



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
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AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
BELLASERA

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Declarant established a general plan of development for the Properties under this Declaration in order to protect all Owners’ quality of life and collective interests, the aesthetics and environment within the Properties, and the vitality of and sense of community within the Properties, all subject to the Board’s and the Members’ ability to respond to changes in circumstances, conditions, needs, and desires within the community.

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AMENDED & RESTATED

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

BELLASERA COMMUNITY ASSOCIATION

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (hereafter referred to as the "CC&Rs") is made this _____ day of _____, 2007 by the Bellasera Community Association, an Arizona non-profit corporation (hereinafter referred to as the "Association").

WHEREAS, on July 18, 1997, Bellasera Corp., dba Del Webb Bellasera Corp. ("Declarant) recorded that certain Declaration of Covenants, Conditions, and Restrictions for Bellasera (the "Original Declaration") at Instrument No. 97-0484166 in the office of Maricopa County Recorder, Arizona; and

WHEREAS, on July 25, 1997, Declarant subsequently recorded that certain Supplemental Declaration of Annexation to Declaration of Covenants, Conditions, and Restrictions for Bellasera ("Supplemental Annexation Declaration") at Instrument No. 97-0501731 in the Office of the Maricopa County Recorder, Arizona; and

WHEREAS, on July 25, 1997, Declarant subsequently recorded that certain Supplemental Declaration of Covenants, Conditions, and Restrictions for Bellasera ("Supplemental Declaration") at Instrument No. 97-0501732 in the Office of the Maricopa County Recorder, Arizona; and

WHEREAS, pursuant to the terms of Article XVII, Section 17.2(b) of the Original Declaration, the Original Declaration (as supplemented) may be amended by the vote or written consent of the Members representing at least sixty-seven percent (67%) of the Members; and

WHEREAS, the Association desires to amend and restate the Declaration and incorporate the Supplemental Declarations; and

WHEREAS, the Declaration was approved by at least sixty-seven percent (67%) of the Members; and

NOW THEREFORE, the Original Declaration is hereby amended and restated in its entirety as follows:

As originally intended by the Declarant with the recording of the Original Declaration, this Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Bellasera ("CC&Rs") imposes upon the Properties (as defined in Article I) mutually beneficial restrictions under a general plan of improvement for the benefit of the Owners of each portion of the

Properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties.

All of the property described in Exhibit “A” hereto and any additional property subjected to the CC&Rs by Supplemental CC&Rs (as defined in Article I) shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the benefit of the Owners of the Properties and establishes a flexible and reasonable approach for the overall development, administration, maintenance and preservation of the Properties. The CC&Rs shall be binding on and shall inure to the benefit of all parties having any right, title, or interest in the Properties or any part thereof, their heirs, successors, successors-in-title, and assigns.

The annexation portion of the Supplemental Declaration is incorporated herein and is restated except to the extent that the Flood/Emergency Exit Map, attached thereto as Exhibit B is not attached herein, but is valid and survives this restated declaration.

Article I Definitions

The terms used in these CC&Rs shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1 “Area of Common Responsibility” The Common Area, together with those areas, if any, which by the terms of these CC&Rs, any Supplemental CC&Rs or other applicable covenants, or by contract become the responsibility of the Association.

1.2 “Articles” The Articles of Incorporation of Bellasera Community Association, Inc., as filed with the Arizona Corporation Commission.

1.3 “Association” Bellasera Community Association, Inc., an Arizona nonprofit corporation, its successors and assigns.

1.4 “Base Assessment” Assessments levied on all Lots subject to assessment to fund Common Expenses for the general benefit of all Lots, as more particularly described in Sections 10.1 and 10.2 herein.

1.5 “Bellasera” The Properties as described in Section 1.27 herein.

1.6 “Benefited Assessment” Assessments levied under Section 10.5 herein.

1.7 “Board of Directors” or “Board” The body responsible for administration of the Association, selected as provided in the Bylaws.

1.8 “Business” and “Trade” Such terms shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or

activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the family of the producers of such goods or services and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

1.9 “Bylaws” The Bylaws of Bellasera Community Association, Inc., incorporated by reference, as they may be amended from time to time.

1.10 “Common Areas” All real and personal property which the Association now or hereafter owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners, including easements held by the Association for those purposes. The term shall include the Exclusive Common Area, as defined below, scenic corridors and may include entry features, landscape medians, and cul-de-sacs.

1.11 “Common Expenses” The actual and estimated expenses incurred or anticipated to be incurred by the Association for the general benefit of all Properties, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to its powers as found in these CC&Rs, the Bylaws, and the Articles, or applicable law.

1.12 “Community-Wide Standard” The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors and the Modifications Committee.

1.13 “Declarant” Bellasera Corp., d/b/a Del Webb Bellasera Corp., or any successor, successor-in-title, or assign of Bellasera Corp., d/b/a Del Webb Bellasera Corp., who has or takes title to any portion of the property described on Exhibits “A” or “B” for the purpose of development and/or resale in the ordinary course of business and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

1.14 “Design Guidelines” The architectural, design, development, and other guidelines, standards, controls, and procedures including but not limited to, application and review procedures, adopted pursuant to Article XI herein and applicable to the Properties.

1.15 “Dwelling Unit” Any building or structure or portion of a building or structure situated upon a Lot and which is intended for use and occupancy as a detached residence for a single family.

1.16 “Homeowner” An Owner.

1.17 “Lot” A contiguous portion of the Properties, other than Common Area and property dedicated to the public, which may be independently owned and conveyed and which is intended to be used, and occupied with a detached residence for a single family. The term shall refer to the land, if any, which is part of the Lot as well as any improvements, including any Dwelling Unit, thereon.

1.18 “Master Plans” The Water, Waste Water and Drainage Master Plans, Circulation Plan and Environmental Plan, Reference No. 499PA96 for the development of Bellasera filed with the City of Scottsdale, as they may be amended, updated, or supplemented from time to time, which plans include the property described on Exhibit “A.”

1.19 “Member” An Owner entitled to membership in the Association.

1.20 “Mortgage” A mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

1.21 “Mortgagee” A beneficiary or holder of a Mortgage.

1.22 “Natural Area Open Space” or “NAOS” Areas of undisturbed natural desert with no man-made improvements and approved revegetated areas, as designated by the City of Scottsdale.

1.23 “Office of the County Recorder” The Office of the County Recorder of Maricopa County, Arizona.

1.24 “Ordinance” The ordinance number 582N90#2 adopted by the Council of the City of Scottsdale, Maricopa County, Arizona, including the stipulations attached thereto, describing the zoning of the Properties, as such ordinance may be amended or superseded from time to time.

1.25 “Owner” One or more Persons who hold the record title to any Lot, except Persons holding an interest merely as security for the performance of an obligation in which case the equitable owner will be considered the Owner.

1.26 “Person” A natural person, a corporation, a partnership, a trustee, or any other legal entity.

1.27 “Properties” The real property described in Exhibit “A,” together with such additional property as is subjected to this Declaration in accordance with Article IX. Exhibit “A” and each of the Supplemental Declarations which subject additional property to the Declaration shall provide a legal description of the Common Areas included therein, if any.

1.28 “Rules” The rules and regulations as adopted or amended, from time to time, by the Board of Directors pertaining to the use of the Common Areas.

1.29 “Special Assessment” Assessments levied under Section 10.4 herein.

1.30 “Supplemental CC&Rs” An amendment or supplement to the CC&Rs which imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

Article II
Property Rights

2.1 Common Areas. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Areas, subject to:

- (a) The CC&Rs, the Bylaws and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt rules, regulations or policies regulating the use and enjoyment of the Common Area, including rules restricting use of recreational facilities within the Common Area to occupants of Dwelling Units and their guests, and rules limiting the number of occupants and guests who may use the Common Area,
- (d) The right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Lot remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation, of the CC&Rs, any applicable Supplemental CC&Rs, the Bylaws, or Rules of the Association after notice and a hearing pursuant to the procedures established by the Board as may be amended from time to time.
- (e) The right of the Association to dedicate or transfer all or any part of the Common Area to governmental entities pursuant to Section 4.5;
- (f) The right of the Association to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Section 14.2;
- (g) The right of the Association to rent or lease any portion of any clubhouse and other recreational facilities within the Common Area on a short-term basis to any Owner for the exclusive use of such Owner and such Owner's family and guests.

Any Owner may extend his or her right of use, access and enjoyment in and to the Common Area to the members of his or her family, co-occupants, lessees, and social invitees, subject to reasonable Board regulation. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot, unless the Board adopts a resolution permitting Owners to reserve such rights and such Owner provides the Board with written notice of such reservation.

Article III
Association Function, Membership and Voting Rights

3.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility. The Association shall be the primary entity responsible for enforcement of the CC&Rs and such reasonable Rules regulating use of the Properties as the Board may adopt. The Association shall also be responsible for administering and enforcing the Design Guidelines. The Association shall perform its functions in accordance with the CC&Rs, the Bylaws, the Articles, and Arizona law.

3.2 Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.3 and the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is a corporation, partnership or other legal entity may be exercised by any officer, director, partner, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

3.3 Voting. Except as otherwise specified in the CC&Rs or the Bylaws or as required by law, the vote for each Lot owned by a Class "A" member shall be exercised by the Owner as it, in its discretion, deems appropriate.

In any situation in which an Owner is entitled personally to exercise the vote for his or her Lot and there is more than one Owner of a particular Lot, the vote for such Lot shall be exercised as such co-Owners determined among themselves and advise the Secretary of the Association in writing prior to any meeting. Absent such notice to the Association, the Lot's vote shall be suspended if more than one Person seeks to exercise it.

Article IV
Rights and Obligations of the Association

4.1 Common Area. The Association, subject to the rights of the Owners set forth in the CC&Rs, shall manage and control the Common Area and all improvements thereon (including, without limitation, furnishings, equipment, and common landscaped areas) and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, consistent with the CC&Rs and the Community-Wide Standard.

4.2 Personal Property and Real Property for Common Use. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property.

4.3 Express Rights: Board Authority. The Board may promulgate Rules. The Association may impose sanctions for violations of the CC&Rs, the Bylaws, or Rules, in accordance with procedures established by the Board, including reasonable monetary fines and suspension of the right to vote and to use any recreational facilities within the Common Areas.

4.4 Implied Rights: Board Authority. The Association may exercise any right or privilege given to it expressly by the CC&Rs or the Bylaws or which may be reasonably implied from, or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the CC&Rs, the Bylaws, Articles, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.5 Dedication of Common Areas. The Association may dedicate or grant easements over portions of the Common Areas to any local, state or federal governmental entity, subject to such approval as may be required by Section 14.2.

4.6 Security. The Association may maintain or support certain activities within the Properties designed and specifically limited to monitor vehicular access provided, however, that the Association shall not be obligated to support such activities except as provided in Section 4.8.

Neither the Association, the Board, nor the management company of the Association, shall in any way be considered insurers or guarantors of the security of any person or property within the Properties. Neither the Association nor the management company of the Association shall be held liable for any loss or damage for failure to provide adequate security or ineffectiveness of security measures undertaken.

All Owners and occupants of any Lot, and all tenants, guests, and invitees of any Owner, acknowledge that the Association and its Board, any committee established by the Board in accordance with the Bylaws, and the management company of the Association, do not represent or warrant that any entry gate, patrolling of the Properties, any fire protection system, burglar alarm system, or other security system designed by or installed by the Association, its Board and committees or the management company may not be compromised or circumvented; nor that any entry gate, patrolling of the Properties, fire protection system, burglar alarm system, or other security systems will prevent loss by burglary, theft, hold-up, or otherwise; nor that any entry gate, patrolling of the Properties, fire protection system, burglar alarm system, or other security systems will in all cases provide the detection or protection for which the system is designed or intended.

All Owners and occupants of any Lot, and all tenants, guests, and invitees of any Owner, assume all risks for loss or damage to persons, to Lots , and to the contents of Lots and further acknowledge that the Association, its Board and committees, the management company of the Association, have made no representations or warranties, nor has any Owner, occupant, or any tenant, guest, or invitee of any Owner relied upon any representations or warranties, expressed or implied, relative to any entry gate, patrolling of the Properties, any fire protection system, burglar alarm system, or other security systems recommended or installed or any security measures undertaken within the Properties.

4.7 Provision of Services. The Association may provide services and facilities for the Owners and their guests, lessees and invitees. The Association shall be authorized to enter into contracts or other similar agreements with other entities to provide such services and facilities. The costs of services and facilities provided by the Association may be funded by the

Association as a Common Expense. In addition, the Board shall be authorized to charge additional use and consumption fees for services and facilities. By way of example, some services and facilities which may be provided include landscape maintenance, pest control service, cable television service, security, caretaker, fire protection, utilities, and similar services and facilities. The Board, without the consent of the Owners, shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein can be relied upon as a representation as to what services and facilities, if any, will be provided by the Association.

4.8 Change of Use of Common Areas: Upon the following:

(a) adoption of a resolution by the Board stating that, in the Board's opinion, a service provided by the Association pursuant to Section 4.7 or the then present use of a designated part of the Common Area is no longer in the best interest of the Owners or is no longer necessary or appropriate for the purposes intended; and

(b) the approval of such resolution by a majority of the Owners votes cast, in person or by absentee ballot, at a meeting duly called for such purpose;

the Board shall have the power and right to terminate such service or to sell, exchange, convey or abandon such Common Area or change the use thereof (and, in connection therewith, construct, reconstruct, alter or change the buildings, structures and improvements thereon in any manner deemed necessary by the Board to accommodate the new improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided that any such new use:

- (i) shall be for the benefit of the Owners;
- (ii) shall be consistent with any deed restrictions and zoning regulations restructuring or limiting the use of the Common Area; and
- (iii) shall be consistent with the then effective Master Plans.

Notwithstanding the foregoing provision, if the Board determines, and the resolution of the Board recites, that any transaction involving the disposition or exchange of Common Area will not have an adverse affect on the Association and the Owners, the Board may, in lieu of calling a meeting pursuant to subsection (b) above, give notice to all Owners of the proposed transaction and of any right to object thereto which might be available hereunder, and if Owners representing less than ten percent (10%) of the votes object in writing to the Association within thirty (30) days after the giving of such notice, the transaction shall be deemed approved by the Owners and the meeting of the Owners shall not be necessary.

4.9 View Impairment: The Association does not guarantee or represent that any view over and across the open space from adjacent Lots will be preserved without impairment. The Association shall not have the obligation to prune or thin trees or other landscaping except as set forth in Article V herein. **ANY EXPRESS OR IMPLIED EASEMENT FOR VIEW PURPOSES OR FOR THE PASSAGE OF LIGHT AND AIR ARE HEREBY EXPRESSLY DISCLAIMED.**

Article V
Maintenance

5.1 Association's Responsibility: The Association shall maintain and keep in good repair the Area of Common Responsibility, which shall include but not be limited to:

- (a) all Common Areas;
- (b) all landscaping and other flora, parks, signage, structures, and improvements, including any bike, pedestrian and equestrian pathways and trails, situated upon the Common Area;
- (c) all private streets, including any asphalt repairs thereto, situated upon the Common Area;
- (d) all walls and fences situated upon the Common Area, except that the allocation of responsibility for the maintenance and repair of party walls and party fences is set forth in Section 5.4;
- (e) open space corridors, vista corridors, scenic corridors, buffers, major boulder outcroppings, and washes situated upon the Common Area;
- (f) landscaping, sidewalk, street lights and signage within public rights-of-way abutting the Properties;
- (g) landscaping and other flora within any public utility easements and scenic easements within the Common Area (subject to the terms of any easement agreement relating thereto);
- (h) any additional property included within the Area of Common Responsibility as may be dictated by the CC&Rs, any Supplemental CC&Rs, the Covenant to Share Costs, any plat of any portion of the Properties, or any contract or agreement for maintenance thereof entered into by the Association

All watercourses with a one hundred (100) year flow of 750 cfs or greater shall be designated as "Vista Corridors" and shall generally be left in a natural state, except that a Vista Corridor may incorporate streets and utility rights-of-way crossings and storm water management systems, which may include flood control structures, multi-use recreational facilities including golf courses, and other similar improvements, subject to review of the applicable governing jurisdiction. Vista Corridors shall be maintained in such manner as to accommodate the passage of wildlife through the Properties.

The Association shall be responsible for the preservation and maintenance of all portions

of the Properties designated as NAOS by the applicable governing authority in a natural state as provided by law.

The Association may also maintain other property, which the Association does not own, including without limitation, property dedicated to public use, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard and if otherwise permitted by applicable law.

Except as otherwise specifically provided herein, all costs for maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense allocated among all Lots as part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the Persons responsible for such work pursuant to the CC&Rs, other recorded covenants, or agreements with such Persons.

5.2 Owner's Responsibility: Each Owner shall maintain their Lot, and Dwelling Unit, and all other structures, parking areas, landscaping, and other improvements comprising the Lot in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to any Supplemental CC&Rs or other declaration of covenants applicable to such Lot.

In addition to any other enforcement rights, and in accordance with the Bylaws and procedures established by the Board, if an Owner fails properly to perform Owner's maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner in accordance with Section 10.5. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem.

5.3 Standard of Performance: Maintenance, as used in this Article, shall include without limitation, repair and replacement as needed, as well as such other duties, which may include irrigation, removal of debris which has not been removed by the Owner, as the Board may determine necessary or appropriate to satisfy the Community-Wide Standard. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants, as determined by the Board.

Portions of the Properties, including but not limited to, some of the washes, buffers, and open space corridors, are environmentally sensitive and/or may provide greater aesthetic value than other portions of the Properties. The Board may establish a higher Community-Wide Standard for such areas and require additional maintenance for such areas to reflect the nature of such property.

Notwithstanding anything to the contrary contained herein, neither the Association, nor any Owner shall be liable for property damage or personal injury occurring on, or arising out of the condition of, property which the Association does not own unless and only to the extent that the Board has been negligent in the performance of the Board's maintenance responsibilities.

5.4 Party Walls and Party Fences: Each wall and fence built as a part of the original construction on the Lots:

- (i) any part of which is built upon or straddling the boundary line between two (2) adjoining Lots, or between a Lot and the Common Area; or
- (ii) which, in the reasonable determination of the Board, otherwise serves and/or separates two (2) adjoining Lots or a Lot and the Common Area, regardless of whether constructed wholly within the boundaries of one (1) Lot shall constitute a party wall or party fence (herein referred to as “party structures”). The Owners of the property served by a party structure (the “Adjoining Owners”) shall own that portion of the party structure lying within the boundaries of their respective properties and shall have an easement for use and enjoyment and, if needed, for support, in that portion, if any, of the party structure lying within the boundaries of the adjoining property. Each Adjoining Owner shall be responsible for maintaining a property insurance policy on that portion of any party structure lying within the boundaries of such Owner’s Lot, as more particularly provided in Section 6.3 and shall be entitled to all insurance proceeds paid under such policy on account of any insured loss.

With respect to party structures between Lots, the responsibility for the repair and maintenance of party structures and the reasonable cost thereof shall be shared equally by the Adjoining Owners. To the extent damage to a party structure from fire, water, soil settlement, or other casualty is not repaired out of the proceeds of insurance, any Adjoining Owner may restore it. If other Adjoining Owners thereafter use the party structure, they shall contribute to the restoration cost in equal shares without prejudice to any Owner’s right to larger contributions from other users under any rule of law. Any Owner’s right to contribution from another Owner under this Section shall be appurtenant to the land and shall pass to such Owner’s successors-in-title.

With respect to party structures between Lots and Common Area, the Association shall be responsible for all maintenance and repair thereof, subject to the provisions of Section 10.5(b), except that each Adjoining Owner shall be responsible for painting and making cosmetic repairs to the portion of the party structure, other than any wrought iron comprising such party structure, facing their Lot. The Association shall be responsible for all maintenance and repair, including painting and cosmetic repairs, of all wrought iron comprising party structures between Lots and Common Area. The Association shall have the right to access the backyard for maintenance of all wrought iron structures. Entry onto a Lot shall be only during reasonable hours and after notice to the Owner. The costs incurred by the Association in maintaining and repairing party structures pursuant to this Section shall be a Common Expense allocated among all Lots as part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the Persons responsible for such work pursuant to the CC&Rs, other recorded covenants, or agreements with such Persons.

Article VI
Insurance and Casualty Losses

6.1 Association Insurance: The Association, acting through the Association's Board or the Association's duly authorized agent, shall obtain and continue in effect if reasonably available the following types of insurance:

(a) blanket property insurance covering risks of physical loss on an "all-risk" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. Such insurance shall include coverage for flood and earth movement to the extent that such insurance is reasonably available. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the fully insurable replacement costs of the insured property.

(b) commercial general liability insurance on the Area of Common Responsibility, insuring the Association and the Association's Members for damage or injury caused by the negligence of the Association or any of the Association's Members, employees, agents, or contractors while acting on the Association's behalf and including coverage for non-owned automobile liability. If generally available at reasonable cost, the commercial general liability insurance shall have a limit of at least \$3,000,000 per occurrence with respect to bodily injury, personal injury, and property damage;

(c) worker's compensation insurance and employer's liability insurance if and to the extent required by law;

(d) directors and officers liability insurance or equivalent Association liability insurance;

(e) commercial crime insurance, including employee fidelity insurance, in an amount determined by its best business judgment but not less than one-sixth (1/6) of the annual Base Assessments on all Lots plus reserves on hand. Such commercial crime insurance shall cover funds held by the Association's management company, unless such management company's insurance insures the Association against crimes committed by or against such management company. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation; and

(f) such additional insurance as the Board, in the Board's best business judgment, determines advisable.

6.2 Association Policy Requirements: The Association shall arrange for an annual review of the sufficiency of insurance covering by one or more qualified persons, at least one of whom must be familiar with insurable replacement costs in the Maricopa County, Arizona area.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the Base Assessment. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful conduct of one or more Owners, their guests, invitees, lessees then the Board may assess the full amount of such deductible against such Owner(s) and the Owner's Lots in accordance with Section 10.5.

(a) All insurance coverage obtained by the Board shall:

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

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Area shall be for the benefit of the Association and the Association's Members.

(iii) not be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees;

(iv) include an agreed amount endorsement if the policy contains a co-insurance clause; and

(v) contain replacement cost coverages.

(b) In addition, the Board shall secure, if reasonably available, insurance policies providing the following:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and the Association's manager and the Owners;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement preventing the Association's insurance carrier from invoking its "other insurance" clause to obtain any contribution from any insurance maintained by individual Owners;

(iv) an endorsement requiring at least thirty (30) days prior written notice to the Association of any cancellation, substantial modification, or non-

renewal;

- (v) a cross-liability provision;
- (vi) a provision vesting the Board with exclusive authority to adjust losses; provided, however, no Mortgage having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss; and
- (vii) a provision listing the Lot Owners as additional insured under the policy.

6.3 Owner's Insurance: By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full insurable replacement cost on Owner's Lot(s), less a reasonable deductible. .

Each Owner further covenants and agrees that in the event of damage to or destruction of the Dwelling Unit or any other structures on or comprising Owner's Lot, Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of these CC&Rs. Alternatively, the Owner shall clear the Lot of all debris and ruins and maintain the Lot in a neat and attractive landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

6.4 Damage and Destruction:

(a) Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or the Association's duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this Section, means repairing or restoring the Property to substantially the condition in which the Property existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

(b) Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Owners representing at least seventy-five percent (75%) of the total Owners decide within sixty (60) days after the loss not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such sixty (60) day period, then the period shall be extended for not more than sixty (60) additional days. No Mortgagees shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

(c) If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and maintained by the

Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

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

6.6 Repair and Reconstruction: If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Owners, levy Benefited Assessments against those Owners responsible for the premiums for the applicable insurance coverages under Section 6.1.

Article VII
No Partition

Except as permitted in the CC&Rs, the Common Area shall remain undivided, and no Person shall bring any action for partition of the whole or any part thereof without the written consent of all Owners and Mortgagees.

Article VIII
Condemnation

Whenever any part of the Common Area shall be taken or conveyed under threat of condemnation by any authority having the power of eminent domain, each Owner shall be entitled to notice thereof. The Board may convey Common Area under threat of condemnation only if approved in writing by Owners representing at least sixty-seven percent (67%) of the total votes in the Association.

The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

- If the taking involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent practicable, and Owners representing at least sixty-seven percent (67%) of the total votes in the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Sections 6.5 and 6.6 herein regarding funds for the repair of damage or destruction shall apply.

- If the taking does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

Article IX
Annexation and Withdrawal of Property

9.1 Annexation with Approval of Membership: The Association may subject any real property to the provisions of this Declaration with the consent of the Owner of such property, the affirmative vote of Owners representing sixty-seven percent (67%) of the votes of the Association represented at a meeting duly called for such purpose.

Such annexation shall be accomplished by filing a Supplemental Declaration in the Office of the County Recorder describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property. Any such annexation shall be effective upon filing unless otherwise provided therein.

9.2 Withdrawal of Property: The Association reserves the right to amend this Declaration for the purpose of removing property provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Properties with the affirmative vote of the Owners representing sixty-seven percent of the votes in the Association represented at a meeting duly called for such purpose.

Article X
Assessments

10.1 Creation of Assessments: The Association may levy assessments against each Lot for Association expenses as the Board may specifically authorize from time-to-time. There shall be three (3) types of assessments for Association expenses:

- (a) Base Assessments to fund Common Expenses for the general benefit of all Lots;
- (b) Special Assessments as described in Section 10.4; and
- (c) Benefited Assessments as described in Section 10.5.

Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties is deemed to covenant and agree to pay these assessments.

All assessments (except as otherwise provided in Section 10.5(b)), together with interest from the due date of such assessment at a rate determined by the Association (not to exceed the highest rate allowed by Arizona law), late charges, costs, including lien fees and administrative costs, monetary penalties, and reasonable attorneys' fees, shall be a charge and continuing lien upon each Lot against which the assessment is levied until paid, as more particularly provided in Section 10.7. Each such assessment, together with interest, late charges, costs, including lien fees and administrative costs, monetary penalties, and reasonable attorneys' fee, also shall be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose. Upon a transfer of title to a Lot, the grantee shall not be liable for any assessments and

other charges due at the time of conveyance unless expressly assumed by grantee. No first Mortgagee who obtains title to a Lot by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

Assessments shall be paid in such manner and by such dates as the Board may establish. Unless the Board otherwise provides, the Base Assessment shall be due and payable annually, billed at the Board's discretion. If any Owner is delinquent in paying any assessments or other charges levied on Owner's Lot, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

The Association shall, upon request by an Owner, furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether assessments for such Owner's Lot have been paid and any delinquent amount. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

No Owner may exempt themselves from liability for assessments, by non-use of Common Area, abandonment of Owner's Lot or Dwelling Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it or for inconvenience or discomfort arising from repairs or improvements or other action taken by it.

10.2 Base Assessment. The Board shall prepare a budget and establish the Base Assessment covering the Common Expenses estimated to be incurred during the upcoming year. The budget may include a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 10.3 herein. The Base Assessment shall be levied equally against all Lots subject to assessment and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the level of assessments, the Board, in its sole discretion, may consider other sources of funds available to the Association.

In accordance with the Bylaws, the Board shall make available at reasonable times a copy of the budget, or a summary thereof, and notice of the amount of the Base Assessment for the following year to each Owner not less than thirty (30) days prior to the beginning of the fiscal year for which it is to be effective.

10.3 Reserve Budget and Capital Contribution: The Board shall prepare, on an annual basis, reserve budgets for general purposes which take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of each asset. The Board shall include in Base Assessments capital contributions in amounts sufficient to meet these projected needs.

10.4 Special Assessments: In addition to other authorized assessments, the Association may levy Special Assessments from time-to-time to cover unbudgeted expenses or expenses in excess of those budgeted subject to the limitations set forth in Section 10.6. Such Special

Assessments may be levied against the entire membership, if for Common Expenses. Special Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

10.5 Benefited Assessments: The Board may levy Benefited Assessments against particular Lots for expenses incurred or to be incurred by the Association, as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time-to-time authorize to be offered to Owners (which might include without limitation, landscape maintenance, caretaker service, etcetera), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

(b) to cover costs incurred in bringing the Lot into compliance with the terms of the CC&Rs, any applicable Supplemental CC&Rs, the Bylaws, the Design Guidelines, or Rules of the Association, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their licensees, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for hearing before levying a Benefited Assessment under this subsection (b).

10.6 Limitation of Increases of Assessments: Notwithstanding any provision to the contrary, and except for assessment increases necessary for emergency situations or to reimburse the Association pursuant to Section 10.7, the Board may not impose a Base Assessment, or Benefited Assessment that is more than twenty percent (20%) greater than each of those assessments for the immediately preceding fiscal year nor impose a Special Assessment which in the aggregate exceed five percent (5%) of the budgeted Common Expenses, for the current fiscal year, without a majority vote of a quorum of Owners representing the Lots which are subject to the applicable assessment at a meeting of the Association.

For purposes of this Section, “quorum” means the Owners representing more than thirty percent (30%) of the Lots which are subject to the applicable assessment. For purposes of this Section, the term “Base Assessment” shall be deemed to include the amount assessed against each Lot plus a pro rata allocation of any amounts the Association received through any subsidy or maintenance agreement, if any, in effect for the year immediately preceding the year for which the assessment is to be increased.

An emergency situation is any one of the following:

(a) an extraordinary expense required by an order of a court;

(b) an extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible where a threat to personal safety on the Properties is discovered; or

(c) an extraordinary expense necessary to repair or maintain the Properties or any part of them for which the Association is responsible which could not have been reasonably foreseen by the Board in preparing and distributing the pro forma budget pursuant to Section 10.3. However, prior to the imposition or collection of such an assessment, the Board shall pass a resolution containing a written finding as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. Such resolution shall be distributed to the Owners with the notice of such assessment.

10.7 Lien for Assessments: All assessments authorized in this Article shall constitute a lien against the Lot against which they are levied until paid unless otherwise specifically precluded in the CC&Rs. The lien shall also secure payment of interest, late charges (subject to the limitations of Arizona law), and costs of collection (including attorneys' fees, lien fees and administrative costs). Such lien shall be superior to all other liens, except:

(a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior; and

(b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

The Association may enforce such lien, when delinquent, by suit, judgment, and foreclosure.

The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure:

(a) no right to vote shall be exercised on its behalf;

(b) no assessment shall be levied on it; and

(c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessments that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid Common Expenses and costs without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, a Mortgagee holding a first Mortgage of record or other purchase of a Lot who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 10.9, including such acquirer, acquirer's successors and assigns.

10.8 Failure to Assess: Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as for the last year for which an assessment

was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

10.9 Exempt Property: The following property shall be exempt from payment of Base Assessments, and Special Assessments:

- (a) all Common Area;
- (b) all property dedicated to and accepted by any governmental authority or public utility.

Article XI Architectural and Design Standards

11.1 General. No improvements (including, but not limited to, staking, clearing, excavation, grading and other site work), exterior alteration of existing improvements, placement or posting of any object or thing on the exterior of any Lot, Dwelling Unit, other structure or the Common Area (e.g. fences, signs, antennae, clotheslines, playground equipment, lighting, temporary structures, and artificial vegetation), planting or removal of landscaping materials, or installation or removal of an irrigation system shall take place except in compliance with this Article and the Design Guidelines and upon approval of the Modifications Committee under Section 11.2.

Any Owner may remodel, paint or redecorate the interior of structures, including the Dwelling Unit, on his or her Lot without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Lot visible from outside the structures on the Lot shall be subject to this Article and approval as set forth below. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

This Article shall not apply to improvements to the Common Area by or on behalf of the Association.

11.2 Architectural and Design Review: Responsibility for administration of the Design Guidelines and review of all applications for construction and modifications under this Article shall be handled by the Modifications Committee as described in subsection (a). The members of the Modifications Committee need not be Owners or representatives of Owners and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board. The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review.

- (a) Modifications Committee: The Board shall establish a Modifications Committee (“MC”) to consist of at least three, and no more than seven persons, all of whom shall be appointed by and shall serve at the discretion of the Board. The MC shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing structures on Lots

or containing Dwelling Units and the adjacent open space, and shall have exclusive jurisdiction over original construction on all Lots owned by Homeowners.

11.3 Guidelines and Procedures: The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary from one portion of the Properties to another depending upon the location, unique characteristics, intended use, the Master Plans, the Ordinance, and any other applicable zoning ordinances.

The MC shall adopt such Design Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend or supplement the Design Guidelines from time to time. Any amendments to the Design Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

The MC shall make the Design Guidelines available to Owners and all such Persons shall conduct their activities in accordance with such Design Guidelines. Such Design Guidelines may be recorded in the Office of the County Recorder, in which event the recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

11.4 Submission of Plans and Specifications:

(a) No construction or improvements shall be commenced, erected, placed or maintained on any Lot, nor shall any exterior addition, change or alteration be made thereto, until the plans and specifications (“Plans”) showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout, and screening therefore shall have been submitted to and approved in writing by the MC. The Design Guidelines shall set forth the procedure for submission of the Plans.

(b) In reviewing each submission, the MC may consider visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, location in relation to surrounding structures and plant life. The MC may require relocation of native plants within the construction site or the installation of an irrigation system for the landscaping including the natural plant life on the Lot as a condition of approval of any submission.

The MC shall, within the period specified in the Design Guidelines, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) the approval of Plans, or (ii) the segments or features of the Plans which are deemed by the MC to be inconsistent or not in conformity with this Declaration and/or the Design Guidelines, the reasons for such finding, and suggestions for the curing of such objections. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the submitting party. In the event the MC

fails to advise the submitting party by written notice within the period specified in the Design Guidelines of either the approval or disapproval and suggestions for curing the objections of the MC of the Plans, the Owner may request, in writing, a decision from the Board. Such request must be submitted to the Board within thirty (30) days of the end of the response period specified in the Design Guidelines and in accordance with Section 11.6 of these CC&Rs.

(c) If construction does not commence on a project for which Plans have been approved within one-hundred twenty (120) days of such approval, such approval may be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the MC for reconsideration. If construction is not completed on a project for which plans have been approved within the period set forth in the Design Guidelines or in the approval, such approval shall be deemed withdrawn, and such incomplete construction shall be deemed to be in violation of this Article.

11.5 No Waiver of Future Approval: Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval under this Section XI, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

11.6 Right to Appeal: Owners shall have the right to appeal decisions of the MC to the Board. A written notice of appeal from the Owner must be delivered to the Secretary of the Association within thirty (30) days of the deemed date of denial of the Owner's submission of Plans to the MC as described in Section 11.4 of the CC&Rs.

Upon receipt of the Owner's notice of appeal, the Board will notify the Owner of the date and time that the Board will meet to consider the appeal. Such notification will be made in writing, addressed to the Owner at an address specified by the Owner in the notice of appeal or to the Owner's address of record with the Bellasera Community Association and deposited with the U.S. Postal Service. The Owner's attendance at the meeting will not affect the Board's ability to decide the appeal. The Board, in accordance with the Design Guidelines and Section 12.4(a) of the CC&Rs will rule on the appeal and will notify the Owner in writing of its decision. The Board's decision will be final.

The exception to this Section is in the case of a sale or transfer of the Lot. Within ten (10) days of notice of impending sale, the Association shall provide the buyer of the Lot with a statement as to whether the records of the Association reflect any alterations or improvements to the Lot that violate the CC&Rs. The Association is not obligated to provide information regarding alterations or improvements that occurred more than six (6) years before the proposed sale. The seller of the Lot remains obligated to disclose alterations or improvements to the Lot that violate the CC&Rs. The Association may take action against the buyer for violations apparent at the time of purchase that are not reflected in the Association's records.

11.7 Variance: The MC may authorize variances in writing from its guidelines and procedures, but only: (a) in accordance with duly adopted regulations, (b) when unique circumstances dictate such as unusual topography, natural obstructions, hardship or aesthetic or

environmental considerations require, and (c) when construction in accordance with the variance would be consistent with the purposes of the CC&Rs and compatible with existing and anticipated uses of adjoining Lots. Inability to obtain, or the terms of, any governmental approval, or the terms of any financing shall not be considered a hardship warranting a variance.

11.8 Limitation of Liability: Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the MC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Association, the Board, the MC, any committee, nor member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot.

11.9 Enforcement. Any construction, alteration, or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board,, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requestor or restore the property, and/or Dwelling Unit to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Benefited Assessment unless otherwise prohibited in the CC&Rs.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from the Properties, subject to the notice and hearing procedures contained in the Bylaws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

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

Article XII Use Restrictions

12.1 Plan of Development; Applicability; Effect: The Properties are subject to Design Guidelines as set forth in Article XI and other restrictions governing land development, architectural and design control, individual conduct and uses of or actions upon the Properties. The CC&Rs, including Exhibit "C," attached hereto, and incorporated by this reference, and the Rules and resolutions adopted by the Board or the Owners establish affirmative and negative covenants, easements, and restrictions on the Properties.

All provisions of the CC&Rs and any Rules shall apply to all Owners, occupants, tenants, guests and invitees of any Lot. Any lease on any Lot shall provide that the lessee and all occupants of the leased Lot shall be bound by the terms of the CC&Rs, the Bylaws, and the Rules of the Association.

12.2 Authority to Promulgate Use Restrictions and Rules:

(a) In addition to the right to adopt Rules on the matters expressly mentioned elsewhere in these CC&Rs, and subject to the terms of this Article and in accordance with its duty of care and undivided loyalty to the Association and its Members, the Board may adopt rules which modify, cancel, limit, create exceptions to, or expand the Use Restrictions set forth in Exhibit "C," ("Use Rules"). The Board shall send notice by mail to all Owners concerning any such proposed action at least five (5) days prior to the Board Meeting at which such action is to be considered. Owners shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Any such Use Rules shall become effective after compliance with subsection (c) of this Section unless such Use Rules are disapproved by Owners representing at least sixty-seven percent (67%) of the total Owners. The Board shall have no obligation to call a meeting of the Owners to consider disapproval except upon receipt of a petition of the Owners as required in the Bylaws for special meetings. If a meeting to consider disapproval of a Use Rule is requested by the Owners prior to the effective date of such Use Rule, the Use Rule may not become effective until after such meeting is held.

(b) Alternatively, the Owners at a meeting duly called for such purpose, may adopt Use Rules which modify, cancel, limit, create exceptions to, or expand the Use Restrictions and previously adopted Use Rules by a vote of Owners representing sixty-seven percent (67%) of the total Owners.

(c) At least thirty (30) days prior to the effective date of any action under subsections (a) or (b) of this Section, the Board shall send a copy of the Use Rule to each Owner specifying the effective date of such Use Rule. The Association shall provide, without cost, a copy of the Use Rules then in effect to any requesting Owner or Mortgagee.

12.3 Owners' Acknowledgment: All Owners are subject to the Use Restrictions and are given notice that (a) their ability to use their privately owned property is limited thereby, and (b) the Board and/or the Owners may add, delete, modify, create exceptions to, or amend the use Restrictions in accordance with Section 12.2, 12.3.

Each Owner by acceptance of a deed acknowledges and agrees that the use and enjoyment and marketability of his or her property can be affected by this provision and that the Use Restrictions, Use Rules and Rules may change from time to time.

12.4 Rights of Owners: Except as may be specifically set forth in the Use Restrictions, neither the Board nor the Owners may adopt any rule in violation of the following provisions:

(a) Equal Treatment: Similarly situated Owners and occupants shall be treated similarly.

(b) Speech:

i. Political Signs: The rights of Owners and occupants to display on their Lots such political signs (a political sign is defined as a sign that attempts to influence the outcome of an election, including supporting or opposing the recall of a public officer or supporting or opposing the circulation of a petition for a ballot measure, question or proposition or the recall of a public officer), normally displayed in or outside of residences shall not be abridged, except that the Association can prohibit the display of such political signs earlier than 45 days before the day of the election and later than seven days after the election. The Association's restriction on size and quantity of signs cannot be more restrictive than any city, town or county ordinance that exists that regulates the size and number of political signs on residential property. If there is no city, town or county ordinance that regulates the size and number of political signs, the Association must permit at least one political sign with the maximum dimensions of 24 inches by 24 inches on an Owner's property.

ii. Flags: The rights of Owners and occupants to the outdoor display of the American Flag or an official or replica of a Flag of the United States Army, Navy, Air Force, Marine Corps or Coast Guard in a manner consistent with the federal flag code and the rights of Owners to display the POW/MIA Flag, Arizona State Flag and Arizona Indian Nations Flag. The Association shall adopt reasonable rules and regulations regarding the manner and placement of flags and may regulate the location and size of flagpoles but shall not prohibit the installation of a flagpole. Specific guidelines are to be found in the Landscape and Architectural Guidelines.

(c) Preference of Faith and Holiday Displays: The rights of Owners and occupants to display religious and holiday signs, symbols, decorations or temporary structures related to religious holidays on their Lots of the kinds normally seen in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions regulating displays which are visible from outside the Lot.

(d) Household Composition: No rule shall interfere with the freedom of occupants of Dwelling Units to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Dwelling Unit on the basis of the size and facilities of the Dwelling Unit and its fair share use of the Common Area.

(e) Activities Within Dwelling Units: No Use Rule shall interfere with the activities carried on within the confines of Dwelling Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Dwelling Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Dwelling Unit, or that create an unreasonable source of annoyance.

(f) Pets: The Association may adopt reasonable Use Rules designed to minimize damage and disturbance to other Owners and occupants, including rules requiring damage deposits, waste removal, leash controls, noise controls, pet occupancy limits based on size and facilities of the Lot and fair share use of the Common Area; provided, however, any Use Rule prohibiting the keeping of ordinary household pets shall apply prospectively only and shall not require the removal of any pet which was being kept on the Properties prior to the adoption of such Use Rule. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance. No Owner shall be permitted to raise, breed or keep animals or poultry of any kind for commercial or Business purposes.

(g) Allocation of Burdens and Benefits: The initial allocation of financial burdens and rights to use Common Areas among the various Lots shall not be changed to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from adopting generally applicable Rules for use of Common Areas, or from denying use privileges to those who abuse the Common Area, violate the Rules, Use Rules or these CC&Rs, or fail to pay assessments. This provision does not affect the right to increase the amount of assessments as provided in Article X.

(h) Alienation: No Use Rule shall prohibit the leasing or transferring of any Lot, or require consent of the Association or Board for leasing or transferring of any Lot; provided, the Association may require that Owner use lease forms approved by the Association, but shall not impose any fee on the lease or transfer of any Lot greater than an amount reasonably based on the costs to the Association or its costs to administer that lease or transfer.

(i) Abridging Existing Rights: Any Use Rule which would require Owners to dispose of personal property being kept on the Properties shall apply prospectively only and shall not require the removal of any property which was being kept on the Properties prior to the adoption of such Use Rule and which was in compliance with any Use Rules in force at such time unless otherwise required to be removed by law. The limitations in this Section 12.4 shall apply to Use Rules only; they shall not apply to amendments to the CC&Rs.

Article XIII Easements

13.1 Easements for Utilities, Etc: The Association has the authority to grant an easement for the purpose of access and maintenance upon, across, over, and under all of the Properties to the extent reasonably necessary to install, replace, or repair systems, roads, walkways, bicycle pathways, trails, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity. The Association may assign these rights to any local utility supplier, cable company, security company or other company providing a service or utility to Bellasera subject to the limitations herein.

This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing Dwelling Unit on a Lot, and any damage

to a Lot resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of the Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

The Board grants local utility suppliers easements across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the Dwelling Unit on any Lot, nor shall any utilities be installed or relocated on the Properties, except as approved by the Board.

13.2 Easements for Cross-Drainage: Every Lot and the Common Area shall be burdened with easements for natural drainage of storm water runoff from other portions of the Properties; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of storm water onto adjacent portions of the Properties without the consent of the Owners(s) of the affected property and the Board.

13.3 Right of Entry: Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Lot for emergency, security, and safety reasons. Except in emergencies, entry onto a Lot shall be only during reasonable hours and after notice to the Owner thereof. This easement includes the right to enter any Lot to cure any condition which increases the risk of fire or other hazard if an Owner fails to or refuses to cure the condition within a reasonable time after request by the Board, but does not authorize entry into any Dwelling Unit without permission of the Owner.

13.4 Easements for Maintenance and Enforcement: Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Lot to (a) perform its maintenance responsibilities under Article V, and (b) make inspections to ensure compliance with the CC&Rs, any Supplemental CC&Rs, Bylaws, Use Rules and Rules. Except in emergencies, entry onto a Lot shall be only during reasonable hours and after notice to the Owner. This Easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense.

The Association may also enter onto a Lot to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the CC&Rs, any Supplemental CC&R, by the Bylaws, the Design Guidelines, the Use Rules or the Rules. All costs incurred, including reasonable attorneys' fees, shall be assessed against the violator as a Benefited Assessment.

Article XIV
Mortgage Provisions

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Properties. The provisions of this Article apply to both the CC&Rs and to the Bylaws, notwithstanding any other provisions contained therein.

14.1 Notices of Action: An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an “Eligible Holder”), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the CC&Rs or Bylaws relating to such Lot or the Owner or Occupant which is not cured within sixty (60) days. Notwithstanding this provision, any holder of a first Mortgage is entitled to written notice upon request from the Association of any default in the performance by an Owner of a Lot of any obligation under the CC&Rs or Bylaws which is not cured within sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

14.2 Special FHLMC Provision: So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven percent (67%) of the first Mortgagees or Owners representing at least sixty-seven percent (67%) of the total Association vote entitled to cast consent, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner. (A decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Properties regarding

assessments or other similar areas shall not be subject to the provision where such decision or subsequent declaration is otherwise authorized by the CC&Rs.);

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Lots and the Common Area. (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);

(d) Fail to maintain insurance, as required by the CC&Rs; or

(e) Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

14.3 Other Provisions for First Lien Holders: To the extent possible under Arizona law:

(a) Any restoration or repair of the Properties after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with the CC&Rs and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to Mortgages held by such Eligible Holders are allocated.

14.4 Amendments to Documents: The following provisions do not apply to amendments to the constituent documents or termination of the Association made as a result of destruction, damage, or condemnation pursuant to Section 14.3(a).

(a) The consent of Owners representing at least sixty-seven percent (67%) of the Owners, and the approval of the Eligible Holders of first Mortgages on Lots to which at least sixty-seven percent (67%) of the votes of Lots subject to a Mortgage appertain, shall be required to terminate the Association.

(b) The consent of Owners representing at least sixty-seven percent (67%) of the Owners, and the approval of Eligible Holders of first Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to a Mortgage appertain, shall be required

materially to amend any provisions of the CC&Rs, Bylaws, or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:

- (i) voting;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the Common Area;
- (iv) insurance or fidelity bonds;
- (v) rights to use the Common Area;
- (vi) responsibility for maintenance and repair of the Properties;
- (vii) expansion or contraction of the Properties or the addition, annexation, or withdrawal of Properties to or from the Association;
- (viii) boundaries of any Lot;
- (ix) leasing of Lots;
- (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Lot;
- (xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder; or
- (xii) any provisions included in the CC&Rs, Bylaws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Lots.

14.5 No Priority: No provision of the CC&Rs or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

14.6 Notice to Association: Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

14.7 Amendment by Board: Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of its respective requirements which necessitate the provisions of this Article or make any such requirements less stringent. The Board, without approval of the Owners, may record an amendment to this Article to reflect such changes.

14.8 Applicability of Article XIV: Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the CC&Rs, Bylaws, or Arizona law for any of the acts set out in this Article.

14.9 Failure of Mortgagee to Respond: Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Article XV
Enforcement

15.1 Enforcement. In addition to any other right granted in these CC&Rs, the Association or any Owner shall have the right, but not the obligation to enforce the provisions of the CC&Rs, the Bylaws, Use Rules and any Rules that may be promulgated by the Board (“Governing Documents”), at law or in equity, to compel the compliance with such Governing Documents. The failure of the Association or an Owner to take enforcement action with respect to a violation of these CC&Rs or any of the Association’s Governing Documents shall not constitute or be deemed a waiver of the right of the Association or any Owner to enforce the Governing Documents in the future. If any lawsuit is filed by the Association or by any Owner to enforce the provisions of the Governing Documents, the prevailing party in such action shall be entitled to recover from the other party all attorneys’ fees and costs incurred by the prevailing party in the action. In addition to any other rights or remedies available to the Association pursuant to the Governing Documents or at law or in equity, the Board shall have the power to levy reasonable fines against an Owner for a violation of the Governing Documents by the Owner or lessees of the Owner, provided that the Owner is given notice and an opportunity to be heard before the imposition of the fine.

Article XVI
General Provisions

16.1 Term: The CC&Rs shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representative, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded. After such time, this Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding each extension, agreeing to amend, in whole or in part, or terminate the CC&Rs in which case the CC&Rs shall be amended or terminated as specified therein.

16.2 Amendment:

(a) By Owners: The CC&Rs may be amended only by the affirmative vote or written consent of sixty-seven percent (67%) of the Owners.

In addition, the approval requirements set forth in Article XIV hereof shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the percentage of affirmative votes required for action to be taken under that clause.

(b) Validity and Effective Date of Amendments: Amendments to this Declaration shall become effective upon recordation in the Office of the County Recorder unless a later effective date is specified therein. Any procedural challenge to an amendment must be made

within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

16.3 Severability: Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

16.4 Perpetuities: If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

16.5 Conflict: If there are conflicts between the provisions of Arizona law, the Articles, the CC&Rs the Bylaws, and the Rules, priority shall be given to the provisions of Arizona law, the CC&Rs, the Articles, the Bylaws, and the Rules (in that order).

16.6 Use of the Word "Bellasera." No Person shall use the word "Bellasera" or any derivative, without the Declarant's prior written consent. However, Owners may use the word "Bellasera" in printed or promotional matter solely to specify that particular property is located within the Properties and the Association shall be entitled to use the word "Bellasera" in its name.

16.7 Compliance: Every Owner and occupant of any Lot shall comply with this Declaration, the Bylaws, the Use Rules and the Rules of the Association. Failure to comply will be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, by the Association or, in a prior case, by any aggrieved Lot Owner(s).

16.8 Notice of Sale or Transfer of Title: Any Owner desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least ten days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

The following statement must be added to all resale disclosure agreements:

I hereby acknowledge that the CC&Rs, Bylaws and Rules of the Association constitute a contract between the Association and me (the purchaser). By signing this statement, I

acknowledge that I have read and understand the Association's contract with me (the purchaser). I also understand that by accepting this contract, I may be giving up my rights to the homestead exemption protection regarding a lien of the Association.

The above statement must be accompanied by a signature line for the purchaser and the statement must be returned within 14 calendar days.

16.9 Attorneys' Fees: In the event of an action instituted to enforce any of the provisions contained in the CC&Rs, the Articles of Incorporation, the Bylaws, the Rules, or the Use Rules the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs, including administrative and lien fees, of such suit. In the event the Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a Benefited Assessment with respect to the Lot(s) involved in the action.

IN WITNESS WHEREOF, the undersigned has executed this Amended and Restated Declaration this 10th day of November, 2007.

BELLASERA COMMUNITY ASSOCIATION

By: Charles T. Potech
Signature

Name: Charles T. Potech
President

STATE OF ARIZONA)
)ss.
County of Maricopa)



The foregoing instrument was acknowledged before me this 16th day of November, 2007.

Brandon Webb
Notary Public



EXHIBIT “A”

Lots 1 through 14 of Parcel “A” at Bellasera, according to the plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 443 of Maps, Page 11.

Lots 1 through 152 of Parcel B at Bellasera, according to the plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 443 of Maps, Page 12.

Lots 1 through 65 of Parcel “C” at Bellasera, according to the plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 444 of Maps, Page 23.

Lots 1 through 14 of Parcel “D” at Bellasera, according to the plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 444 of Maps, Page 24.

Lots 1 through 15 of Parcel ‘E” at Bellasera, according to the plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 444 of Maps, Page 42.

[Source: Exhibit A-Original Declaration]

All those tracts or parcels of land located within 10 miles of the Property described above.

[Source: Exhibit B—Original Declaration]

Lots 1 through 14, and Tracts A through J contained within Parcel “A” at Bellasera, and shown on that certain plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 443 of Maps, Page 11.

Lots 1 through 152, and Tracts A through X contained within Parcel “B” at Bellasera, and shown on that certain plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 443 of Maps, Page 12.

Lots 1 through 65, and Tracts A through K contained within Parcel “C” at Bellasera, and shown on that certain plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 444 of Maps, Page 23.

Lots 1 through 114, and Tracts A through M contained within Parcel “D” at Bellasera, and shown on that certain plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 444 of Maps, Page 24.

Lots 1 through 15, and Tracts A through K contained within Parcel “E” at Bellasera, and shown on that certain plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 444 of Maps, Page 42.

[Source: Exhibit A—Supplemental Declaration]

EXHIBIT “B”

FLOOD/EMERGENCY EXIT MAP – BELLASERA

The Map attached as Exhibit B to the Supplemental Declaration of Covenants, Conditions, and Restrictions for Bellasera, recorded in instrument number 97-0501732 and incorporated herein by references as:

Flood/Emergency Access Route: Bellasera residents are restricted from crossing flooded roadways identified on the Flood/Emergency Exit Map during any rainfall event that creates an overtopping of stormwater over the identified roadways.

EXHIBIT “C”

USE RESTRICTIONS

(a) General. The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Association consistent with the CC&Rs and any Supplemental CC&Rs), subject to applicable laws. Any Supplemental CC&Rs or additional covenants imposed on the property may impose stricter standards than those contained in the CC&Rs and the Association shall have standing and the power to enforce such standards.

(b) Prohibited Activities. The following activities are prohibited within the Properties unless expressly authorized by, and then subject to such conditions as may be imposed by the Board:

i. Except as otherwise set forth in Article XII, Section 12.4(b) of the Declaration, posting of signs of any kind except those required by law, including posters, circulars, billboards “For Sale,” “For Rent,” or other commercial signage may not be displayed on a Lot being offered for lease or sale, unless approved by the Modifications Committee;

ii. Active use of lakes, ponds, streams, or other bodies of water within the Properties. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, streams or other bodies of water within or adjacent to the Properties;

iii. Operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Dwelling Unit rotates among participants in the program on a fixed or floating time schedule over a period of years;

iv. Capturing, trapping or killing wildlife within the Properties, except in circumstances posing an imminent threat to the safety of persons or pets using the Properties, and raising, breeding or keeping of animals or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted on a Lot. Pets which make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the Owners or occupants of other Lots, or roam free, unleashed, shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may take action to have the pet removed

v. Activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Properties or which result in unreasonable levels of sound or light pollution;

vi. Discharge of firearms or explosives within the Properties. The term “firearms” includes “B-B” guns, pellet guns, and other firearms of all types, regardless of

size;

vii. Door-to-door solicitation of residents or the placement of unsolicited materials upon the Properties for any purpose, including, but not limited to: sales, trade, canvassing, procurement of donations or signatures to petition; and

viii. Any Business, Trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Dwelling Unit may conduct business activities within the Dwelling Unit so long as: (A) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit; (B) the business activity conforms to all zoning requirements for the Properties; (C) the business activity does not involve regular visitation of the Lot or Dwelling Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Properties; and (D) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The Leasing of a Dwelling Unit shall not be considered a Business or Trade within the meaning of this subsection. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Dwelling Unit by any person other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. Dwelling Units may be leased only in their entirety. No fraction or portion may be leased. No structure on a Lot other than the primary residential Dwelling Unit shall be leased or otherwise occupied for residential purposes, except that any Lot comprised of more than one acre of land may make residential use of such a structure for an ancillary use such as in-law suite or nanny suite, but not for independent leasing. There shall be no subleasing of Dwelling Units or assignment of leases unless prior written approval is obtained from the Board. All leases shall be in writing.

No transient tenants may be accommodated in a Dwelling Unit, and all leases shall be for an initial term of no less than thirty (30) days, except with the prior written consent of the Board.

Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the CC&Rs, Bylaws, and the Use Rules, and the Rules. The Board may adopt additional reasonable rules regulating leasing and subleasing.

(c) Prohibited Conditions. The following shall be prohibited within the Properties:

i. Exterior antennas, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind unless completely contained within the Lot so as not to be visible from outside the Lot or otherwise approved pursuant to Article XI; provided, the Association shall have the right, without obligation, to erect or install and maintain such apparatus for the benefit of all or a portion of the Properties;

ii. Walls, dog runs, animal pens, or fences of any kind on any Lot except as approved in accordance with Article XI;

iii. Open garage doors. Garage doors shall remain closed at all times except when entering and exiting the garage;

iv. Excessive exterior lighting on any Lot. The Board shall in its sole discretion determine whether any exterior lighting is excessive;

v. Tents, shacks, or other structures of temporary nature on any Lot except as approved in accordance with Article XI. Temporary structures used during the construction or repair of a Dwelling Unit or other improvements shall be removed immediately after the completion of construction or repair; and

vi. Storage of furniture, fixtures, appliances, machinery, equipment or other goods and chattel not in active use on the Common Area or any portion of a Lot which is visible from outside the Lot, except as approved in accordance with Article XI;

(d) Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other portion of the Properties. Woodpiles or other material shall be stored in a manner so as not to be visible from outside the Lot and so as not to be attractive to native rodents, snakes, and other animals and to minimize the potential danger from fires. No other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other portion of the Properties. No activities shall be conducted upon or adjacent to any Lot or within improvements constructed thereon which are or might be unsafe or hazardous to any Person or property. No open fires shall be lighted or permitted on the Properties, except in a contained outdoor fireplace or barbecue unit while attended and in use for cooking purposes or within a safe and well designed interior fireplace.

(e) Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered containers of a type, size and style which are approved in accordance with Article XI or as required by the applicable governing jurisdiction. In no event shall such containers be maintained so as to be visible from outside the Lot unless they are being made available for collection and then only for the shortest time reasonably necessary to effect such collection. All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Lot.

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

(g) Vehicles and Parking. The term "vehicles," as used in this Section, shall include, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

No vehicle may be left upon any portion of the Properties except in a garage, driveway, parking pad, or other area designated by the Board. Commercial vehicles, recreational vehicles, mobile homes, trailers, campers, boats or other watercraft, or other oversized vehicles, stored vehicles, and unlicensed vehicles or inoperable vehicles shall not be parked within the Properties other than in enclosed garages; provided however, that one boat or recreational vehicle may be temporarily kept or stored completely in a driveway or completely on a parking pad on a Lot for not more than a period of time reasonably necessary, in the Board's sole discretion, to outfit or unload such vehicle. This Section shall not apply to emergency vehicle repairs. In addition, if the resident's vehicle is required to be available at designated periods at the person's residence as a condition of the person's employment and either one of the following applies, then the resident can park the vehicle on a street:

Category 1

The resident is employed by a public service corporation that is regulated by the Corporation Commission or a municipal utility and that is required to prepare for emergency deployments of personnel and equipment for repair or maintenance of natural gas, electrical or water infrastructure, the vehicle has a gross vehicle weight rating of 20,000 pounds or less; and the vehicle is owned or operated by a public service corporation or a municipal utility and bears an official emblem or other visible designation of that corporation.

Category 2

The resident is employed by a public safety agency, including police or fire service for a federal, state, local or tribal agency, or a private fire service provider or an ambulance service provider that is regulated pursuant to title 36, chapter 21.1, and the vehicle has a gross vehicle weight of 10,000 pounds or less; and the vehicle bears an official emblem or other visible designation of the agency.