

**SECOND AMENDED AND RESTATED DECLARATION OF
CONDITIONS, COVENANTS AND RESTRICTIONS FOR SAN IGNACIO
HEIGHTS AND SAN IGNACIO HEIGHTS HOMEOWNERS
ASSOCIATION**

This Second Amended and Restated Declaration is made February 15, 2007,
by SAN IGNACIO HEIGHTS, INC. HOMEOWNERS ASSOCIATION, an Arizona Non-Profit
Corporation, hereinafter referred to as "SIH".

Witnesseth:

That **whereas**, SIH is the Homeowners Association for Owners of Property in Pima County, Arizona, consisting of Lots 1 through 165 (excluding eliminated Lots 7, 8 & 9 but including Lot 6 which was conveyed to SIH as Common Area) of San Ignacio Heights, together with Common Areas.

Now, therefore, the Owners of the Properties and SIH hereby amend and restate all existing Conditions, Covenants & Restrictions ("CC&Rs") applicable to the Properties and SIH for the following purposes:

- A. to simplify, organize, clarify and replace more than 500 pages of existing and tedious CC&Rs relating to the properties;
- B. to eliminate numerous obsolete, redundant and ambiguous provisions in existing CC&Rs;
- C. to promote efficiency and order for all Owners and those responsible for the management of SIH;
- D. to promote enhancement of the value and desirability of the Properties by careful attention to quality and aesthetics in all endeavors and circumstances.
- E. The Property shall be subject to the CC&Rs herein set forth as part of a general plan of development, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties. The CC&Rs shall run with the Properties, shall be binding upon all persons having or acquiring any interest therein, and shall inure to the benefit of, be binding upon and enforceable by all Owners and SIH and their successors in interest.

ARTICLE I
DEFINITIONS

- A. “**APSIC**” means the Architectural, Plantings, and Site Improvement Committee appointed by the Board of Directors to carry out numerous functions provided in this Declaration.
- B. “**Common Area**” means all real property and personal property owned by SIH for the common use and enjoyment of the Owners.
- C. “**Days**” means calendar days.
- D. “**GVR**” means Green Valley Recreation, Inc., a non-profit corporation, and its successors.
- E. “**Owner**” means the record owner or owners of fee simple title to any lot.
- F. “**Properties**” means the real property described above, and such additions as are brought within the jurisdiction of SIH.
- G. “**SIH**” means San Ignacio Heights Homeowners Association and its successors.

ARTICLE II
GENERAL PROVISIONS

- A. **Grandfather Clause:**

These Amended and Restated CC&Rs are not intended to create a hardship on Owners in full compliance with the CC&Rs existing on 2-15-07. In the rare instances where these CC&Rs create a violation where none existed on 2-15-07, the Owners may apply to APSIC for a personal and limited Certificate of Waiver within 3 months after adoption of these CC&Rs.
- 1. **Application:**

The application for a Certificate of Waiver shall be signed by all applicant Owners and contain the following information:

 - a. A description of the condition or conduct which may be in violation of these CC&Rs;
 - b. Clear and convincing evidence that the condition or conduct existed prior to 2-15-07;
 - c. Clear and convincing evidence that the condition or conduct was permitted and lawful under the CC&Rs in existence on 2-15-07; and
 - d. Clear and convincing evidence that enforcement of the current CC&Rs will create an unreasonable hardship on the Owner.

2. **Certification of Waiver:**

If it is determined that all of the conditions specified in Article II, A, 1, a, b, c, and d have been met, APSIC shall issue a Certificate of Waiver which shall be personal to the applicant, specify all of the facts described in Article II, A, 1, and specify the time or event which shall terminate the Waiver. All Waivers shall expire no later than upon sale of the Applicant's lot. Copies of all Certificate of Waiver shall be filed with the Board and permanently preserved. The foregoing notwithstanding, waivers covering permanent buildings or structures shall not expire on the sale of the lot.

3. **Appeal of Waiver Decision:**

The applicant or any Owner may appeal the decision of APSIC as provided in Article VI, E.

B. **Legal Conflicts:**

If any provision or portion of these CC&Rs is found to be a violation of the Laws of Arizona or the United States, those laws shall take precedence and replace invalid provisions of the CC&Rs and become a part hereof as though originally enacted and all other provisions of the CC&Rs shall remain in full force and effect.

C. **Amendment:**

The provisions of the Declaration may be amended by owners of two-thirds of the Lots, certified by the President and Secretary of SIH, and recorded in Pima County.

D. **Annexation:**

Additional residential property and Common Area may be annexed to the Properties with the consent of owners of two-thirds of the Lots.

E. **Taxes:**

SIH shall pay all taxes assessed against property owned by SIH.

F. **Lot Resale:**

If an Owner desires to sell a Lot, SIH or its managing agent must be notified in writing prior to conveyance. Within 7 days of notice, SIH shall furnish to the purchaser copies of: 1) By-laws; 2) Articles of Incorporation; 3) this amended and restated Declaration; 4) rules of SIH; and 5) a dated statement containing all of the requirements of Arizona Revised Statutes Section 33-1806.

G. **Owner Address Responsibilities:**

Owners must give the Board written notice of address change. Only one mail address may be used. Owners must promptly reply to Title 33 of Arizona Revised Statutes inquiries by the Board, or its managing agent.

ARTICLE III
OWNER'S USE AND VOTING RIGHTS

A. **Right to Enjoy Common Area:**

An Owner's right to enjoy the Common Area shall pass with title to the Lot. A majority of Owners may dedicate all or part of the Common Area to a public agency or utility. An Owner may delegate the right to enjoy the Common Area to family members, tenants or purchasers currently residing on the Owner's Lot. The Common Areas consist of approximately 20 acres of desert gardens, the Ramada (including personal property), and all streets in the Properties.

B. **Membership:**

Each Owner of a Lot is a Member of SIH. Membership is appurtenant to and may not be separated from ownership of a Lot.

C. **Voting:**

Members are entitled to 1 vote for each Lot owned. If more than one person holds an ownership interest in a Lot, all such persons are Members, but only 1 vote may be cast with respect to any Lot.

ARTICLE IV
GENERAL RESTRICTIONS & PROHIBITIONS

A. **Animals:**

Two dogs and 2 cats may be kept, provided they are not bred or maintained for any commercial purpose, and do not create a nuisance for any other Owner. Animal owners are reminded that local laws require animals be secured by leash and that owners promptly collect all waste.

B. **Signs:**

Advertising signs, For Sale signs and unsightly objects are strictly prohibited. Exceptions include: Security signs, Open House signs which must be removed at sundown, Garage/Patio sale signs which are in place no more than 48 hours, and political signs in accordance with Pima County ordinances.

C. **Home Business:**

Home businesses may be conducted provided they are not dangerous, do not cause significant increase in traffic or parking, do not constitute a nuisance, and are not noxious or offensive by emissions of dust, odor, gas, smoke, fumes, or noise and further provided that such business is carried on within the exterior walls of the residence or garage. Business signs or separate business structures are not permitted.

D. **Storage:**

Motorized or non-motorized vehicles, aircraft, motorcycles, trailers or boats shall not be stored on a Lot unless located entirely within the enclosed garage of the Owners.

E. **Off-Road Vehicles:**

Motorized vehicles may not be used on the Common Area or in washes within or adjacent to the Properties.

F. **Parking:**

All houses in the Properties are designed to accommodate 2 adults and 2 vehicles (sometimes a golf cart). Many Lots have very short driveways. Throughout the Properties parking space is precious and very limited.

1. **Owners:**

All Owners' vehicles, except trailers and/or motor homes, shall be parked in garages or, if necessary, in driveways, provided there is no sidewalk encroachment. Habitual frequent or repetitious parking is not permitted in driveways, on the street, in drainage ways or in guests' off street parking spaces.

2. **Guests and Invitees:**

Guests and invitees shall park vehicles, except trailers or motor homes, on nearby off-street parking spaces where possible. If necessary, guests and invitees may park in the host Owner's driveway or on the street adjacent to the host Owner's Lot.

3. **Trailers and Motor Homes:**

- a. Recreation vehicles: Lot owners may park their RV's in the neighborhood for up to three days (72 hours) in any seven day period and not more than 6 days (144 hours) in any thirty day period.
- b. RV's shall not be used as living quarters at any time while parked in the neighborhood.
- c. Guest's RVs shall not be parked anywhere in the properties for more than six hours.

4. **Vehicle Repairs:**

Vehicle repairs must occur entirely within the Owner's garage. Repairing a vehicle on any common area, driveway, street, or guest parking space is strictly prohibited.

G. **Renting & Leasing:**

A Lot and improvements may be rented or leased. Owners are required to furnish copies of this Declaration to renters and lessees. All occupants of an Owner's Lot must abide by this Declaration and any failure to do so is the responsibility and obligation of the Owner.

H. **Use of Lots:**

1. **Rubbish:**

Lots shall not be used for storage of rubbish or anything unclean or untidy, including excessive vegetation growth.

2. **Noxious or Offensive Activity:**
Noxious or offensive activity is not permitted anywhere on the Properties.
3. **Trash Equipment:**
Equipment for the storage or disposal of garbage or other waste shall be kept in a clean and sanitary condition. All garbage or trash containers, except when set out for collection, shall be kept in a garage, out of view from any Lot or street.
4. **Clotheslines:**
Clotheslines shall be concealed from view of neighboring Lots.
5. **Flagpoles:**
All flagpoles must be capable of removal by inserting and removing the pole from its socket, bracket or fitting. Flagpoles greater than 8 feet in length, but less than 20 feet in length must have the flag firmly affixed directly to the pole, or the hoisting mechanism must be contained within the flagpole. Flagpoles greater than 20 feet in length are not permitted unless approved by APSIC and neighboring Owners within view.
6. **Sports Facilities:**
Basketball backboards, golf backstops, and other sports facilities are prohibited.

I. **Outdoor Lighting:**

1. **House Number Light:**
A 40-60 watt incandescent or equivalent light to illuminate the house number shall be installed on each Lot, maintained to burn continuously at night and operate by photoelectric switch.
2. **Other Lights:**
All outside lighting shall be down-shielded only with no horizontal diffusion (i.e. no carriage style light). Up lighting allowed only under cover of a porch. Garden lighting is limited to low-voltage systems, 30 inches or less in height, with shielding from above. Seasonal or holiday lighting is permitted so long as the operation thereof does not interfere with the enjoyment of neighboring Lots.

J. **Drainage Ways:**

All drainage ways located on a Lot must be maintained to permit passage of natural runoff water.

K. **Plat Restrictions:**

All General and Restrictive Notes on recorded Plats remain in effect.

L. **Other Restrictions & Prohibitions:**

Additional restrictions and prohibitions are enumerated in Article VI relating to Architecture, Plantings, and Site Improvements.

**ARTICLE V
MAINTENANCE**

A. **Common Area:**

SIH shall have full power of management and control over the Common Area and shall have the duty to maintain and manage all Common Area property.

B. **Owners' Lots:**

Each Lot shall be maintained by the Owner in a neat and clean manner, to prevent damage to adjoining Lots or a Common Area, and prevent erosion and soil deposits on adjoining Lots or a Common Area.

Owners shall properly maintain, repair and paint the exterior of the home, walls and fences. If the Owner fails to properly maintain, repair and paint after 60 days notice, SIH may enter the Lot and remedy the deficiency. If the Owner fails to reimburse SIH for the expense, SIH shall add the expense to the annual assessment against the offending Lot and collect the assessment as provided in Article VIII.

C. **Damage or Destruction:**

If a structure is damaged or destroyed, the Owner must expeditiously repair or rebuild the structure. If the Owner fails to repair or rebuild, the Owner must remove the remaining portion of the damaged structure, and maintain the Lot in a clean and orderly condition.

**ARTICLE VI
ARCHITECTURE, PLANTINGS & SITE IMPROVEMENTS**

A. **General:**

1. **Uses:**

All buildings located on Lots 1 through 165 shall be used for residential purposes only except as set forth in Article IV, C. Non-residential use is permitted only by SIH at the Ramada on Mariquita Street. Multiple-family and commercial rentals are not allowed.

2. **Codes & Materials:**

Residential buildings shall be of new construction and built in accordance with applicable building codes.

3. **Prohibited Uses:**

No vehicle, trailer, mobile home, manufactured housing unit, camper, motor home, recreational vehicle, tent, shack, segregated carport or garage, or structure of temporary

character shall be placed on residential lots, streets or common areas, except that trailers and motor homes may be parked temporarily as provided in Article IV, F.

B. Architectural Requirements:

1. **Exterior Design:**

New or rebuilt buildings and ancillary structures are governed by APSIC and shall be harmonious and compatible with the external design of the neighborhood.

2. **Height and Setback Restrictions:**

- a. The maximum height shall be no greater than 20 feet, as measured from the first floor entrance elevation to the uppermost ridgeline.
- b. The minimum front-yard set back shall be 18 feet, as measured from the garage door to the inside edge of the pedestrian easement, or if none, to the street right of way.
- c. The minimum side-yard distance between buildings shall be 10 feet.
- d. Residences constructed prior to the date of these amended and restated CC&Rs are exempt from these requirements.

3. **Area Restrictions:**

All residences shall be one story with minimum living areas (excluding garages and roof-covered entrances and patios) as follows:

- a. Rebuilt homes shall be a square footage area of not less than the home originally built on the lot; and
- b. New homes shall have a living area of not less than 1,500 square feet.

4. **Garages:**

All garages in the Properties are designed to accommodate 2 full size 4 wheel motor vehicles. Garages may not be modified in a manner which will prevent parking 2 full size 4 wheel motor vehicles therein. Except when necessary, garage doors shall be kept closed.

5. **Exterior Colors:**

Stucco, trim, window feature and roof coating colors shall be in accord with the latest version of San Ignacio Heights Home Owners - Approved Exterior Colors. This document is on file in the SIH Ramada and at the office of the SIH Management Group.

- a. APSIC approval is not required if an Owner uses colors listed in Approved Exterior Colors - See Appendix A.

- b. SIH encourages the use of other colors, however APSIC approval is required. If approved by APSIC, new colors shall be added to Approved Exterior Colors.
 - c. APSIC color approval is required for any pre-finished manufactured product, such as security doors. If approved by APSIC, the color shall be added to Approved Exterior Colors.
 - d. The inside of roof parapet walls shall be painted with an elastomeric coating, with no reflective quality, in Approved Exterior Colors.
6. **Permit Applications:**
Permit applications shall be accompanied by plans and specifications sufficiently explicit to enable APSIC to determine exactly what is requested and to document what is approved or denied.

C. **Planting & Site Improvement Requirements:**

1. **Reference Documents:**

Owner compliance and APSIC approval or rejection decisions regarding plant material shall be based upon the latest editions of the following reference documents. These references are on file in the SIH Ramada and with the SIH Management Group.

- a. Reference A: A series of pamphlets published by the Arizona Native Plant Society titled: “Desert Trees”, “Desert Shrubs”, “Desert Ground Covers and Vines”, “Desert Grasses”, “Desert Wildflowers”, “Desert Bird Gardening” and “Desert Butterfly Gardening”.
- b. Reference B: “Landscape Plants for the Arizona Desert – Guide to Growing More Than 200 Low-Water-Use Plants” published by the Arizona Municipal Water Users Association (AMWUA).
- c. Reference C: “Plants for Dry Climates – How to Select, Grow and Enjoy” by Mary Rose Duffield and Warren D. Jones.
- d. Reference D: “The listed plants are prohibited in San Ignacio Heights without APSIC prior approval” - See Appendix B.

2. **Application Requirements:**

- a. Permit applications shall be accompanied with plans and a list of plant materials sufficiently explicit to enable APSIC to determine exactly what is requested and to document what is approved or denied.

- b. If the mature height of proposed plant material exceeds 5 feet, it shall be described by Botanical and Common name and by variety or trade mark name.
3. **Common Area Modifications:**
The Common Areas are gardens for desert plants and at least 60 species of wild flowers and are a major asset of the Properties which should be improved and enhanced at every opportunity. APSIC approval is required to remedy the situation.
4. **Visibility Affecting Traffic:**
Plantings likely to cause traffic hazards are prohibited. APSIC approval is required to remedy the situation.
5. **Modification of Residences & Walls:**
Unless waived by APSIC, the same materials used in the construction of the principal residence shall be used in construction of patio walls and other modifications to residences.
6. **Height of Fences, Walls & Hedges:**
Fences, walls and hedges of new construction shall not exceed 6 feet in height without the approval of APSIC and ground level shall be used to determine height.
7. **Screening of Mechanical Equipment:**
 - a. Equipment includes, but is not limited to, such devices as air conditioning compressor-condenser units, evaporative coolers, pool and heating equipment.
 - b. Equipment shall be concealed from view from an adjoining street or lot. Roof parapets shall afford a cut-off sight line of rooftop equipment as viewed above a 5 foot elevation of the viewing location.
 - c. Rooftop equipment visible to Owners of Lots, whose sight line (5 feet above viewing location) is above the eave or roof parapet of a Lot at a lower elevation, does not need to be screened unless affected by the requirements of the preceding sub-section.
8. **Aerials and Antennas:**
Aerials, antennas or other devices for transmission or reception of television, radio or other communications are allowed within patio areas or otherwise if not visible by neighbors and the community but are prohibited (consistent with the rules and regulations of the FCC):
 - a. When visible above eave lines or parapets; and
 - b. On wall locations below eave line or above patio walls.

D. **View Obstructions:**

1. **View Lots:**

The developer's engineers designed View Lots by creating tiered levels and special orientations to permit the enjoyment of uninterrupted views of the Santa Rita Mountains. Lots 1, 2, 16 through 20; 46 through 115; 122 through 125; and 132 through 135 are View Lots. The Owners paid a premium for these lots. An unobstructed view of the Santa Rita Mountains shall be maintained for Owners of View Lots.

2. **View Protection:**

a. **View Area:**

The view area is the vista above a Baseline, hereinafter defined, when observed from an elevation 5 feet above a View Lot Owner's patio.

b. **Baseline:**

An elevation of 1,250 meters above sea level recognized as the foot of the mountains and delineated on United States Geological Survey maps on file in the SIH Ramada and with the SIH Management Group.

3. **Remedies:**

If plant material creates a view obstruction of the Santa Rita Mountains for Owners of View Lots, the Owner of the offending plant shall remove or modify the offending plant; if the offending plant is on Common Area, SIH shall remove or modify the offending plant.

a. **Removal** of a tree or shrub means cutting down to ground level and treating the stump with appropriate herbicide to prevent sprouting.

b. **Modification** means reducing the height of a tree or shrub by cutting all branches at a specified height to prevent view obstruction.

4. **Other Lots:**

If an Owner perceives any form of view obstruction of the Catalina, Rincon or Tumacacori Mountains, San Cayetano Peak or views of the San Ignacio Golf Course caused by plant material on Common Areas, upon approval of APSIC, SIH shall remove or modify the offending plant.

E. **Enforcement, Approval, Cost Recovery and Appeal:**

1. **Enforcement:**

The Board of Directors of SIH shall enforce Architecture, Plantings & Site Improvement requirements.

2. **Approval:**

No building or site improvements shall be constructed or removed without the approval of APSIC.

- a. **Architecture, Plantings and Site Improvement Committee Membership:** APSIC shall consist of 3 members appointed by the Board of Directors. If one or more members of APSIC have a conflict of interest, the matter shall be returned to the Board for action.
- b. **Delayed Approvals and Recourse of Applicant:** If APSIC fails to act upon applications within 30 days after plans and specifications are submitted to it, the applicant may file a written petition to the Board requesting an expedited decision, which must be acted upon within 7 days after receipt of the petition. Unless waived by the applicant, failure by the Board to meet the specified deadline will permit the applicant to proceed as if approved.
- c. **Applicant's Cost:** The services of APSIC in reviewing applications is without charge unless professional services are necessary to assist APSIC. In such case, the cost shall be pre-determined and the applicant shall be notified in writing of the obligation to pay these charges and the period of review is extended to 45 days.

3. **Appeal Process:**

An applicant denied by APSIC may appeal to the Board of Directors as follows:

- a. The appeal must be in writing, specify the reasons for the appeal and the relief requested;
- b. The Board of Directors shall schedule the appeal for a hearing within 20 days and give the appellant and other interested parties of record at least 3 days notice of the hearing; and
- c. The Board shall issue its written decision within 7 days after the hearing is completed.

ARTICLE VII
COVENANT FOR ASSESSMENTS

A. **Lien and Personal Obligation:**

The owner of each Lot shall pay SIH: 1) annual assessments, and 2) special assessments for capital improvements.

The annual and special assessments, together with any interest, costs, and attorneys' fees, are personal legal obligations of the Owner and are a continuing lien from the due date upon the Lot against which the assessment is made.

B. **Purpose:**

The assessments levied by SIH shall be used exclusively to promote the recreation, health, safety, and enjoyment of residents of the Properties; for maintenance and improvement of the Common Areas; and the enforcement of the architectural and use restrictions provided in this Declaration.

C. **Rate and Due Dates:**

Assessments must be fixed at an identical rate for all Lots and shall be collected on an annual basis. Assessments are due and payable January 2 of each year. Assessments not paid by February 1 are subject to remedies specified in paragraph G of this Article.

D. **Notification:**

The Directors of SIH shall fix the amount of the annual assessment. SIH shall give written notice of the annual assessment to Owners on or before December 2nd of the preceding year.

E. **The Amount of the Annual Assessment:**

For the year beginning January 1, 2007, the annual assessment is \$432.00.

1. The Board may increase the annual assessment each year by not more than 20% above the assessment for the previous year.
2. The annual assessment may be increased above 20% with approval of owners of the majority of the Lots.

F. **Special Assessments for Capital Improvements:**

SIH may levy, in any assessment year, a special assessment for the purpose of defraying the cost of construction, repair or replacement of capital improvements on Common Areas, including fixtures and personal property, if the assessment has approval of a majority of the Owners.

G. **Remedies for Non-payment:**

An annual assessment not paid when due and a special assessment not paid within 60 days of the date it was due shall bear interest from the due date at the rate of 1 1/2% per month until paid. In addition, if any assessment is not paid when due, SIH shall charge the Owner for attorneys' fees, collection fees, court costs, and related expenses. SIH may bring an action at law against the Owner and/or foreclose the lien encumbering the Lot.

H. **Subordination to First Mortgage:**

The lien of assessments provided herein is subordinate to the lien of a first mortgage. Foreclosure and sale or transfer of any lot pursuant to the foreclosure of any such first mortgage or other equivalent security instrument shall extinguish the lien of assessments which became due prior to any such sale or transfer or foreclosure of said lien. 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 by the first mortgagee. However, at such time as a first mortgagee becomes a

record owner of a lot, said first mortgagee shall be subject to this Declaration including the obligation to pay all assessments and charges accruing thereafter in the same manner as any owner.

ARTICLE VIII **INSURANCE**

A. **Indemnification of Agents:**

SIH hereby indemnifies Directors, Officers, Committee Members and other Owners acting under authority of the Directors from any and all liability arising out of or relating to functions as Directors, Officers, or agents of SIH.

B. **Liability Hazards:**

SIH shall purchase liability insurance against such hazards and casualties as SIH deems desirable.

C. **Property Hazards:**

SIH may insure property against such hazards as it deems prudent.

ARTICLE IX **AGE RESTRICTION**

A. **Age Fifty-Five Requirements:**

At least one resident of each Lot shall be 55 years of age or older. No person under 18 years of age may reside on any Lot for more than three months.

B. **Age Forty-Five Exception:**

If a surviving spouse or co-habitant over age 45 inherits a Lot from an age 55 or older Owner and 80% of the remaining Lots are occupied by at least one resident over age 55, the inheriting spouse or co-habitant may continue to occupy the Lot.

C. **Duty on Resale:**

On resale it is the duty of the Owner to ascertain that at least one of the purchasing occupants is age 55 or over and this fact shall be confirmed by SIH. SIH and all Owners shall comply in good faith with section 10.304 of the regulations dealing with "55 or Over House Exemption" under title 24 of the Fair Housing Act.

ARTICLE X **GREEN VALLEY RECREATION, INC.**

A. **Membership Requirement:**

Each Owner, successor and assignee shall become and remain a member of GVR and pay membership dues and assessments levied by GVR. The Covenants in this Article run with the land and remain in full force in perpetuity; provided that GVR may release, terminate or amend

this perpetual covenant with the consent of the Owners of the Lots.

B. Lien for Dues and Assessments:

There is hereby created a lien, with power of sale, on each Lot to secure payment of the GVR membership dues and assessments pursuant to the terms hereof, provided that no action shall be brought to foreclose such lien until 30 days after the notice of the lien is mailed by certified mail, return receipt requested, to the Owner of such Lot and a copy of the notice is recorded in the office of the Recorder, Pima County, Arizona.

C. Subordination of Lien:

The lien for GVR assessments is subordinate to the lien of a first mortgage.

D. GVR Consent to Amend:

Article X shall not be amended without consent of GVR.

ARTICLE XI
EASEMENTS, LICENSES AND ENCROACHMENTS

The Properties are subject, as a result of prior recordings, to various provisions relating to easements, licenses and encroachments, and party walls. A schedule of said provisions and the verbatim text of such provisions still relevant are set out in Appendix C hereto which is by reference incorporated herein.

ARTICLE XII
ENFORCEMENT

A. Plaintiff-SIH or Owner:

SIH or any Owner is authorized to enforce, by proceeding at law or in equity, all conditions, covenants and restrictions, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure or delay by SIH or by an Owner to enforce any covenant or restriction herein shall not waive the right to do so thereafter nor shall the failure or delay invalidate any part of this Declaration.

B. Rules and Fines:

The Board of Directors shall promulgate rules, regulations and guidelines for establishing fines or assessing penalties for the violation of this Declaration. The Board shall also establish procedures for a hearing by any person aggrieved by a decision of the Board or a Committee acting on behalf of the Board. Such rules, regulations or guidelines shall be written and sent to Owners by regular mail.

C. Attorneys Fees and Costs:

If SIH or an Owner is the prevailing party in an action to enforce the provisions of this Declaration against another Owner, including a suit to collect an assessment pursuant to the

provisions of this Article, SIH or the Owner is entitled to reasonable attorneys' fees, court costs, and other related expenses.