CASAS ARROYO DE SONOITA
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this 30th day of October, 2005, by the BOARD OF DIRECTORS OF CASAS ARROYO ASSOCIATION, INC., contains revisions and amendments agreed upon and voted upon by the membership in accordance with the provisions contained herein for the purpose of amending this Declaration. This Declaration supersedes and replaces in entirety any and all such Declarations pertaining to CASAS ARROYO DE SONOITA.

WITNESSETH:

WHEREAS, the property herein referred to is as set forth in Exhibit A attached hereto and by reference incorporated herein;.

WHEREAS, the said property is subject to certain covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;

NOW THEREFORE, all of the property described above, and all portions thereof, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property, and all portions thereof, and be binding on all parties having any right, title or interest in the described property, or any part thereof, their heirs, successors and assigns, and shall insure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

SECTION 1. "Association" shall mean and refer to CASAS ARROYO ASSOCIATION, INC., its successors and assigns.

SECTION 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may be hereafter brought within the jurisdiction of the Association
SECTION 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of conveyance of the first lot is described as follows: Lot 40 of Casas Arroyo de Sonoita as shown on the map or plat attached thereto.

SECTION 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area (Lot 40).

SECTION 6. "Revegetation" shall mean and refer to the activity of replacing existing vegetation, including grasses, shrubs and trees, that has been damaged beyond the point of full recovery within a period of two (2) years after the damage occurs. Replacement shall be with the same native species, or a subset of native species as was originally present. Similar vegetation densities to the original vegetation shall be achieved within a reasonable period of time, as determined by the Board of Directors.

ARTICLE II
PROPERTY RIGHTS

SECTION 1. MEMBERS' EASEMENTS OF ENJOYMENT. Every owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to each and every Lot. The common elements shall remain undivided, and shall at all times be owned by the Association or its successors, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the operation and management of the common elements. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all owners in Casa Arroyo and it is necessary for the protection of said owners. Such right and easement of enjoyment shall be 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 upon the Common Area;

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period of time during which any assessment against ***the owner's*** Lot remains unpaid, and for a period not to exceed 60 days for each infraction of its published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members, as hereinafter defined. No such dedication or transfer shall be effective unless an instrument signed by members representing three quarters (3/4) of the eligible vote of the Association agreeing to such dedication shall be placed upon the common area and no act or action shall be taken which would increase the density of residences on the Properties except by agreement of members representing not less than three quarters (3/4) of the eligible votes of the Association.

(d) Policies created by the Board of Directors pertaining to the use of the Pool, keeping Horses, Woodcutting on the Common Areas and other policies that may be created for the common good. The Board will distribute all policies to the membership and notify all members of changes, additions or revisions. Members may at any time present to the Board suggestions

or concerns about any existing policies, or may propose new policies. Policies created by the Board are appended to this Declaration.

SECTION 2. DELEGATION OF USE. Any owner may delegate, in accordance with the By-Laws of the Association, ***the owner's*** right of enjoyment to the Common Area and facilities to the members of ***the owner's*** family, ***the owner's*** tenants or contracts purchasers who reside on the property.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every owner of a lot in CASAS ARROYO de SONOITA shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The votes for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

SECTION 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the properties and for the improvement and maintenance of the Common Area, and of the homes situated upon the Properties.

SECTION 3. ANNUAL ASSESSMENT. The Board of Directors of the Association shall fix the annual assessment.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common

Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose.

SECTION 5. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate for all Lots subject to assessment and may be collected on a quarterly basis.

SECTION 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be set to every 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 an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

SECTION 8. EFFECT OF NON-PAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 6 percent (6%) per annum. The Association may bring an action at law against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area.

SECTION 9. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 10. In addition to the aforesaid assessments, those owners whose septic tanks connect with a leaching field on any Common Area shall pay their proportionate share for the maintenance of said leaching field, and the payments due from said owners to the Association therefore shall have the same effect as assessments levied by the Association and shall be subject to the provisions of Sections 8 and 9 above.

ARTICLE V
ARCHITECTURAL CONTROL

No building fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Committee and by the Board of Directors of the Association. When evaluating and approving plans, the Architectural

Review Committee will use the Design Review Process created by the Board and appended to this Declaration.

ARTICLE VI
MAINTENANCE

Each owner shall be responsible for the maintenance of ***their*** own property in a clean and orderly condition, and, in the event the owner should fail to so maintain ***their*** property, the Association may take such action as necessary to restore the property to a clean and orderly condition and the cost of such restoration shall be added to and become a part of the assessment to which such Lot is subject. Each owner shall likewise be responsible for all damage which ***the owner, the owner's family, and the owner's*** guests, employees or lessees may cause to the common property including the improvements thereon and the cost of repairing such damage shall be added to and become a part of the assessment to which each Lot is subject.

ARTICLE VII
ANNEXATION OF ADDITIONAL PROPERTIES

SECTION 1. Annexation of additional property shall require the assent of two thirds (2/3) of the members at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days or more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast two thirds (2/3) of the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event that two thirds (2/3) of the membership are not present or proxy, members not present may give their written assent to the action taken thereat.

ARTICLE VIII
USE RESTRICTIONS

SECTION 1. Residential use only. Said premises are hereby restricted to residential dwellings for residential use. All buildings or structures erected upon said premises shall be of new construction and no buildings or structures shall be moved from another location onto said premises. No structures of a temporary character, trailer, mobile home, basement, tent, shack, garage, barn, or other out-buildings shall be used on any portion of the premises at any time as a residence either temporarily or permanently.

SECTION 2. Temporary work structures. Notwithstanding any provisions herein contained to the contrary, a builder may maintain during the period of construction of any residence or improvement to the Common Area such facilities as may be reasonably required, convenient or incidental to said construction.

SECTION 3. Animals. No livestock (sheep, poultry, pigs, goats, cattle, etc.) may be kept by residents on any Lot. Dogs, cats and other common household pets are permitted as long as they are not kept, bred or maintained for any commercial purpose. A policy governing dogs at Casas Arroyo de Sonoita is appended to this Declaration Horses belonging to residents may be kept as permitted by the policy appended to this Declaration.

SECTION 4. Advertising, signs and business activity. No advertising signs (except one of not more than five square feet "for rent" or "for sale" sign per parcel), billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the premises, nor shall such premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner or any resident thereof. Only minor business activities that are conducted within the residence and not visible from outside will be permitted. No business signs or structure, significant increase in traffic, or pollution (i.e., noise, visual,or chemical) resulting from business activities are permitted. Examples of businesses considered permitted within these restrictions are writers, artists, photographers. All business activities require written approval from the Board of Directors prior to commencement.

SECTION 5. Appurtenances. All clotheslines, equipment, garbage cans, service yards or storage piles shall be concealed with exterior walls or otherwise concealed from the view of the surrounding homes.

SECTION 6. Gardening and vegetation. In order to preserve the natural landscape, gardening shall be confined within patio walls except that shrubs and plants may be planted adjacent to the exterior walls of the premises. No trees shall be planted outside patio areas without the approval of the Board of Directors.

SECTION 7. Storage vehicles and materials. No residential Lot shall be used in whole or in part for the storage of rubbish of any character whatsoever. No substance, thin or materials shall be kept on any residential Lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of neighboring residences and surrounding property.
All vehicles shall be kept in a manner that is least intrusive upon neighbors' views. Garages, carports and walled enclosures are preferred. An owner may seek permission of the Architectural Review Committee and the Board of Directors to store or park auxiliary vehicles (e.g., boats, campers, motorcycles and recreational vehcles) at a designated place in the Common Area.

SECTION 8. Structures. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of said premises, nor shall any oil, natural

gas, petroleum, asphaltum or hydrocarbon product or substances be produced or extracted therefrom.

SECTION 9. Tanks and towers. No elevated tanks or towers of any kind shall be erected, placed or permitted upon any part of said premises. Any tanks for use in connection with any residence constructed on said property, including tanks for the storage of gas and fuel oil, gasoline or oil, must be buried, walled in or otherwise sufficiently hidden to conceal them from the view of neighboring residences, Lots, roads or streets.

SECTION 10. Native growth. Native growth shall not be moved or altered except as is necessary in the construction of residences.

SECTION 11. Utilities, Antennas and Lights. All electrical service and telephone lines from the service area to each residence shall be placed underground. No radio or television transmission and/or receiving antennas exceeding three feet in height shall be erected, placed or maintained on any part of said premises except with the approval of the Board of Directors of the Association. Said antennas shall be concealed from the view of neighboring residences, Lots, roads, or streets. No lights or light fixtures shall be placed exterior to the walls (including patio walls) of any residence except for one light each at the entrance to said residence or the garage thereof, and the light fixtures therefore shall be attached to the walls thereof. All exterior lighting shall be so placed and/or shielded so as not to disturb the occupants of neighboring residences and surrounding property. All exterior lighting must furthermore be shielded in such a manner that restricts light from shining into or reflecting into the night sky. Lighting within patio areas should be so placed as not to disturb the occupants of neighboring residences and surrounding property.

SECTION 12 Roof equipment. Any evaporative cooler, air conditioner, heating unit or other equipment placed, installed or maintained on the roofs of any building or structure or any on any other place on said premises or any building or structure located thereon, shall be walled in or otherwise concealed from the view of neighboring Lots, roads or streets.

SECTION 13. Setback, septic tanks and leaching fields. Each structure shall have a minimum five (5) feet setback from any property line of the Lot. Septic tanks and leach fields may be located on common land if a suitable site is not available on the Lot. Siting of septic tanks and leach fields on common land must be approved in writing by the Board of Directors after recommendation by the Architectural Review Committee. The restrictions of Article IV, Section 10 shall apply to any such located septic tanks or leach fields.

ARTICLE IX
EASEMENTS

There is hereby created a blanket easement upon, across, over and under the above described premises for ingress, egress, installation, replacing, repairing and maintaining all utilities including, but not limited to, water, sewers, gas, telephones and electricity, and a master television antenna

system. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said property. Notwithstanding to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on said premises except as initially programmed or thereafter approved by the Board of Directors of the Association.

ARTICLE X
GENERAL PROVISIONS

SECTION 1. ENFORCEMENT. The Association, or any other Owner, shall have the right to enforce, by any proceeding at law, or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by provisions of this Declaration. Failure by the Association, or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 2. AGREEMENT TO CONVENANTS. All purchasers and lessees of any parcel which is now included or may be hereafter included under the provisions of this Declaration by the acceptance of deed thereof, or the signing of contracts of agreements to purchase same shall thereby and by said act consent and agree to all of the provisions and covenants contained in this indenture, and covenant and agree to be bound by and keep and perform the same, shall take their property subject to the lien of any charge or assessment levied prior to or during the continuance of their respective ownership or other interest and shall thereby agree to be and remain members of the Association so long as they hold any interest in any parcel.

SECTION 3. SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

SECTION 4. AMENDMENT OF THIS DECLARATION. This Declaration may be amended by an instrument signed by members representing not less than three quarters ($3/4^{1}$) of the eligible votes of the Association.

IN WITNESS WHEREOF, the undersigned, being the Board of Directors of the Casas Arroyo Association, Inc., has hereunto set its hand and seal this thirtieth day of September, 2022.

Erik Powell, president

_____

Tom Hardesty, vice-president

_____

Laura Brown, secretary

_____
David Steadman, treasurer

_____
Blaine deVesty

_____.
Paula Miller

EXHIBIT A

Description of Casas Arroyo de Sonoita

A portion of the south one-half of Section 26, Township 20 South, Range 16 East, G & S.R.B. & M., Santa Cruz County, Arizona. Said portion of said south one-half of Section 26 is more particularly described as follows:

BEGINNING at the southeast corner of said Section 26, said corner also being common to Sections 25, 35, and 36 of said Township 20 South, Range 16 East; Thence N. 87† 39' 28" W., along the southerly line of said Section 26, a distance of 2,607.93 feet to the south quarter corner of said Section 26;

Thence N. 88† 47' 11" W., along the southerly line of said Section 26, a distance of 2,627.05 feet to the southwest corner of said Section 26;

Thence N. 01† 06' 01" E., along the westerly line of said Section 26, a distance of 482.24 feet to a point on the centerline of the abandoned right-of-way of the Southern Pacific Railroad Patagonia Branch;

Thence N. 74† 16' 53" E., along said centerline of said abandoned right-of-way, a distance of 706.08 feet to a point of curvature;

Thence northeasterly along a curve running along said centerline of said abandoned rightof- way, concave to the northwest, having a radius of 1,909.81 feet and a central angle of 13† 50' 00", a distance of 461.10 feet to a point of tangency;

Thence N. 60k 26' 53" E., along said centerline of said abandoned right-of-way, a distance of 2,075.20 feet to a point of curvature;

Thence northeasterly along a curve running along said centerline of said abandoned rightof- way, concave to the northwest, having a radius of 2,864.79 feet and a central angle of 14† 21' 00", a distance of 717.50 feet to a point of tangency;

Thence N. 46† 05' 53" E., along said centerline of said abandoned right-of-way, a distance of 391.82 feet to a point on the East-West quarter line of said Section 26;

Thence S. 88† 42' 29" E., along said East-West quarter line of said Section 26, a distance of 1,457.97 feet to the east corner of said Section 26;

Thence SOUTH along the easterly line of said Section 26, distance of 2,702.98 feet to the POINT OF BEGINNING.

Said portion of the said one-half of said Section 26 containing 209.66 acres, more or less.

Recorded October 27th, 1972 in Docket 149, pages 500 to 516 in the office of the Recorder of Santa Cruz County, Arizona.