction.

(a) EXCEPT AS SET FORTH BELOW, EACH RESIDENTIAL UNIT SHALL BE OCCUPIED BY AT LEAST ONE (1) PERSON FIFTY-FIVE (55) YEARS OF AGE OR OLDER, AND NO PERSON WHO IS LESS THAN EIGHTEEN (18) YEARS OF AGE SHALL OCCUPY A RESIDENTIAL UNIT. THE FOREGOING RESTRICTIONS SHALL NOT PROHIBIT THE OCCUPANCY OF A RESIDENTIAL UNIT BY THE FOLLOWING PERSONS:

- (1) A PERSON WHO IS LESS THAN EIGHTEEN (18) YEARS OF AGE WHO IS A GUEST OR AN INVITEE OF A RESIDENTIAL UNIT OWNER FOR A PERIOD NOT TO EXCEED NINETY (90) DAYS IN ANY TWELVE MONTH PERIOD;
- (2) ANY PERSON OR PERSONS WHO OWN OR OCCUPY A RESIDENTIAL UNIT OR HAVE ENTERED INTO A CONTRACT TO BUY A RESIDENTIAL UNIT AS OF THE EFFECTIVE DATE OF THIS AMENDMENT;
- (3) THE SURVIVING SPOUSE OR OTHER SURVIVING COHABITANT OF A DECEASED RESIDENT WHO WAS FIFTY-FIVE (55) YEARS OLD OR OLDER AT THE TIME OF DEATH;
- (4) THE SURVIVING SPOUSE OR OTHER SURVIVING COHABITANT OF A RESIDENT WHO IS FIFTY-FIVE (55) YEARS OLD OR OLDER AT THE TIME SUCH RESIDENT IS ADVISED BY SUCH MEDICAL DOCTOR LICENSED BY THE STATE OF ARIZONA TO MOVE, TO OR IS PLACED IN,

A FACILITY FOR THE CARE OF THE ELDERLY OR THE INFIRM ON THE ADVICE OF A MEDICAL DOCTOR LICENSED BY THE STATE OF ARIZONA;

- (5) ANY OTHER PERSON PERMITTED TO OCCUPY A RESIDENTIAL UNIT PURSUANT TO THE RULES AND REGULATIONS ADOPTED BY THE BOARD IN ACCORDANCE WITH THIS SECTION; PROVIDED, HOWEVER, THAT NO OCCUPANCY SHALL BE PERMITTED IF SUCH WOULD BE VIOLATIVE OF ANY LAW, INCLUDING WITHOUT LIMITATION, THE FAIR HOUSING AMENDMENTS ACT OF 1988, AND THE RULES AND REGULATIONS INTERPRETING SUCH ACT PUBLISHED BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT UNDER 24 CFR PART 14 ET AL.

(b) THE BOARD SHALL PUBLISH, ADHERE TO AND ENFORCE POLICIES AND PROCEDURES THAT DEMONSTRATE AN INTENT TO PROVIDE HOUSING FOR PERSONS FIFTY-FIVE (55) YEARS OF AGE OR OLDER. THE BOARD MAY ADOPT RULES AND REGULATIONS THAT ARE MORE RESTRICTIVE OR LESS RESTRICTIVE THAN THE PROVISION SET FORTH IN PARAGRAPH 1 ABOVE, PROVIDED THAT (A) SUCH RULES AND REGULATIONS PROMOTE AND PRESERVE LAS TORRES AS AN ACTIVE ADULT COMMUNITY AS SET FORTH IN THIS PARAGRAPH, AND (B) SUCH RULES AND REGULATIONS ARE CONSISTENT WITH THE POLICIES AND PROCEDURES SET FORTH IN THE FIRST SENTENCE OF THIS SUBPARAGRAPH, AND WITH ALL APPLICABLE LAWS REGULATING AGE RESTRICTIONS, INCLUDING WITHOUT LIMITATION, THE FAIR HOUSING AMENDMENTS ACT OF 1988 AND THE RULES AND REGULATIONS INTERPRETING SUCH ACT PUBLISHED BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT UNDER 24 CFR PART 14 ET AL.

(c) IN ADDITION TO THE OTHER ENFORCEMENT POWERS GIVEN THE ASSOCIATION, THE BOARD, AND THE ARCHITECTURAL COMMITTEE UNDER THIS DECLARATION, THE ARTICLES, AND BYLAWS, THE ASSOCIATION, THROUGH THE BOARD, IS HEREBY GIVEN AN EXPRESS RIGHT TO ENFORCE THIS ARTICLE III, SECTION 2 AND ANY AND ALL RULES AND REGULATIONS ADOPTED BY THE BOARD AND/OR THE ASSOCIATION IN CONNECTION WITH THE AGE RESTRICTIONS SET FORTH IN THIS ARTICLE III, SECTION 2. THE ASSOCIATION'S REMEDIES FOR VIOLATION OF THIS SECTION INCLUDE, BUT ARE NOT LIMITED TO: SEEKING INJUNCTIONS AND OTHER LEGAL REMEDIES; IMPOSING FINES; SUSPENSION OF VOTING RIGHTS; SUSPENSION OF USE OF THE RECREATION FACILITIES; AND ASSESSING FOR COSTS INCURRED IN CONNECTION WITH SUCH VIOLATION, INCLUDING, BUT NOT LIMITED TO, ADMINISTRATION COSTS AND ATTORNEYS' FEES AND COSTS.

(d) NOTWITHSTANDING ANYTHING CONTAINED IN THIS ARTICLE III, SECTION 2 TO THE CONTRARY, IN NO EVENT SHALL LESS THAN EIGHTY PERCENT (80%) OF THE RESIDENTIAL UNITS (OR SUCH HIGHER PERCENTAGE TO THE EXTENT REQUIRED BY LAW) AT ANY TIME BE OCCUPIED BY PERSONS/GROUPS/FAMILIES WHERE NO INDIVIDUAL IS AT LEAST FIFTY-FIVE (55) YEARS OF AGE OR OLDER.

ARTICLE IV

Other Permitted Uses, Restrictions and Maintenance Relating to the General Common Elements

The general permitted uses, restrictions and maintenance for the General Common Elements shall be as follows:

Section 1. Permitted Uses.

(a) Parking in any designated parking areas for the purposes of parking vehicles of the Owner's guests and invitees.

(b) Access for persons engaged in maintaining any portion of the General Common Elements or any Owner's Unit.

(c) Such other uses as may be adopted from time to time by the Board and set forth in the Association's Rules and Regulations.

(d) In general, the General Common Elements shall be used for the benefit of the Owners, for the furnishing of services and facilities for which the same are reasonably intended and for the enjoyment to be derived from such reasonable and proper use, without hindering the exercise of or encroaching upon the right of any other Owner to utilize the General Common Elements, provided that no unlawful use shall be permitted.

Section 2. Restricted Uses.

(a) The General Common Elements shall not be used by Owners for storage of supplies, materials or personal property of any kind, except as may be specifically authorized by the Board, and except for use by the Developer during construction of Improvements.

(b) Such other restrictions as may be adopted by the Board and set forth in the Association's Rules and Regulations.

(c) In general, no activity shall be carried on nor condition maintained by any Owner upon the General Common Elements which spoils the appearance of the Property (in the opinion of the Board) or hinders or encroaches upon the right of any other Owner to utilize the General Common Elements in a reasonable manner.

Section 3. Maintenance by Association. The Association shall be responsible for maintenance of the General Common Elements and may at any time, as to any Improvement or portion of the General Common Elements, without any approval of the Owners being required:

(a) Reconstruct, repair, replace or refinish any Improvement or portion thereof upon any such area (including without limitation roofs and the exterior finish of the Buildings) in accordance with (i) the last plans thereof approved by the Board, (ii) the original plans for the Improvement, or (iii) if neither of the foregoing is applicable or in existence, then in accordance with the design, finish or standard of construction of such improvement as same existed;

(b) Reconstruct, repair, replace or refinish any road improvement or surface upon any portion of such area used as a road, street, walk or parking area;

(c) Maintain the lawns and plantings, including replacing injured and diseased trees or other vegetation in any such area, and planting trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes;

(d) Place and maintain upon any such area such signs, markers, lights and striping as the Board may deem appropriate for the proper identification, use and regulation thereof;

(e) Pay any real estate or other taxes and assessments on the General Common Elements not assessed directly to the Owners by the proper taxing authority;

(f) Pay all electrical, water, gas and other utility charges or fees for services furnished to the General Common Elements and not charged directly to the Owners by the furnishing utility;

(g) Pay for and keep in force at the Association's expense insurance in companies acceptable to the Association in at least the amounts and with limits of liability authorized or commanded by this Declaration, such insurance to name the Association or the Owners or both as named insureds, all as determined by the Association;

(h) Do all such other and further acts which the Board deems necessary to preserve and protect the General Common Elements and the beauty thereof, in accordance with the general purposes specified in this Declaration;

(i) The Board shall be the sole judge as to the appropriate maintenance of the General Common Elements;

(i) Nothing herein shall be construed so as to preclude the Association from delegating its powers set forth above to a manager or agent or to other persons, firms or corporations to do same.

Section 4. Damage or Destruction of General Common Elements by Owners. In the event any portion of the General Common Elements is damaged or destroyed by an Owner, his family or tenants, or any of his or their guests, invitees, licensees, agents, or any other person on the Property under the auspices of the foregoing, such Owner does hereby authorize the Association to repair said damaged area, and the Association shall so repair said damaged area in a good workmanlike manner in conformance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association, in the discretion of the Association. The amount necessary for such repairs shall be paid by said Owner, upon demand, to the Association and the Association may enforce collection of same in the same manner as provided elsewhere in this Declaration for collection and enforcement of assessments.

ARTICLE V

Las Torres Homeowners Association

Section 1. Organization.

(a) The Association. The Association is an Arizona non-profit corporation charged with the duties and invested with the powers prescribed by law and set forth in its Articles, Bylaws, Rules and Regulations and this Declaration. The Association shall control and manage this Condominium for the health, safety and general welfare of the Owners. Neither the Articles, Bylaws, nor Rules and Regulations shall, for any reason, be amended or otherwise changed or interpreted so as to be in violation of the terms of this Declaration.

(b) Board of Directors and Officers. The affairs of the Association shall be conducted by a Board of Directors and such officers as the Board may appoint, in accordance with the Articles and the Bylaws, as same may be amended from time to time.

Section 2. Powers and Duties of the Association. The Association shall have such rights, duties and powers as set forth in the Articles and Bylaws, as same may be amended from time to time. The Association shall also have the right and power to obtain a loan and to pledge future assessments as collateral for such loan obtained on behalf of the Association, so long as such loan is approved by Members holding not less than a majority of the voting power in the Association.

Within thirty days after adoption of any proposed budget for the Condominium, the Board shall provide a summary of the budget to the Unit Owners. Any budget or amendment shall be ratified by the Unit Owners as set forth below. The Board shall set a date for a meeting of the Unit Owners to consider ratification of the budget not fewer than fourteen nor more than thirty days after mailing the summary. Unless at that meeting a majority of all of the Unit Owners reject the budget, the budget is ratified, whether or not a quorum is present. If a proposed budget is rejected, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

Section 3. Rules. 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 rules and regulations (the “Rules”). The Rules shall govern the use and enjoyment of the Property by any Owner or those on the Property under his auspices, provided, however, that the Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Rules as they may from time to time be adopted, amended or repealed shall be available from the Association and each Owner is responsible for informing himself of them.

Section 4. Personal Liability. To the fullest legal extent, no member of the Board or of any committee of the Association, or any officer of the Association, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, any such person above set forth or any other representative or employee of the Association, provided that such officer, Board member or committee member has, upon the basis of such information as may be possessed by him, acted in good faith.

ARTICLE VI

Membership, Notice and Voting Rights in the Association

Section 1. Membership in the Association shall be limited to Owners. An Owner of a Unit shall automatically, upon becoming the Owner of a Unit, be a member of the Association, and shall remain a member of the Association until such time as ownership ceases for any reason, at which time the membership in said Association shall automatically cease for such Owner. Ownership of a Unit shall be the sole qualification and criteria for membership. Nothing herein shall abridge the Association’s power to limit the use of the General Common Elements recreational facilities to one family per Unit or those properly residing in each Unit, together with any authorized guests or licensees, all as the Association may provide.

A membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of a Unit and then only to the new Owner (which transfer is automatic as described below), or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer of membership is void and shall not be reflected upon the books and records of the Association. The Association shall record the proper transfer of ownership upon the books of the Association, thus effecting the issuance of a new membership to a new Owner. It is the responsibility of the new Owner to notify the Association in writing of purchase of a Unit, and prior to such notification, the Association is entitled to rely on its books and records as showing a Unit’s true Owner and all notices given and action taken by the Association with respect to a Unit and the Owner shown on the Association’s official books and records shall be valid.

Those properly residing in a Unit will be entitled to use the Association’s recreational facilities and General Common Elements. Each Owner and such persons shall be subject to all

of the provisions of the Association's Articles of Incorporation, Bylaws, Rules and Regulations and this Declaration, as now in effect or duly adopted or amended.

Section 2. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Unit.

Section 3. The Association shall have voting membership as follows:

Members shall be all Owners. Each Unit shall be entitled to one vote (equaling the entire Co-Owner's Interest for that Unit) in Association meetings. When more than one person holds an undivided interest in any Unit, all such persons shall be members and the vote for each Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit, i.e., fractional votes for a Unit may not be cast. Any notice for all Association purposes need be furnished only to the first named Owner on the recorded document evidencing ownership, or to such other person as first named Owner may direct in writing to the Association. The Association may assume, in absence of being furnished a photostatic copy of the necessary document (or the original) with the recording information thereon, that the information supplied it with reference to change of membership is correct. Consistent with the above, the person entitled to notice shall be deemed to be the Owner-Member entitled to cast the vote for the Unit. A single notice sent to a person otherwise entitled to notice for more than one Unit shall be sufficient as to all such Units.

Section 4. In the event any Owner is (i) in arrears in the payment of any amount due to the Association or due pursuant to any provision of this Declaration for a period of fifteen (15) days or more, or (ii) shall be in default in the performance of any other provision of this Declaration, the Articles, Bylaws or Rules and Regulations of the Association for a period of fifteen (15) days or more after written notice, the right to vote of the Unit to which the default or violation relates may be suspended at any time without notice by the Board or any officer of the Association when duly authorized and directed by the Board, and may remain suspended until all payments are brought current and all defaults and violations remedied.

ARTICLE VII

Covenant for Maintenance Assessments

Section 1. Creation of Assessments and the Lien and Personal Obligation of Assessments. Each Owner of any Unit by acquiring an ownership interest therein, whether or not it shall be so expressed in the conveying document, covenants and agrees to pay to the Association: (i) annual assessments or charges; and (ii) special assessments, as authorized by the Association. Such assessments to be established and collected as provided herein.

The annual and special assessments, together with interest, any costs of collection and enforcement and reasonable attorneys' fees, shall be a charge on the Unit and Co-Owner's Interest and shall be a continuing lien upon the Unit and its Co-Owner's Interest against which each such assessment is made. Each such assessment, together with interest, costs of collection

and enforcement and reasonable attorneys' fees, shall also be the independent personal obligation of the Owner of such Unit at the time when the delinquent assessment fell due. The liability of multiple Owners of a Unit shall be joint and several. The personal obligation for the delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them, or unless prior to the transfer of title as evidenced by the records of the County Recorder or other appropriate governmental agency, a lien for such assessments shall have been filed or recorded with the County Recorder or agency. No event other than payment shall extinguish the personal obligation herein described.

The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period when practicable. Written notice of the annual assessment shall be sent to the Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by a representative of the Association setting forth whether the assessments on a specified Unit have been paid.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the proper functions of the Association, the health, safety and general welfare of the residents in the Property and for the improvements and maintenance of the General Common Elements and any maintenance authorized by the Association or required by this Declaration of the Improvements. The assessments shall cover the cost of all repairs, replacement and maintenance of the General Common Elements and all other authorized activities and facilities, including but not limited to, private streets, sprinkler systems, water ponds and streams, swimming pools and related equipment and structures, landscape maintenance and landscape replacement, cost of additional common facilities and improvements, taxes and insurance, reserve for common expenses and replacement of equipment and common facilities, as may, from time to time, be authorized by the Association's Board of Directors. The Association may also include a reserve against uncollected assessments and other contingencies. Surplus funds of the Association remaining after payment of or division for the above expenses and/or reserves need not be credited to the unit Owners to reduce their future common expense assessments.

Section 3. Notice of Assessment. Notice of any assessment shall be given to the Owner entitled to notice on the Association's books and records and shall thereby be effective as to all Owners of a Unit.

Section 4. Maximum Annual Assessment. The maximum annual assessment per any Unit may not be increased each successive year more than ten percent (10%) above the Unit's assessment for the previous year without a vote of two-thirds (2/3) of the voting power of the members who are voting in person or by absentee ballot at a meeting duly called for this purpose (which purpose must be stated in the notice of the meeting) in accordance with the Bylaws of the Association. The Board may fix the annual assessment at any amount not in excess of the maximum.

Section 5. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, for costs beyond the amounts collected by the annual assessment,

the Association will establish a fund to be used only for the purpose of defraying, in whole or in part, the cost of repair or replacement of a capital improvement upon the General Common Elements, including exterior building repair, fixtures and personal property related thereto, and that this fund, known as the Repair and Replacement Fund, shall have a specified maximum annual assessment and a specified maximum fund balance and any change in the annual assessment or the fund balance must have the assent of two-thirds (2/3) of the voting power of members voting in person, or by absentee ballot, at a regularly scheduled annual meeting (the proposed changes to be clearly stated in the notice of that meeting) in accordance with the Bylaws of the Association.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Units which shall share them according to the Co-Owner's Interest for each Unit, and such assessment may be collected on either a monthly or quarterly basis as determined by the Board.

Section 7. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum at the election of the Association at any time and without notice. Further, the Owner shall, at the election of the Association, pay a "late charge" in a sum to be determined by the Association, but not to exceed \$15.00 per each monthly delinquent assessment or ten percent (10%) of the unpaid assessment, whichever is greater. The Association may bring, without electing a remedy, any and all actions and seek any and all relief against the Owner personally obligated to pay the same, and/or foreclose a lien (which may be recorded at any time) against the Unit in a like manner as a mortgage of real property, and such Owner hereby expressly grants to the Association the power of sale in connection with said lien. In any action taken against an Owner to collect delinquent assessments, whether through lien foreclosure or otherwise, the Owner shall be obliged to pay, in addition to any and all other amounts required herein, all costs and all attorneys' fees incurred by the Association in such collection procedure whether such action proceeds to suit or not. All the Association's rights and remedies shall be cumulative and not exclusive and shall be exercisable in whole or in part at any time and from time to time, concurrently or consecutively.

Section 8. No Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association, nor release the Unit from the liens and charges hereof, by nonuse or waiver of the use and enjoyment of the General Common Elements and facilities thereon or by abandonment of his Unit.

Section 9. Statement. Any person acquiring an interest in any Unit shall be entitled to a statement from the Association setting forth the amount of unpaid assessments and other charges, if any, relating to the Unit, and such person shall not be liable for, nor shall any lien attach to any Unit in excess of the amount set forth in such statement, except assessments or charges which occur or become due after the date thereof, and any interest, costs, reasonable attorneys' fees and any late charges related to such assessments or charges.

ARTICLE VIII

Architectural Control

Section 1. Organization, Power of Appointment and Removal of Members.

(a) Committee Composition. The Board of Directors of the Association shall function as the architectural control organization and it may appoint an Architectural Committee to serve at its pleasure with such delegated powers as the Board shall direct. Any Architectural Committee shall consist of at least three members of the Association. None of such members shall be required to be an architect or to meet any other particular qualification for membership. A member need not be, but may be, a member of the Board or an officer of the Association.

(b) Board in Absence of Committee. Any reference in this Declaration to the Architectural Committee shall be deemed to be a reference to the Board in the absence of any such committee. All actions of any Architectural Committee are subject to the authority of the Board which may, but need not, review and alter any such action within any time limits specified herein.

Section 2. Duties. It shall be the duty of the Architectural Committee to consider and act upon any and all proposals or plans submitted to it pursuant to the terms hereof, to adopt any appropriate rules, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration.

Section 3. Meetings and Compensation. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The vote at a meeting, or written consent, of at least a majority of its members, shall constitute the act of the Committee. The Committee shall keep and maintain a written record of all actions taken by it at such meetings or otherwise. Members of the Architectural Committee shall not be entitled to compensation for their services.

Section 4. Architectural Committee Rules. The Architectural Committee may from time to time adopt, amend and repeal, by vote or written consent, rules and regulations, to be known as "Architectural Committee Rules". Said rules shall interpret and implement this Declaration by setting forth the standards and procedures for Architectural Committee review and any guidelines for architectural design, placement, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use within the Property.

Section 5. Improvements and Alterations.

(a) As stated elsewhere in this Declaration, after construction by the Developer, no improvements, alterations, repairs, excavations or other work by an Owner to the General Common Elements, or to a Unit which in any way alters the exterior appearance of the Property from its natural or improved state (as constructed or properly reconstructed) or which will affect the structural integrity of the Building, may be made without the prior written approval of the Architectural Committee. All applications for any such alteration or

improvement shall be in writing and accompanied by two sets of plans and specifications. Submission shall be evidenced by a dated written receipt executed by an officer or director of the Board or by a member of the Architectural Committee, or a United States mail return receipt showing delivery to the Association and the date thereof. The Architectural Committee has no power to approve any matter otherwise prohibited by this Declaration.

(b) The Architectural Committee shall have the right to refuse to approve any plans or specifications which are not suitable or desirable, in its opinion, for aesthetic or other reasons, and in so passing upon such plans and specifications, and without any limitation of the foregoing, it shall have the right to take into consideration the suitability of the proposed action, work or structure, the materials to be used, the site upon which it is proposed, the harmony thereof with the surroundings and the effect of the work or structure as planned on the appearance of and outlook from within or adjacent to the Property. No changes or deviations in or from any plans and specifications once approved shall be made without the prior written approval of the Architectural Committee. All decisions of the Architectural Committee shall be final and no Owner or other parties shall have recourse against the Architectural Committee or any of its members for or with respect to any decisions made in good faith.

Section 6. Time for Approval. In the event said Board, or its designated committee fails to approve or disapprove any application for approval within thirty (30) days after a proper application (together with supporting plans and specifications) is submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 7. Other Architectural Committees. Notwithstanding any action required hereby, written approval for any alteration, improvement, or any other matter described herein may have to be obtained from the Carefree Architectural Control Committee or the Carefree Architectural Committee of the Carefree Improvement Association as set forth in an instrument recorded in Docket 3584, Page 188 et seq., records of the County Recorder, Maricopa County, Arizona, and it shall be the Owner's Responsibility to comply with any applicable provisions of such instrument.

Section 8. Liability. Neither the Board, Architectural Committee, nor any member thereof shall be liable to the Association, any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of (i) the approval or disapproval of any plans, drawings, or specifications, whether or not defective or in violation of this Declaration or any law, rule or regulation (such conformance to be the Owner's responsibility for any liability), (ii) the construction or performance of any work, or the suitability or quality thereof, whether or not pursuant to approved plans, drawings and specifications, (iii) the development or improvement of any of the Property, or (iv) the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the Architectural Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Committee.

Section 9. Waiver. The approval of the Architectural Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Committee hereunder shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval. Nor shall such approval be construed as a guarantee such matters are in conformance with this Declaration or the laws, rules and regulations of any body, governmental or otherwise; that responsibility is the Owner's.

ARTICLE IX

Insurance

Section 1. General Common Elements. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all of the General Common Elements, including all exterior surfaces, and additional coverage as the Board of Directors deems appropriate, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement costs (less any applicable deductible) of any repair or reconstruction work in the event of damage or destruction from all reasonable hazards.

- (a) The Association does not intend to carry insurance coverage for the following:
- (1) Floor coverings of any kind, including but not limited to: carpeting, vinyl goods, ceramic tile, hardwood flooring. In the event of a loss, coverage will stop at the upper edge of the sub-flooring.
 - (2) Wall coverings of any kind; no coverage is intended to be provided for dry wall or plastered surfaces, or for anything permanently attached to these surfaces. In the event of a loss, coverage stops at the inside edge of the vertical stud wall and the lowest edge of the ceiling joist or rafter.
 - (3) Cabinetry, built-in appliances, or electrical/plumbing fixtures, including all HVAC equipment located inside or outside of the Unit.
- (b) It is the intent of the Association to provide "bare walls coverage" only. Each Owner shall be responsible for covering all portions of the Unit not covered by the Association. If, in the future, the Board of Directors determines that modifying the insurance coverage requirements of this provision would be beneficial to the Association, the Board of Directors may modify the insurance coverage upon providing the Owners with thirty (30) days written notice of the change to insurance coverage so that the Owners may obtain any additional coverage necessary.

(c) The Board shall have the sole and final authority to establish rules and regulations governing who is responsible for paying the deductible if a loss occurs. The Board may choose to split the cost of the deductible between two or more owners at its discretion. If an Owner is required to pay the amount of the deductible to the Association to perform any repair or reconstruction work, said amount shall be paid within fifteen (15) days of its due date, as established by the Association. Any unpaid deductible shall be collectible in the same manner as a delinquent assessment.

Section 2. Public Liability Insurance. The Board of Directors or its duly authorized agent, shall have the right, power and duty to obtain and maintain comprehensive public liability, bodily injury and property damage liability insurance against all claims for liability, bodily injury, death or property damage occurring in connection with the Property or the Association or on or about the General Common Elements, naming the Association, its Board, its officers and employees, and the Owners as insureds. Such insurance to afford minimum protection of not less than \$100,000 with respect to property damage and not less than \$1,000,000 public liability per occurrence.

Section 3. Non-Liability. Notwithstanding the duty of the Association to obtain insurance coverage as stated in this Article, neither the Association nor any Board member or officer shall be liable to any Owner or any other party if any risks or hazards are not covered by insurance or if the amount of any insurance is not adequate, and it shall be the responsibility of each Owner to ascertain the coverage and protection afforded by the Association's insurance and to procure and pay for such additional insurance coverage and protection as the said Owner may desire.

Section 4. Directors' Insurance. The Board of Directors or its duly authorized representative shall have the right and power, but not the obligation, to obtain and maintain "Directors' Insurance" holding personally harmless all Directors on the Board, the officers of the Association and members of the Architectural or any other Committee for any damage, loss or prejudice suffered or claimed on account of any omission, error or negligence of the Directors or Committee members, if such person or persons were acting in good faith in the performance of their respective duties.

Section 5. Other Insurance. The Board may obtain such other insurance as it may determine from time to time to be necessary or desirable.

Section 6. Owner Insurance. Each Owner shall be responsible for carrying insurance for his Unit, to the full extent that the insurance procured by the Association does not cover the Unit and the improvements contained therein, including all personal property of the owner, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement costs of any repair or reconstruction work in the event of damage or destruction from all reasonable hazards. Each Owner shall also be responsible for carrying insurance for all improvements or alterations that the Owner has made to the original construction of the Unit and the General Common Elements. Each Owner may also carry homeowner's liability insurance and any other insurance coverage that the Owner deems appropriate. Each Owner is responsible

for ensuring that he is carrying sufficient insurance coverage to adequately insure **all** portions of the property, and improvements thereon, that are not insured by the Association.

Section 7. Certain Policy Terms. The insurance policies purchased by the Association shall, to the extent appropriate and possible, contain the following provisions:

(a) That the coverage afforded by such policies shall not be brought into contribution or proration with any insurance which may be purchased by Unit Owners or their mortgagees or beneficiaries under deeds of trust.

(b) That the conduct of any one or more Unit Owners shall not constitute grounds for avoiding liability on said policy.

(c) That there shall be no subrogation with respect to the Association, its employees, Owners and members of their household, or such persons should be named as additional insureds.

(d) A “severability of interest” endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners.

(e) Statement of the name of the insured in form and substance similar to the following:

LAS TORRES HOMEOWNERS ASSOCIATION, for use and benefit of the individual owners.

(f) Standard mortgagee clause where required, endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of mortgagees as their interest may appear.

Section 8. Insureds. All insurance policies purchased by the Association shall be purchased by the Association for the benefit of the Association and the Unit Owners and their mortgagees or beneficiaries under deeds of trust as their interests may appear, and, where required, provisions shall be made for the issuance of certificates of mortgagee or beneficiary endorsement. Such policies and endorsements thereon shall be deposited with the Association.

ARTICLE X

General Provisions

Section 1. Enforcement. The covenants, restrictions, reservations and conditions contained herein shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing, occupying, owning or otherwise having an interest in any Unit on the

Property, their heirs, personal representatives, administrators, successors, grantees and assigns. After the date on which this instrument has been recorded, this Declaration may be enforced by the Association, which shall have the right but not the duty to enforce the same and expend the Association monies in pursuance thereof, and also may be enforced by the Owner of any Unit, or any one or more of said parties. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant or provision hereof, either to restrain violation or to recover damages, or both, and all rights and remedies shall be cumulative and not exclusive and may be exercised concurrently, alternatively, in whole or in part at any time and from time to time.

Section 2. Holder of First Mortgage or First Trust Deed – Unpaid Assessments.

(a) The lien of the assessments provided for in this Declaration shall be subordinate to the lien of any first mortgages or trust deeds, acquired in good faith and for value, on any Unit(s).

Any person (including successors in interest) acquiring title in a Unit and improvements therein through a bona fide sale pursuant to a first deed of trust or suit to foreclose a first mortgage or through any equivalent proceedings such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title to such Unit and improvements therein free and clear of any lien authorized by or arising out of any of the provisions of this Declaration which secures the payment of any assessment or charges accrued prior to the transfer of title. For these purposes, transfer of title shall be deemed to occur upon the date of any such sale or transfer, i.e., it shall not be deemed to have occurred at the end of any redemption period. However, if the defaulting Owner or his assignee shall redeem, for the purpose of reinstating the lien only, no transfer of title shall be deemed to have occurred and the lien of delinquent assessment shall not be deemed to have abated in such instance (and shall further include any unpaid assessments accruing during the redemption period). If any lien for unpaid assessments prior to the date the holder of the first mortgage or deed of trust (or purchases at a foreclosure or trustee's sale) acquires title has not been extinguished by the process of which such title was acquired, upon written request by such mortgagee, beneficiary or purchaser to the Board, such lien shall be released by the Association in writing, in recordable form.

(b) Any unpaid assessment shall in all events continue to exist as the personal obligation to the Association of the defaulting Owner of the respective Unit. The Association may use reasonable efforts to collect the same from that Owner even after such person is no longer a member of the Association. Such unpaid assessment against the Unit sold or foreclosed may be treated by the Association as an expense common to all of the Units, which expenses may be subsequently collected by a pro rata assessment of the total amount against all Units, including the Unit so sold or foreclosed against, according to the assessment procedures provided for elsewhere in this Declaration.

(c) The person who acquires title to a Unit by such foreclosure or trust deed sale or by equivalent procedures shall be deemed the new Owner, and thereafter the Unit, such new Owner and his successors in interest shall be subject to and obligated for all assessments and liens authorized by this Declaration which accrue and are assessed on and after the date of

transfer of title (as defined above) to the new Owner of the Unit, in the same manner as all Owners and Units are subject to this Declaration, even if redemption should subsequently occur. In addition, such new Owner and successors in interest may be required to immediately abate any violation of this Declaration existing at the time such ownership is acquired.

(d) During any default by an Owner in payments on the purchase promissory note for a Unit, which note is secured by a first mortgage or first trust deed, the holder of such security (mortgagee or trustee) may exercise the voting privileges of that Owner in the Association by paying all delinquent assessments and may continue to vote during such default on the note as long as the assessment payments for that Unit are current and timely paid; provided that, such security holder upon request shall furnish (i) such evidence of the above facts to the Association as shall be requested from time to time, including any affidavits of non-payment as may be requested by the Association and (ii) an agreement indemnifying the Association in form and substance satisfactory to the latter.

Section 3. Amendment. The covenants and restrictions and all other terms of this Declaration shall run with and bind the Property for an initial term of twenty (20) years from the date this Declaration is originally recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Unless otherwise required herein, this Declaration or any part thereof may be amended during the first twenty (20) year period and thereafter by an instrument signed and acknowledged by the President and Secretary of the Association pursuant to the affirmative vote or written consent of sixty-seven percent (67%) of the aggregate voting power of the membership of the Association. To be effective, any such amendment must be recorded with the County Recorder (in accordance with the then effective provisions of Arizona law concerning public recordation of transactions affecting interests in real property) within thirty (30) days of the meeting at which such affirmative vote was cast or after the last required signature was received, and any purchaser of a Unit is hereby placed on notice to inquire of the Association concerning any such amendments within thirty (30) days prior to the closing of such purchaser's transaction, as said purchaser will be bound by any such amendment which is subsequently properly recorded. Notwithstanding the foregoing, no amendment which would change the percentage interest of any Owner, change the cubic content of any Unit (except as changes may be necessary in order to describe more accurately the as-built boundaries of any Unit) or terminate the Condominium shall be effective until consented in writing by at least three-fourths of the votes of all holders of first mortgages or deeds of trust on the Units, with each holder to have one vote for each Unit to which the first lien or liens held by it extend.

Section 4. Violations and Nuisance. Every act or omission whereby any provision of this Declaration or the Rules and Regulations is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, together with a prayer for appropriate damages, in any court of competent jurisdiction, whether or not relief is sought for negative or affirmative action by the Association or any Owner or Owners of Units within the Property. However, any other provision to the contrary notwithstanding, Developer, the Association, the Board, or the duly authorized agents of any of them, but not an Owner, may enforce by self-help any of the provisions of this Declaration.

Section 5. Remedies Cumulative. Each remedy provided by this Declaration is cumulative and not exclusive.

Section 6. Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. Except as otherwise specifically stated herein, if by mail, it shall be deemed to have been delivered on the second day following the date a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: if the Association (or the Architectural Committee), at its customary office or such office as is registered with the Arizona; and if to an Owner, either (at the Association's option) to the address of any Unit within the Property owned, in whole or in part, by him or to any other address last furnished by an Owner to the Association. Each Owner of a Unit shall file the correct mailing address of such Owner with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

Section 7. Declaration Runs with the Property. By acceptance of a deed or by the acquiring any ownership interest in any of the real property included within this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments hereto, or by the Association pursuant to the powers authorized by this Declaration. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Property and hereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the Property and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various owners, present or future.

Section 8. Instruments of Conveyance. All instruments of conveyance of any interest in a Unit shall contain reference to this instrument and shall be subject to the covenants, restrictions, reservations and conditions herein as fully as though the terms and conditions of this instrument were therein set forth in full; however, the terms and conditions of this instrument shall be binding upon all Owners and persons affected by its terms, whether or not express reference is made to this instrument in any such instrument of conveyance.

Section 9. Saving Clause. The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this instrument or any part thereof, all of which are inserted conditionally on their being held valid in law, and in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained herein are determined by a court of competent jurisdiction to be invalid or to otherwise operate to render this Declaration invalid, this Declaration shall be construed as if such invalid phrases or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, or section or sections had not been inserted. In the event and only in the event that any provision of this instrument otherwise appears to a court of law with proper jurisdiction to be violative of the Rule against Perpetuities, such provision shall be construed as being void and of no effect as of ninety-nine (99) years after the death of the last surviving incorporator of the Association, or ninety-nine (99)

years after the death of the last survivor of all of said incorporators' children or grandchildren who shall be living at the time this instrument is executed, whichever is the later, if said court so rules on the appearance above stated, otherwise said provision to be and remain valid and effective.

Section 10. Attorney's Fees. In the event the Association employs an attorney or attorneys to enforce the collection of any amounts due pursuant to this Declaration or in connection with foreclosure of any lien provided for herein, to enforce compliance with or specific performance of the terms and conditions of this Declaration, Articles of Incorporation, Bylaws, or Rules, or to procure damages for any violation thereof, the Owner of the Unit and other parties bound by this Declaration against whom the action is brought shall pay all attorneys fees, costs and expenses thereby incurred by the Association whether or not the Association files legal action to force compliance. The attorney's fees, costs and expenses incurred shall be a lien against the Units and be collectible in the same manner as delinquent assessments.

Section 11. Gender. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities, or to individuals, male or female, shall in all cases be assumed as substituted as though in each case fully expressed.

Section 12. Topical Headings. The marginal or topical headings of the paragraphs, Articles and Sections contained in this Declaration are for convenience only and do not define, limit or construe the contents of such paragraphs, Articles and Sections of this Declaration.

The President of the Association hereby certifies that this Second Amended and Restated Declaration has been approved by the members in accordance with the amendment requirements set forth in the Declaration.

Dated this 23rd day of APRIL, 2009.

LAS TORRES HOMEOWNERS ASSOCIATION

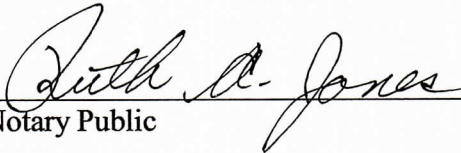
By *Stephen A. Slade*
Its _____



STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

Ruth A. Jones

On this 23 day of April, 2009, before me, the undersigned notary public, in and for said county and state, personally appeared Stephen R. Gearte, the President of the Association, an Arizona non-profit corporation, personally known (or proved) to me to be the person whose name is subscribed to the above instrument and who acknowledged that he executed the above instrument for and on behalf of the corporation, in his capacity as an authorized officer thereof.



Notary Public

My Commission Expires: 12/31/2010

