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Phoenix, AZ. 85016**

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**DO NOT REMOVE THIS COVER SHEET. IT IS NOW PART OF THE RECORDED DOCUMENT.**

**DOCUMENT TO BE RECORDED:**

**Declaration of Condominium**

**DECLARATION OF CONDOMINIUM  
TOGETHER WITH  
COVENANTS, CONDITIONS AND RESTRICTIONS**

FOR

*Villas Verona*, a Condominium Subdivision, and

FOR

*Villas Verona Owners Association*

**Declarant:**

Windsor Shea, L.L.C., an Arizona Limited Liability Company

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**DECLARATION OF CONDOMINIUM**  
**TOGETHER WITH**  
**COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR THE VILLAS VERONA, A CONDOMINIUM SUBDIVISION, AND**  
**FOR**  
**VILLAS VERONA OWNERS ASSOCIATION**

This Declaration of Condominium (the "Declaration") is made and entered into as of this 9th day of September, 2004, by Windsor Shea, L.L.C., an Arizona limited liability company, its successors and assigns (hereinafter the "Declarant"),

**ARTICLE I**

**DEFINITIONS**

Section 1. "Articles" means the Articles of Incorporation of the Villas Verona Owners Association, or its successor, as said Articles may be amended from time to time.

Section 2. "Architectural Committee" means the committee established pursuant to Article V, Section 7 of this Declaration.

Section 3. "Association" means the VILLAS VERONA OWNERS ASSOCIATION (the "Association"), an Arizona nonprofit corporation, its successors and assigns. The Association shall have no rights under this Declaration until it has been incorporated.

Section 4. "Board" means the Board of Directors of the Association.

Section 5. "Bylaws" means the bylaws of the Association adopted in accordance with the Articles, as such bylaws may be amended from time to time.

Section 6. "Common Area" or "Common Elements" means all property which is not a Unit. The Common Elements shall remain undivided; and no Owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Common Elements which shall be owned in common by the Owners hereof. Said ownership shall be evidenced by the deed of ownership for each of said Units.

Section 7. "Condominium" means the real property located in Maricopa County, Arizona, which is described in Exhibit "A" attached to this Declaration, together with all buildings and other Improvements located thereon and all easements, rights, and appurtenances belonging thereto.

Section 8. "Condominium Act" means the Arizona Condominium Act, A.R.S. 33-1201 et seq., as it may be amended for time to time.

Section 9. "Condominium Documents" means the Declaration, Articles, Bylaws, and any rules or regulations adopted by the Association.

Section 10. "Convey" means the execution and delivery in recordable form of a deed or an agreement of sale of an interest in a Unit.

Section 11. "Declarant" means Windsor Shea, L.L.C., and it's specifically designated successor in interest and any person or entity to whom it may transfer any Special Declarant Right.

Section 12. "Declaration" means this document, as the same may be amended and supplemented from time to time.

Section 13. "Developed Rights" means any right or combination of rights reserved by or granted to the Declarant as provided in Article XV.

Section 14. "Improvement" means all physical structures and any components thereof, including, but not limited to, the buildings, private drives, parking areas, private water & sewer lines and similar improvements not maintained by the municipality, fences and walls, recreational facilities and all landscaping, including but not limited to, hedges, plantings, trees and shrubs of every type and kind.

Section 15. "Lease" means any agreement for the leasing or rental of a Unit whether written or oral and includes any agreement written or oral for the exchange or use of a Unit by one other than the Owner, whether payment of rent is a provision or not.

Section 16. "Limited Common Elements" means those portions of the Common Elements that are specifically designated in this Declaration as Limited Common Elements and reserved for the exclusive use of one or more, but fewer than all, of the Units.

Section 17. "Member" means any person, corporation, partnership, joint venture or other legal entity that is a member of the Association and is synonymous with "Owner."

Section 18. "Mortgage", "Mortgagor", "Mortgagee" and "Institutional Guarantor" mean all instruments establishing a security interest in a Unit, and the parties thereto, including a Deed of Trust, and Trustors, Trustees and Beneficiaries under Deeds of Trust. A "First Mortgage" is one that is entitled to priority over all other Mortgages for such Unit, without regard to other liens and encumbrances.

Section 19. "Owner" means that record owner, whether one or more persons, a corporation, partnership or other legal entity capable of holding or owning an interest in real property who owns all or an interest in a Unit as described herein and shall enjoy all the privileges thereof. Owner shall not include persons or entities having an interest in a Unit merely as security for the performance of an obligation.

Section 20. "Owner's Interest" means the fractional interest ascribed to each Unit by this Declaration.

Section 21. "Plat" means the condominium plat for Villas Verona, a condominium subdivision, which plat has been recorded with the County Recorder of Maricopa County, Arizona in Book 704 of Maps, Page 1, and any amendments, supplements or corrections thereto.

Section 22. "Project" or "Property" means the real property described in Exhibit "A", together with all Improvements thereon, which cumulatively comprise the residential subdivision depicted on the Plat.

Section 23. "Special Declarant Rights" means any right or combination of rights reserved by or granted to the Declarant as provided in Article XV.

Section 24. "Unit" means a portion of the Condominium as described in this Declaration and as shown on the Plat that is designated for separate ownership and occupancy.

Section 25. "Additional Property" means (a) the real property, together with all Improvements located thereon, described on Exhibit "B", and (b) any other real property, together with all Improvements located thereon, located not more than three miles from property described on Exhibit "A" or Exhibit "B".

## **ARTICLE II**

### **PLAN OF DEVELOPMENT**

Section 1. **PROPERTY INITIALLY SUBJECT TO THE DECLARATION.** This Declaration is being recorded to establish a general plan for the development and use of the Property in order to protect and enhance the value and desirability of the Property. All of the Property within the Project shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the Property subject to this Declaration, each Owner, for himself, herself or itself, and his, her or its heirs, personal representatives successors, transferees and assigns, binds himself, herself or itself, and his, her or its heirs, personal representatives, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration. In addition, each such Owner by so doing acknowledges that this Declaration sets forth a general scheme for the development and use of the Property and evidences his, her or its intent that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, Purchasers, assigns, Lessees and transferees thereof. Furthermore, each such Owner fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the Association and all of its Members.

Section 2. **DISCLAIMER OF REPRESENTATIONS.** The Declarant makes no representations or warranties whatsoever that:

- (a) the Property has been completed in accordance with the plans for the Property as they exist on the date this Declaration is Recorded;
- (b) any Property subject to this Declaration will be committed to or developed for any use;

- (c) any Property not now subject to this Declaration will be subjected to the provisions hereof, or
- (d) the use of any Property subject to this Declaration will not be changed in the future. Nothing contained in this Declaration and nothing which may be represented to a purchaser by real estate brokers or salesmen representing the Declarant or any Developer shall be deemed to create any covenants or restrictions, implied or express, with respect to the use of any Property subject to this Declaration or of any part of the Additional Property.

### *ARTICLE III*

#### **DECLARATION OF CONDOMINIUM**

Section 1. DESCRIPTION OF LAND. Declarant is the owner of real property in Scottsdale, Maricopa County, Arizona, described on the attached Exhibit "A". This real property is platted as a condominium subdivision according to the Plat, a reduced copy of which is attached to the Declaration as Exhibit "B".

Section 2. DECLARATION. Pursuant to Arizona Condominium Act, A.R.S. 33-1201 *et seq.*, Declarant does hereby submit the real property described on Exhibit A including the Improvements constructed thereon, and all easements, rights and appurtenances belonging thereto, to a Condominium. Declarant further declares that all such property shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are declared to be in furtherance of a plan for the improvement, development and sale of said property and are established for the purpose of enhancing and perfecting the value and desirability of said property and every part thereof. The Units are numbered 100-134 and 200-234 as shown on the Plat.

Section 3. UNIT BOUNDARIES.

- (a) The boundaries of each Unit shall be as shown on the Plat.
- (b) If any chute, flue, duct, wire, conduit, bearing, wall, bearing column, heating or air conditioning unit or apparatus or other fixture lies partially within and partially outside the boundaries of a Unit, any portion serving only that Unit is a Limited Common Element allocated solely to that Unit and any portion serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.
- (c) Subject to the provisions of Subsection (b) of this Section, all Improvements within the boundaries of a Unit are part of the Unit.
- (d) Declarant reserves the right to relocate the boundaries between adjoining Units owned by the Declarant and to reallocate each such Unit's Common Element interest, subject to and in accordance with Section 33-1222 of the Condominium Act.

Section 4. LIMITED COMMON ELEMENTS.

- (a) The following portions of the Common Elements are Limited Common Elements and are

allocated to the exclusive use of one Unit as follows:

- (1) Each Unit shall have exclusive use of the mailbox designated with the corresponding Unit number.
- (2) Any gas, electric, water meter or air conditioning unit that serves only one Unit is allocated to the Unit that it serves.
- (3) Each Unit is allocated those portions of the Common Elements designated as Limited Common Elements in Section 3 (b) of this Article that serve the Unit.
- (4) Patio deck and yard areas designated for use by a specific unit.
- (5) Trash storage areas.

A Limited Common Element may be reallocated by an amendment to this Declaration made in accordance with the provisions of Section 33-1218 (B) of the Condominium Act.

- (b) The Board of Directors shall have the right, without a vote of the Members, to allocate as a Limited Common Element any portion of the Common Elements not previously allocated as a Limited Common Element. Any such allocation by the Board of Directors shall be made by an amendment to this Declaration and an amendment to the Plat if required by applicable law.

**Section 5. ALLOCATED INTEREST.** The undivided interest in the Common Elements should be allocated equally among the Units. Accordingly, each Unit shall bear a 1/55 undivided fractional interest in the Common Elements. If Units are excluded from the Condominium because of destruction or condemnation for example, the fractional interest of each remaining Unit shall change and be represented by a fraction with "1" as the numerator and the number of remaining Units as the denominator. Any change shall be set forth in an amendment to the Declaration. The minimum fractional interest of any Owner of the Condominium shall be 1/55.

#### *ARTICLE IV*

#### **PROPERTY RIGHTS**

**Section 1. OWNER'S RIGHT OF ENJOYMENT.** Every Owner shall have the right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title of every Unit, subject to the following provisions:

- (a) The right of the Association to charge reasonable admission and other fees, as well as to establish rules, for the use of any recreational facility situated upon the Common Area.
- (b) The right of the Association to suspend the voting rights and right of use of the recreational facilities by an Owner for any period during which any assessment against his Unit remains unpaid; and for a period not to exceed sixty (60) days from any infraction of its published rules and regulations.



- (c) The right of the Association to dedicate or transfer all or part of the Common Elements, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of Members agreeing to such dedication or transfer has been recorded.
- (d) The right of the Association to limit the number of guests of Members.
- (e) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area and the recreational facilities thereon.
- (f) The right of Declarant (and its sales agents and representatives) to the non-exclusive use of the Common Area for display, sales and exhibit purposes, which right Declarant hereby reserves to Declarant until such time that all Units in Declarant's control transfers to the purchasers.
- (g) The rights of particular Owners to the use of any and all easements created hereby and by any and all other recorded instruments.
- (h) The right of each Owner to have exclusive use of the areas provided in Article III, Section 4.

Section 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside in the Unit.

Section 3. WAIVER OF USE. No Member may exempt himself from personal liabilities for assessments duly levied by the Association, nor release the Unit owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area and the facilities thereon or by abandonment of his Unit.

## *ARTICLE V*

### THE ASSOCIATION

Section 1. PURPOSE. It is desirable for the efficient management of the condominium and the preservation of the value and attractiveness of the powers of (1) managing the Common Elements of the condominium; (2) maintaining and administering the Common Elements and portion of the Units as set forth in Article IX and Article XIII; (3) administering and enforcing these covenants, conditions and restrictions; (4) collecting and disbursing funds pursuant hereto; and (5) performing such other acts as shall generally benefit the condominium.

Section 2. FORMATION. In furtherance of the purposes set forth in Section 1 hereof, the Declarant shall cause the Association to be incorporated no later than the date on which the first Unit is conveyed to a purchaser other than Declarant or a person who is assigned a Special Declarant Right

Section 3.     **RIGHTS, POWERS, AND DUTIES.** The Association shall have such rights, powers and duties as provided in the Condominium Act and set forth in the Condominium Documents together with such rights, powers and duties as may be reasonably necessary to effectuate the purposes of the Association set forth in this Declaration and the Condominium Act. The Association shall have the right and power, as it deems necessary and appropriate, to borrow funds for Association purposes set forth in this Declaration, on such terms and conditions as it deems acceptable including the giving of collateral consisting of the Common Elements in accordance with the provisions of Section 33-1252 of the Condominium Act.

Section 4.     **CONDOMINIUM DOCUMENTS.** The Association shall make available to Owners and to any holders, insurers or guarantors of any Mortgage, current copies of this Declaration, the Bylaws, rules and regulations and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 5.     **FINANCIAL STATEMENT.** The holder, insurer or guarantor of any First Mortgage shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year of the Association prepared without expense to such requesting party. Such financial statement shall be furnished within a reasonable time following such a request.

Section 6.     **DIRECTORS AND OFFICERS.**

- (a) During the period of Declarant control, the Declarant shall have the right to appoint and remove the members of the Board and the officers of the Association who do not have to be Unit Owners.
- (b) Upon the termination of the period of Declarant control, the Unit Owners shall elect the Board which must consist of at least three members, all of whom must be Unit Owners. The number of members of the Board may be changed from time to time by the Board, but the number of members on the Board shall never be less than three (3), nor more than seven (7) and shall always be an odd number.
- (c) The Declarant may voluntarily surrender his right to appoint and remove the members of the Board of Directors and the officers of the Association before termination of the period of Declarant control, and in that event the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or the Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.
- (d) The members of the Board may not receive remuneration for services rendered as a Board member. However, any Board member may be reimbursed for his actual expenses incurred in the performance of his duties.
- (e) Except as otherwise provided herein, the Board may take any action that may be taken by the Association.
- (f) The Board shall be empowered to determine and decide all questions regarding enforcement of

these restrictions and assessments or charges necessary for maintenance of Common Elements, for the use of Common Elements. Any rule, a copy of which is delivered or mailed to an Owner at his last known address or which is posted on a central bulletin board, shall be enforceable to the extent and in the same manner as this Declaration thirty (30) days following such delivery, mailing or posting.

- (g) The Board shall have the right to contract for services or to transfer to any other corporation, person or partnership as a management agent, any of its rights and obligations hereunder, but upon such transfer and the assumption of such obligations by the transferee, the enforcement of covenants shall remain the sole responsibility of the Board.
- (h) Subject to Article V, the Board may employ a professional property manager, management company, or managing agent on a salaried or fee basis with such experience and qualifications and on such terms and conditions as may be acceptable to the Board. Any such agreement must be terminable upon thirty (30) days notice with a term not to exceed one (1) year, subject to renewal by agreement of the parties for successive one year periods.

**Section 7. ARCHITECTURAL COMMITTEE.** The Board shall establish an Architectural Committee consisting of at least three (3) Members appointed by the Board to regulate the external design, appearance, use and maintenance of the Condominium and to perform such other functions and duties as provided in the Condominium Documents or by the Board. The Architectural Committee shall also receive and decide on requests that pertain to Limited Common Elements, in particular patios and yards of specific Units.

## *ARTICLE VI*

### COVENANT FOR MAINTENANCE

**Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENT.** The Declarant, for each Unit owned within the Condominium, hereby covenants, and each Owner of any Unit by acquiring an ownership interest is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, and (b) special assessments as authorized by the Association's Board of Directors. Such assessments are to be established and collected as provided herein.

The annual and special assessments, together with interest, costs of collection and reasonable attorney's fees, shall be a lien upon the Property against which each such assessment is made. Each such assessment, together with interest, costs of collection and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them, or unless prior to the transfer of title as evidenced by the records of the County Recorder or other appropriate governmental agency, a lien for such assessment shall have been filed or recorded with the County Recorder.

**Section 2. PURPOSE OF ASSESSMENT.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, culture, and safety of the Owners of the Units and for the improvement and maintenance of the Common Area and of the Improvements situated upon the Condominium.

The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessments shall be sent to every Owner subject thereto. However, failure of the Board of Directors to meet such deadlines shall not relieve any Owner from its obligations to pay such assessments. The Board of Directors shall establish the due dates. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by a representative of the Association setting forth whether the assessments of a specified Unit have been paid.

Section 3. SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER PARAGRAPH 3. Written notice of any meeting called for the purpose of taking any action authorized under paragraph 3 shall be sent to all Members not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 5. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate for all Units and may be collected monthly.

Section 6. EFFECT OF NON-PAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION. Any assessment not paid within thirty (30) days after the due date shall bear interest from that due date at the rate of eighteen percent (18%) per annum. The Association may bring, without electing a remedy, any and all actions and seek any and all relief against the Unit in a like manner as a mortgage of real property, and such Owner hereby expressly grants to the Association the power of sale in connection with said lien. No Owner may waive or otherwise escape liability for the assessments provided for hereby by non-use of the Common Area or abandonment of his Unit. In any action taken against an Owner to collect delinquent assessments, whether through lien foreclosure or otherwise, the non-prevailing party shall be obligated to pay all costs and all attorney's fees.

Section 7. DECLARANT'S SUPPORT FOR COMMON AREA MAINTENANCE. It is understood that the Association may not have sufficient funds during its beginning stages of this project and development to pay its expenses. Declarant shall advance, to the Association, the funds necessary to maintain the Common Area in a satisfactory manner and appearance. This support from the Declarant is ONLY until such time as the Association has enough monthly income to maintain its common areas. After the Association has adequate funds to maintain the common areas, the Association shall refund to Declarant all funds previously advanced to the Association for common area maintenance. Monthly assessments shall

not be due until such time that a Unit has legally transferred to an Owner other than the Declarant and the City of Scottsdale has issued a final Certificate of Occupancy or similar document.

Section 8. SUBORDINATION OF THE LIEN OF MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Unit pursuant to mortgage foreclosure, deed of trust sale, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments that become due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereon.

Section 9. SURPLUS FUNDS. The Association shall not be obligated to spend in any year all the assessments and other sums received by it in such year, and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of the annual assessment in the succeeding year if a surplus exists from a prior year, and the Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes.

Section 10. WORKING CAPITAL FUND. To ensure that the Association shall have adequate funds to meet its expenses or to purchase necessary equipment or services, each person purchasing a Unit from the Declarant shall pay to the Association **immediately upon becoming the Owner of the Unit a sum equal to one sixth (1/6) of the then current annual assessment.** Funds paid to the Association pursuant to this Section may be used by the Association for payment of operating expenses or any other purpose permitted hereunder, or may be held as surplus funds as set forth in Section 9 above. Payments made pursuant to this Section shall be non-refundable and shall not be considered as an advance payment of any Assessment levied by the Association pursuant to this Declaration. Each subsequent purchaser of a Unit (i.e., from other than Declarant) shall likewise pay a transfer fee to the Association in the amount of one-sixty (1/6th) of the annual assessment. Such transfer shall likewise be available for use by the Association for any purpose permitted hereunder or may be held as surplus funds.

## *ARTICLE VII*

### MEMBERSHIP AND VOTING RIGHTS

Section 1. MEMBERSHIP NON-SEVERABLE. Every Owner of a Unit, which is subject to assessments, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Unit that is subject to assessment. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred pledged, conveyed, or alienated in any way except by transfer of ownership to such Unit, whether by purchase, intestate succession, testamentary disposition, foreclosure of a Mortgage of record, or such other legal process as is now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Unit shall have the effect of transferring said membership to the new Owner thereof, and a charge of **Fifty Dollars (\$50.00)** shall be assessed and paid to the Association by the transferee in each such transfer. The Board may by appropriate action change the amount of said charge without amending this Declaration.

Section 2. VOTING AND CONTROL.

- (a) Members shall be all Owners and shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit all such persons shall be Members. The vote for such Unit shall be exercised as the Owners determine among themselves, but in no event shall more than one (1) vote be cast with respect to any Unit and fractional votes shall not be allowed. If more than one vote is cast for a particular Unit, none of the votes for such Unit shall be counted and said votes shall be deemed void.
- (b) Notwithstanding the voting rights above, Declarant, or any party to whom Declarant specifically assigns Special Declarant Rights, shall control and manage the condominium and shall have the exclusive right to appoint or reappoint the members of the Board until the happening of either of the following events whichever occurs earlier:
- (1) within one-hundred twenty (120) days of the date upon which ninety percent (90%) of all Units have been conveyed to purchasers other than Declarant, or
  - (2) the date Declarant records a written instrument terminating the period of Declarant control, or
  - (3) the expiration of four (4) years after all Declarants have ceased to offer Units for sale in the ordinary course of business.
- (c) Until such time as control of the Association is passed to the Owners, all right, discretionary power and authority granted to such Association, including the right to collect assessments and to make contracts or agreements on behalf of the Association for maintenance of Common Elements and operation of the Association shall, at the option of the Declarant, remain with the Declarant directly or through said Association.

Section 3. SUSPENSION OF VOTING RIGHTS. In the event any Owner of a Unit is in arrears in the payment of any assessment or other amounts due under the terms of this Declaration, the Articles, or the By-Laws, said Owner's rights to vote as a Member of the Association shall be automatically suspended and shall remain suspended until all payments, including accrued interest and attorney's fees, are brought current.

***ARTICLE VIII***

**ARCHITECTURAL CONTROL**

No building, landscaping, fence, wall, patio cover, awning, antenna, or other structure shall be commenced, erected or maintained upon the Condominium, nor shall any exterior addition to, or change or alteration therein, be made unless the plans and specifications showing the nature, kind, shape, height, materials and location of the same have been submitted to and approved in writing by the Board of Directors of the Association, or by an architectural committee appointed by the Board as to harmony of external design and location in relation to surrounding structures and topography. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days

after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

## *ARTICLE IX*

### PARTY WALLS

Section 1. **LIMITED COMMON ELEMENT.** Each wall that is built as a part of the original construction of the Units and placed on the dividing line between the Units shall constitute a party wall, and shall be considered a Limited Common Element.

Section 2. **DESTRUCTION BY FIRE OR OTHER CASUALTY.** If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omission.

Section 3. **WEATHERPROOFING.** Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole costs of furnishing the necessary protection against such elements.

Section 4. **RIGHT TO CONTRIBUTION RUNS WITH LAND.** The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 5. **ARBITRATION.** In the event of any dispute concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

## *ARTICLE X*

### INTERIOR AND OTHER MAINTENANCE

Each Owner shall be responsible for the upkeep and maintenance of the interior of his Unit. An Owner shall do no act nor any work that will impair an easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other Units or their Owners. Owners reserve the exclusive right to the Association to properly clean and maintain the chimney flue in their unit.

## *ARTICLE XI*

### INSURANCE

The Board of Directors, or its duly authorized agent, shall have the right and power to obtain a broad form public liability policy covering all Common Elements and such other insurance, and in such other amounts, as the Board determines from time to time to be necessary to protect the Project and the Common Elements, including but not limited to, fire, flood, worker's compensation, directors and officers liability,

and fidelity bonds. Premiums for such insurance shall be Common Expenses. Such insurance coverages may be written in the name of the Board of Directors directly or as trustee for each of the Owners proportionately. It shall be the individual responsibility of each Owner to provide, as he sees fit, homeowner's liability insurance, theft and other insurance covering personal property damage and loss.

In the event of damage or destruction to the Common Elements by fire or other casualty, the Board of Directors shall, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as it was formerly. The Board of directors shall contract with any licensed contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of the Common Elements. In the event the insurance proceeds are insufficient to pay off the costs of repairing and/or rebuilding to the same condition as it was formerly, the Board of Directors shall levy a special assessment against all Owners to make up any deficiency. In the event such insurance proceeds exceed the cost of repair and reconstruction, such excess shall be retained by the Association to defray future expenses.

### *ARTICLE XII*

#### **CONDEMNATION, DESTRUCTION OR LIQUIDATION OF PROJECT**

Any and all proceeds received as a result of the condemnation, destruction or liquidation of the Project, or any portion thereof (other than such proceeds directly attributable to particular Units) shall be received by the Association. Any losses, awards, or proceeds of any such nature shall be allocated among the Unit holders prorata. Each Unit holder hereby appoints the Association as their attorney in fact to act on their behalf and in their place and stead to represent the Units owners in any related proceedings, negotiations, agreements or settlements. The Association shall allocate and distribute any proceeds for the benefit of the Unit owners and their mortgage holders. Any proceeds distributed to Unit holders upon termination of the Project shall be so distributed in the same proportions and pursuant to the same formula used for such Units holder's share of the Common Element Expenses.

### *ARTICLE XIII*

#### **USE RESTRICTIONS**

Section 1. Said Property is hereby restricted to residential dwellings for residential use, except for Improvements within the Common Area. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other out-building shall be used on any portion of the Condominium at any time for any use, either temporarily or permanently.

Section 2. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the builder of a major portion of said development to maintain during the period of construction and sale of said Units, upon such portion of the Property as such builder may choose, such facilities as in the sole opinion of said builder may be reasonably required, convenient or incidental to the construction or sale including, but not limited to, construction yards, signs, model units and sales office or trailer.

Section 3. No animals, livestock or poultry of any kind, shall be raised, bred or kept in any Unit,



except that dogs, cats or other household pets may be kept in Units subject to such rules and regulations as may be adopted by the Association and provided they are not kept, bred or maintained for any commercial purpose, or in unreasonable numbers. Notwithstanding the foregoing, no animals or fowl may be kept on the premises that result in an annoyance or are obnoxious to residents in the vicinity.

Section 4. No advertising signs, billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the Property, nor shall the Property be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Unit or resident thereof. Further, no business activities of any kind whatsoever shall be conducted in any building or on a portion of the Property; provided further, however, the foregoing covenants shall not apply to the business activity, signs and billboards, or the construction and maintenance of buildings, if any, of the Declarant, its agent and assigns during the construction and sale period, and of the Association, its successors and assigns, in the furtherance of its powers and purposes, as herein set forth.

Section 5. All equipment, garbage cans in the designated trash storage areas, service yards, woodpiles, or storage piles shall be kept so as to conceal them from view of neighboring Units and streets. All rubbish, trash or garbage shall be regularly removed from the Units, and shall not be allowed to accumulate therein. No clotheslines shall be permitted.

Section 6. No derelict vehicle of any type, nor any boat, camper, bicycle, tricycle or other wheeled toy shall be parked or left unattended on the Condominium except in Owner's garage. Parking will be allowed for functioning passenger vehicles, which may be defined more specifically by the Board, only in those areas designated or indicated as visitor parking.

The Board of Directors may from time to time restrict vehicular parking on the Common Areas. Vehicles parked in restricted areas may be towed away at the vehicle owner's expense, including storage charges.

No vehicle of any type that is abandoned or inoperable shall be stored or kept on any parking area, private street or drive within the Condominium.

Section 7. No planting or gardening shall be done, and no hedges shall be erected or maintained upon said Property, except such as are installed in accordance with the initial construction of the buildings located thereon or as approved in accordance with Architectural Control provisions in Article VIII herein. No fences or walls shall be erected or maintained on any part of the Condominium except as provided in this Declaration.

Section 8. The Common Area shall remain undivided, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Common Area. No Owner shall have the right to bring an action for partition.

Section 9. No Party Wall shall be cut into or modified any manner without the express written consent of the Board of Directors and the other Owner of the Party Wall.

Section 10. Without prior written approval and the authorization of the Board of Directors, no exterior television, radio, CB or other antennas of any sort shall be placed, allowed or maintained upon any

portion of the Improvements to be located upon the Property, nor upon any structure situated upon said real property, other than an aerial for a master antenna system, should such master system or systems be utilized and require any such exterior antenna.

Section 11. No activity shall be carried on in any Unit or any part of the Condominium, nor shall anything be done thereupon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Unit, or which shall in any way increase the rate of insurance.

Section 12. No hard wood flooring, including, but not limited to, ceramic tile, natural stone tile, granite, travertine, wood, Pergo (or similar faux wood product), laminate, or stone, shall be allowed in areas other than the ground floor units or the bathrooms, laundry rooms and kitchens of second floor units. Owners may be allowed to install such hard flooring surfaces only on the condition that said Owner (a) obtains advance written approval from the Board of Directors, AND (b) the Owner installs a sub-floor sound-transfer limiting device prior to the installation of such hard flooring surface. Such sound-transfer limiting product shall be known as the standard in the industry for sound-transfer limiting purposes. The Board of Directors shall give approval on the installation of a hard flooring surface in areas other than those acceptable above, on a case-by-case basis and shall be on the basis that an approved industry standard sub-floor sound-transfer limiting product be installed prior to the installation of any hard flooring surface.

Section 13. All Owners and occupants shall abide by the Bylaws and any rules and regulations adopted by the Association, which are hereby incorporated herein by this reference.

Section 14. No Unit shall be leased by an Owner, and no landlord-tenant relationship established unless such lease or landlord or tenant has agreed in writing that the lease is subject in all respects to the provisions of this Declaration, the Articles of Incorporation of the Association, the Bylaws of the Association and all rules and regulations duly adopted by the Association. Said writing shall provide that any failure of the lessee or tenant to comply with the terms of such documents or rules and regulations shall be default under the lease.

#### *ARTICLE XIV*

#### **DUTIES AND POWERS OF THE ASSOCIATION**

In addition to duties and powers enumerated in its Articles of Incorporation and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

- (a) Maintain and otherwise manage all of the Common Area and all facilities, improvements and landscaping thereon, and all other property acquired by the Association.
- (b) Pay any real and personal property taxes and other charges assessed against the Common Area.
- (c) Have the authority to obtain, for the benefit of all of the Units and the Common Area, all water, gas, sewer and electric service and refuse collection and to pay for such services to the extent that said services are not individually metered or otherwise directly billed to the individual Units.

- (d) Grant easements where necessary for utilities and sewer facilities over the Common Area to serve said area and the Units.
- (e) Have the authority to employ a manager or other persons and contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract shall provide for the right of the Association to terminate the same with thirty (30) days written notice or at the first annual meeting of the Members of the Association, whichever may first occur.
- (f) Contract for and pay fire, casualty, liability and other insurance insuring the Association, its Property and its Board of Directors and Owners.
- (g) Contract for and pay maintenance, gardening, utilities, materials and supplies, and services relating to the Common Area, and to employ personnel necessary for the operation of the Project, including legal and accounting services provided, however, that any such contract shall be limited to a duration of one (1) year unless a longer term is approved by a majority of the Members of the Association.
- (h) Delegate its powers to its committees, officers and employees.

The Association, through its Board of Directors, shall have the express authorization, right and power to enter into one or more management agreements with third parties in order to facilitate efficient operation of all buildings, improvements and facilities within the Common Elements. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of said Common Elements, and to assess, collect and apply the management and common expenses, and to enforce this Declaration. The terms of said management agreements shall be as determined by the Board of Directors to be in the best interest of the Association, and shall be subject to the Articles of Incorporation, the Bylaws and this Declaration. Notwithstanding the above, any and all management agreements shall be written for a term not to exceed one year, subject to renewal by agreement of the parties for successive one year periods, and shall further provide that said management agreements may be canceled and terminated by the Board of Directors for any reason whatsoever upon giving thirty (30) days written notice of such cancellation and termination to the managing entity. The Board of Directors shall make all necessary arrangements for continuity of management and maintenance prior to the expiration of the term of any prior management agreements or the termination of the same. Any and all management agreements shall be entered into with a responsible party or parties having considerable experience with the management of a project of this type.

Each Owner shall be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all management agreements shall be available to each Owner upon request.

#### *ARTICLE XV*

#### **DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS**

Section 1. DEVELOPMENT RIGHTS. The Declarant shall have the right and option, but not the obligation, to do any of the following:

- (a) Add real estate to the Condominium;
- (b) Create easements, Units, Common Elements or Limited Common Elements within the Condominiums;
- (c) Subdivide Units, convert Units into Common Elements or convert Common Elements into Units;
- (d) Withdraw real estate from the Condominium;
- (e) Make the Condominium part of a larger condominium or planned community;
- (f) To amend the Plat, to grant easements, whether utility or access, or to otherwise grant access across the Property, including the restructuring of property lines, in order to properly include the Condominium as part of a larger condominium or planned community.
- (g) Amend the Declaration during the period of Declarant control described in Article VII, Section 2 to comply with applicable law or to correct any error or inconsistency in the Declaration if the amendment does not adversely affect the rights of any Unit Owner;
- (h) Amend the Declaration during the period of Declarant control described in Article VII, Section 2 to comply with (i) the Condominium Act, (ii) the rules or guidelines, in effect from time to time, of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments, or (iii) the rules or requirements of any federal, state, or local governmental entity or agency whose approval of the Condominium, the Plat, or the Condominium Documents is required by law or requested by Declarant.

**Section 2. SPECIAL DECLARANT RIGHTS.** The Declarant shall have the right and option, but not the obligation, to do any of the following:

- (a) Construct improvements provided for in this Declaration or shown on the Plat;
- (b) Exercise any Development Right;
- (c) Maintain sales offices, management offices, models, and signs advertising the Condominium;
- (d) Use easements through the Common Elements for the purpose of making Improvements within the Condominium;
- (e) Appoint or remove any officer of the Association or any member of the Board of Directors during the period of Declarant control; and
- (f) Exercise any Special Declarant rights or Developments Rights that may now or hereafter be provided by the Declaration, the Condominium Act, or any applicable law.

**ARTICLE XVI**

**DISPUTES WITH DECLARANT**

**Section 1. ASSOCIATION MEETINGS.** Notwithstanding anything contained herein to the contrary, in any meeting of the Board, the Members, the Architectural Committee, or any other group or subgroup acting in any capacity on behalf of the Association, in which is discussed the existence of, non-existence of, or concerns relating to an Alleged Defect relating to the Condominium, or the conduct of Declarant, its predecessor in interest, or Declarant's subcontractors or agents (hereinafter, as used in this Article XVI, shall be collectively referred to as the "Declarant"), the following shall apply:

- (a) Declarant shall be given written notice of the existence and subject matter of such meeting at least ten (10) business days prior thereto;
- (b) Declarant shall be permitted (but not required), through whatever representatives it deems appropriate to attend such meeting, and to reasonably participate in such discussion (including responding to any allegations of improper workmanship or conduct of any party relating to the Condominium);
- (c) Declarant shall be entitled to bring to such meeting such parties (or affidavits or statements from such parties) or materials as Declarant deems to be appropriate to address the issues discussed therein.

**Section 2. RIGHT TO INSPECT AND/ OR CURE.** In the event that any determination is reached by the Association, the Board, the Architectural Committee, group or any subgroup acting on behalf of the Association, that there exists any Alleged Defect relating to the Condominium, notwithstanding the provisions of Article V of this Declaration (or any other provision hereof), the Board, the officers and the Association shall be prohibited from pursuing, initiating or authorizing the filing of any Legal Proceeding until such time as Declarant has had the reasonable opportunity, after notice, to inspect and/or cure such Alleged Defect.

For purposes of this Declaration, a reasonable notice and cure opportunity shall be deemed to mean that Declarant shall receive written notice of the Alleged Defect, and shall thereafter have thirty (30) days to investigate same. If by the end of such thirty (30) day period, Declarant has commenced steps to correct same, no Legal Proceeding may be pursued against Declarant so long as Declarant continues to diligently pursue such corrective action. In the event Declarant fails or refuses to commence steps to correct such Alleged Defect within such thirty (30) day cure period, Declarant shall be deemed to have waived its right to do so (or to have rejected the Association's allegation that a deficiency exists), and the Association may thereafter demand arbitration of such dispute in accordance with the ADR Procedures provided in Article XVIII below and the Bylaws. In the event Declarant does attempt to rectify such Alleged Defect, but at the termination of such efforts the Association is not satisfied and still believes an Alleged Defect exists, a **NEW** notice of deficiency shall be given to Declarant as provided herein relating to that portion which the Association contends was not resolved.

**Section 3. NO EXTENSION OF WARRANTIES.** The existence of this right to notice and

an opportunity to inspect and /or cure will not be deemed to impose any obligation on the Declarant to test, inspect or repair any Alleged Defect or to establish or extend any applicable warranty of any builder, developer or seller (including Declarant) that may be applicable to the Unit or Common Area. Notwithstanding Article XVIII, Section 5 below, the provisions of this Section 3 may not be modified, amended, waived, or terminated in any manner during any period of time that Declarant or its affiliates or contractors may remain liable or responsible for the Alleged Defect or any resulting injury or damage from the Alleged Defect, without the prior and express written consent of Declarant given in a recorded instrument.

## *ARTICLE XVII*

### **APPROVAL OF LEGAL PROCEEDINGS**

#### **Section 1. LIMITS AND EXCEPTIONS ON INITIATION OF LEGAL PROCEEDINGS.**

Except for the Legal Proceedings listed below that are initiated or joined by the Association, the Association will not incur any expenses (including, without limitation, attorney fees and costs) to initiate Legal Proceedings or join as a plaintiff in Legal Proceedings without the prior approval of the Members:

- (a) enforce the use restrictions contained in this Declaration through injunctive relief or otherwise;
- (b) enforced the Association Rules or the Architectural Committee rules through injunctive relief or otherwise;
- (c) collect any unpaid Assessments, enforce or foreclose any lien in favor of the Association, or determine the priority of any lien for assessments;
- (d) make a claim against a vendor of the Association or supplier of goods and services to the Association;
- (e) defend claims filed against the Association (and to assert counterclaims or cross-claims in connection with a defense); or
- (f) make a claim for a breach of fiduciary duty by any one or more of the Board of Directors or officers of the Association.

Legal proceedings shall include administrative, arbitration or judicial action or any ADR Procedures described in this Declaration ("Legal Proceeding").

Such Legal Proceeding shall not preclude the Board of Directors from incurring legal expenses for legal advise in the normal course of operating the Association to, among other things, (i) enforce the Condominium Documents including the imposition of fines; (ii) comply with the Condominium Documents or any statutes or regulations related to the operation of the Association or the Common Areas; (iii) amend the Condominium Documents in a manner and for purposes described in this Declaration; (iv) grant easements or convey Common Area in a manner and for purposes described in this Declaration; or (v) perform the obligations of the Association as provided in this Declaration.

Section 2. VOTE REQUIRED. No Legal Proceeding may be initiated without the approval of the Members. Moreover, notwithstanding any other provision of this Declaration to the contrary, approval of any such Legal Proceeding shall require the affirmative vote of ninety percent (90%) of all Members then entitled to vote under the terms of this Declaration, as reflected by an instrument signed by not less than ninety (90%) of the Members.

Section 3. PRIOR APPROVAL DISCLOSURES TO MEMBERS. Prior to any such vote of the Members, the Association shall provide full disclosure of the nature of the claim. Such disclosure shall include the name and professional background of the attorney proposed to be retained by the Association to pursue the matter, a description of the relationship, if any, between the attorney and the Board of Directors (or any member of the Board of Directors) or the property management company, a description of the fee arrangement with the attorney, an estimate of the fees and costs necessary to pursue the claim, the estimated time necessary to complete the legal proceedings, and the possible outcomes of such legal proceedings, including in the event the Association does not prevail with its claim.

Section 4. NOTICE TO PROSPECTIVE PURCHASERS. Each Owner must notify all prospective purchasers of the Owner's Unit of all Legal Proceedings initiated or joined by the Association for which a special litigation fund has been established and must provide all prospective purchasers with a copy of any written notice received by the Owner from the Association regarding the Legal Proceeding.

Section 5. LITIGATION FUND. The costs of any Legal Proceedings initiated or joined by the Association that are not included in the exceptions outlined in Section 1 above must be financed by the Association with monies that are specifically collected for that purpose. The Association will not borrow money, use reserve funds, use general funds, or use monies collected for other Association obligations (such as working capital requirements) to initiate or join any Legal Proceeding.

Section 6. USE OF PROCEEDS. In the event the Association (or any subdivision thereof) shall receive any award, settlement, judgment or other proceeds or consideration through any Legal Proceeding, including any threat of or negotiations relating to any such Legal Proceeding, the proceeds or consideration so received shall be used to correct the defects, workmanship or other deficiency which was the subject of such dispute, and for **NO OTHER PURPOSE**. In the event such proceeds exceed the sums necessary to make such corrections, any remaining proceeds shall be held in reserve to correct any future or similar defects, and shall in no event be distributed to the Members or Owners or to offset future assessments.

## *ARTICLE XVIII*

### **ALTERNATIVE DISPUTE RESOLUTION**

Section 1. DISPUTE RESOLUTION AGREEMENT. All Bound ADR Parties, as identified and defined below, agree to encourage the amicable resolution of claims, grievances, controversies, disagreements, or disputes involving the Project or the Condominium Documents in order to avoid or limit wherever possible the emotional and financial costs of litigation. Accordingly,

each Bound ADR Party covenants and agrees that all Covered Claims, as defined below, between one or more Bound ADR Party must be resolved using the alternative dispute resolution procedures (“**ADR Procedures**”) set forth below in this Declaration and the Bylaws in lieu of filing a lawsuit or initiating administrative proceedings.

As used in the Condominium Documents, the term “**Bound ADR Party**” means the Association, Board, Declarant, an affiliate of Declarant, any property manager or association manager for the Project, all Owners, any tenant of an Owner, any family member residing in the Owner’s Unit, and any person not subject to this Declaration who voluntarily agrees to be subject to the dispute resolution procedures described below. Unless they otherwise agree, mortgagees and institutional guarantors are not Bound ADR Parties. As used in the Condominium Documents, the term “**Covered Claims**” means all claims, grievances, controversies, disagreements, or disputes that arise in whole or part out of:

- (a) the interpretation, application, or enforcement of the Declaration or the other Condominium Documents;
- (b) any alleged violation of the Condominium Documents by any of the Bound ADR Parties;
- (c) the authority of the Association or the Board to take or not take any action under the Condominium Documents;
- (d) the failure of the Declarant or the Association or the Board to properly conduct elections, give adequate notice of meetings, properly conduct meetings, allow inspection of books and records, or establish adequate warranty and reserve funds;
- (e) the performance or non-performance by any of the Bound ADR Parties of any of their respective obligations or responsibilities under the Condominium Documents to or on behalf of any other Bound ADR Party;
- (f) the design or construction of any of the Units within the Project (other than matters of aesthetic judgment by the Architectural Committee or the Board, all of which are not subject to further review under the ADR Procedures or Legal Proceeding);
- (g) any alleged violation or defect with respect to the maintenance or construction of the Common Area or any improvements or landscaping on the Common Area.

The term “Covered Claims,” however, specifically does not include any Exempt Claims of the type described below. The term “**Alleged Defects**” means only those Covered Claims described in subsections (f) and (g) above.

Section 2. **EXEMPT CLAIMS.** The following claims, grievances, controversies, disagreements, and disputes (each an “**Exempt Claim**” and, collectively, the “**Exempt Claims**”) are exempt from the alternative dispute resolution provisions described in this Declaration:

- (a) *Collection of Assessments.* Any action taken by the Association against any Bound ADR Party to enforce the collection of assessments, to enforce or foreclose any lien in



favor of the Association, or to determine the priority of any lien for Assessments;

- (b) *Specific Actions.* Any claim, grievance, controversy, disagreement or dispute that primarily involves: title to any Unit or Common Area; a challenge to a property taxation or condemnation proceeding; the eviction of a tenant from a Unit; the breach of fiduciary duty by any one or more of the Board of Directors or officers of the Association; the rights of any mortgagee or institutional guarantor; an employment matter between the Association and any employee of the Association; or the invalidation of any provision of the Declaration or any of the covenants and restrictions contained in the Condominium Documents.
- (c) *Injunctive Relief.* Any suit by the Association to obtain temporary or permanent restraining order or equivalent emergency equitable relief (together with any ancillary relief as the court may deem necessary) in order to maintain the then current status of the Project and preserve the Association's ability to enforce the architectural control provisions of the Condominium Documents and the use restrictions contained in this Declaration;
- (d) *Owner Actions.* Any suit solely between Owners (that does not include as a party the Association or Declarant) seeking redress on any Covered Claim that would constitute a cause of action under federal law or the laws of the State of Arizona regardless of the existence of the Condominium Documents.
- (e) *Separate Written Contracts.* Any action arising out of any separate written contract between Owners, or between the Declarant and any Owner that would constitute a cause of action under the laws of the State of Arizona regardless of the existence of the Condominium Documents.
- (f) *Not Bound Parties.* Any suit in which less than all parties are Bound ADR Parties (unless the parties that are not Bound ADR Parties voluntarily agree to be subject to the ADR Procedures established in this Declaration and the Bylaws).

Any Bound ADR Party having an Exempt Claim may submit it to the ADR Procedures established in this Declaration and the Bylaws, but there is no obligation to do so and no obligation of any other Bound ADR Party to agree to have the Exempt Claim submitted to the ADR Procedures. The submission of an Exempt Claim involving the Association or Declarant to the ADR Procedures below requires the approval of the Association or Declarant, as applicable.

**Section 3. ENFORCEMENT OF RESOLUTION.** This agreement of the Bound ADR Parties to negotiate, mediate, and arbitrate all Covered Claims are specifically enforceable under the applicable arbitration laws of the State of Arizona. After resolution of any Covered Claims through negotiation, mediation, or arbitration in accordance with the provisions outlined above, if any Bound ADR Party fails to abide by the terms of any agreement or Arbitration Award, any other Bound ADR Party may file suit or initiate administrative proceedings to enforce the agreement or Arbitration Award without the need to again comply with the procedures set forth above. In this case, the Bound ADR Party taking action to enforce the agreement or Arbitration Award is entitled to recover from the non-

complying Bound ADR Party (or if more than one non-complying Bound ADR Party, from all non-complying Bound ADR Parties pro rata) all costs incurred in enforcing the agreement or Arbitration Award, including, with limitation, attorney fees, and court costs.

Section 4. **ALLEGED DEFECTS.** If any Owner or the Association desires or intends to bring a claim of any sort against the Declarant or its affiliates, contractors or predecessors in interest for an Alleged Defect, Section XV will apply to provide full and fair notice of the existence of the Alleged Defect and an opportunity to repair or correct the Alleged Defect without costly and time-consuming litigation.

Section 5. **AMENDMENTS TO ARTICLES XV, XVI AND XVII.** The procedures established in the referenced Articles may not be modified, amended, terminated or waived in any manner without Declarant's prior and express written consent, as evidenced by a recorded instrument, for so long as Declarant owns at least one Unit within the Project. After Declarant ceases to own at least one Unit within the Project, these procedures may be modified, amended, or terminated in accordance with the procedures established in the Condominium Documents; however, to the extent any Covered Claim still involves the Declarant, the Declarant can elect for the Covered Claim to be governed by the procedures outlined in Articles XV, XVI AND XVII as previously contained in the Condominium Documents (as though not modified, amended, or terminated). Nothing contained in this Section is intended to shorten, modify, or amend the provisions of Article XVI or Section 4 above with respect to the notice and opportunity to inspect and /or cure an Alleged Defect.

## **ARTICLE XIX**

### **EASEMENTS**

Section 1. **BLANKET EASEMENT FOR UTILITIES.** There is hereby created a blanket easement upon, across, over and under the Common Area for ingress/egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephones and electricity, irrigation facilities and cable television. By virtue of this easement, it shall be expressly permissible for the providing electrical, utility and/or telephone company, to erect and maintain the necessary poles and other necessary equipment on said Property. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, waterlines, or other utilities may be installed or relocated on said Property, except as initially programmed and approved by the Declarant or as approved by the Association. These easements shall in no way affect any other recorded easements on said Property.

Section 2. **EASEMENT FOR ENCROACHMENT DUE TO CONSTRUCTION.** Each Unit and the Common Area shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed and for the maintenance of same, so long as it stands. In the event a Unit is partially or totally destroyed and then rebuilt, the Owners of such Unit agree that minor encroachments on parts of the adjacent or Common Area due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist. Notwithstanding any provisions herein to the contrary, an encroachment permitted herein shall not exceed one (1) foot.

**ARTICLE XX**

**INDIVIDUAL YARDS AND PATIOS**

**Section 1.** The rights of the respective parties with respect to the use of individual yards and patios, which may abut a wall of the dwelling Unit on the adjoining Unit ("abutting dwelling unit" herein), shall be as follows:

- (a) Nothing shall be erected, planted or maintained within such area which might impede or interfere with any necessary and reasonable maintenance, repair or restoration of any wall located on or adjacent to the abutting dwelling unit.
- (b) The Owner shall have exclusive use of the surface of any easement area subject to the rights of any other easement holders (utilities, sewers, etc.), if any, and subject to minor encroachments, from creation of easement.
- (c) The Owner of the adjacent Unit shall have such right to use the subsurface underlying the easement area, including the right of lateral and subjacent support, as shall not reasonably interfere with the rights granted to the Owner of the private patio.
- (d) If the patio area has been graded to allow drainage to flow, nothing shall be erected, planted or maintained to impede or interrupt said or normal drainage flow.

**Section 2.** Allowable use of individual yards and patios include landscaping, sprinklers, hose bibs, barbecue equipment and facilities and sports and recreational equipment and facilities and as a general recreational garden and yard area. All other uses, including, without limitation, construction of any dwelling unit or addition thereto and use of the areas for building, repairing, maintaining or storing boats, trailers, motor Units, automobiles, motorcycles, snowmobiles or other motor vehicles are prohibited.

**Section 3.** Each Owner shall keep his Unit and all improvements therein or thereon in good order and repair and free of debris, including, but not limited to, the pruning and cutting of all trees and shrubbery, all in a manner and with such frequency as is consistent with good property management. In the event an Owner shall fail to maintain his Unit and patio and the Improvements located thereon, as provided herein, the Association, after notice to the Owner and approval by vote of the Board of Directors, shall have the right to enter upon said Unit or patio to correct drainage and to repair, maintain and restore the Unit, patio, fences and any other Improvements erected thereon. All costs related to such correction, repair or restoration shall become a lien upon such Owner's Unit, and such lien may be enforced in the same manner as a Maintenance Assessment levied in accordance with Article VI hereof.

**ARTICLE XXI**

**MORTGAGEE PROTECTION**

**Section 1.** INTRODUCTION. This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests. This Article is

supplemental to, and not in substitution for, any other provisions of the Condominium Documents, but in the case of conflict, this Article shall control.

Section 2. SECURITY INTERESTS; ELIGIBLE MORTGAGEES AND ELIGIBLE INSURERS. For purposes of this Declaration, "Eligible Mortgagees" shall be the record holders and owners (or beneficiaries) of any purchase money first position Security Interest duly recorded against a Unit. An "Eligible Insurer" shall be a party insuring or indemnifying the position of an Eligible Mortgagee. "Security Interest" is any consensual lien property placed against a Unit to secure payment of agreed upon sums by the Unit Owner.

Section 3. PERCENTAGE OF ELIGIBLE MORTGAGEES. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding mortgages on Units which in the aggregate have allocated to them such specified percentage of votes in the Association as compared to the total allocated to all Units then subject to mortgages held by Eligible Mortgagees.

Section 4. NOTICE OF ACTIONS. The Association shall give prompt written notice to Eligible Mortgagee and Eligible Insurer of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the condominium or any Unit in which there is a first Security Interest held, insured or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable;
- (b) Any delinquency in the payment of Common Element maintenance assessments owed by a Unit Owner whose Unit is subject to a First Security Interest, held, insured or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable which remains uncured for a period of sixty (60) days.
- (c) Any lapse, cancellation or material modification of any insurance policy of fidelity bond maintained by the Association.
- (d) Any judgment rendered against the Association.

Section 5. CONSENT AND NOTICE REQUIRED.

Notwithstanding any requirement permitted by this Declaration or the Act, no amendment to any material provision of the Condominium Documents by the Association or Unit Owners may be effective without notice to all Eligible Mortgagees and Eligible Insurers, and as required by Section 4 above, and the vote of at least sixty-seven percent (67%) of the Unit Owners (or any greater Unit Owner vote required in this Declaration or the Act) and until approved by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any Development Right. A change to any of the following would be considered material:

- (a) Voting rights;
- (b) Assessments, assessment liens or priority of assessment liens;
- (c) Reserves for maintenance, repair and replacement of Common Elements;
- (d) Responsibility for maintenance and repairs; and
- (e) Reallocation of interests in the Common Elements or Limited Common Elements except that when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and only those Eligible Mortgagees holding mortgages in such Units need approve such action.

## *ARTICLE XXII*

### **GENERAL PROVISIONS**

**Section 1. ATTORNEYS' FEES.** In the event the Association employs an attorney or attorneys to enforce the collection of any amount due pursuant to this Declaration or in connection with any lien provided for herein, or the foreclosure thereof, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, the Owner, Owners and parties against whom the action is brought shall pay all attorneys fees, costs and expenses thereby incurred to the prevailing party.

**Section 2. ENFORCEMENT.** The covenants, conditions, and restrictions contained herein shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing, occupying, owning or otherwise having an interest in any Unit, their heirs, executors, administrators, successors, grantees and assigns. After the date on which this instrument has been recorded, these covenants, conditions, and restrictions may be enforced by the Association or its Board of Directors, which shall have the right and duty to enforce the same and expend Association monies in pursuance thereof, and also may be enforced by the Owner of any Unit or by the holder of any first mortgage, or deed of trust, or any one or more of said parties. Any lien, liability or obligation arising as the result of a breach of said covenants, conditions, and restrictions shall be binding upon and effective against any Owner of said Unit, other than one whose title thereto is acquired by foreclosure of a mortgage, or deed of trust, and Sheriff's sale or equivalent proceedings, who shall take title to said premises subject to the lien hereof for all said charges pursuant to the provisions of this Declaration that have accrued up to the time of said foreclosure and provided also that the breach of any said covenants, conditions, and restrictions may be enjoined, abated, or reviewed by appropriate proceedings, notwithstanding the lien or existence of any such mortgage or deed of trust. All instruments of conveyance of any interest of all or any part of said Unit shall contain a reference to this instrument and shall be subject to the covenants, conditions, and restrictions herein as fully as though the terms and conditions of this instrument were therein set forth in full. The terms and conditions of this instrument shall be binding upon all persons affected by its terms, whether or not express reference is made to this instrument in any such instrument of conveyance. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

Section 3. **SAVING CLAUSE** The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this instrument or any part thereof, all of which are inserted conditionally on being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained herein should be invalid or should operate to render this Declaration invalid, this Declaration shall be construed as if such phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, or section or sections had not been inserted. In the event that any provision or provisions of this instrument appear to be violative of the Rule against Perpetuities, such provision or provisions shall be construed as being void and of no effect as of twenty-one (21) years after death of the last surviving incorporator of Villas Verona Owners Association or twenty-one (21) years after the death of the last survivor of all said incorporators' children or grandchildren who shall be living at the time this instrument is executed, whichever is later.

Section 4. **AMENDMENT.** The covenants, conditions, and restrictions of this Declaration shall run with and bind the land for a term of ten (10) years from the date this Declaration is recorded, after which time they shall be automatically extended for a successive period of ten (10) years. This Declaration may be amended during the first three (3) year period by the Board of Directors of the Association, and thereafter, by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Units. Any amendment must be recorded.

For as long as a period of time as may be required to fully amortize any mortgage upon any of the residential Units owned or insured by the Federal National Mortgage Association (FNMA), the Federal Housing Administration (FHA), the Veterans Administration (VA) or the Governmental National Mortgage Association (GNMA), no amendment shall be made which would be deemed to be in conflict with, or contrary to, the terms of any promissory note, mortgage regulatory agreement or document executed by the Association or any of the Owners of Units for the purpose of obtaining insurance or financing involving FNMA, FHA, VA or GNMA without obtaining written approval and consent of FNMA, FHA, VA, or GNMA.

Section 5. **INDEMNITY AND HOLD HARMLESS FOR BOARD OF DIRECTORS.** The Association hereby indemnified and hold harmless all members of the Board of Directors of this Association for any and all actions they may take, either individually or jointly, on behalf of the Association.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has hereunto set its hand and seal this 9th day of September, 2004.

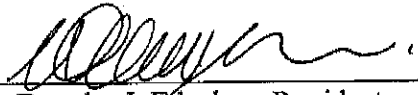
**"DECLARANT"**

WINDSOR SHEA, L.L.C.  
An Arizona limited liability company

By:   
Douglas J. Edgelow, Manager

Approved and Accepted by:

**VILLAS VERONA OWNERS ASSOCIATION**

By:   
Douglas J. Edgelow, President

**EXHIBIT "A"**

That part of the Southeast quarter of the Northeast quarter of Section 30, Township 3 North, Range 6 East, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

COMMENCING at the East quarter corner of said Section 30, said corner being the Southeast corner of Saddleview, according to Book 393 of Maps, page 47, records of Maricopa County, Arizona;

THENCE North  $89^{\circ} 34' 13''$  West along the South line of the Southeast quarter of the Northeast quarter of said Section 30 and along the South line of said Saddleview, 1291.79 feet to the Easterly right of way line of 142nd Street as shown on the plat of said Saddleview;

THENCE North  $00^{\circ} 32' 25''$  East, along said Easterly right of way line, 635.36 feet to the POINT OF BEGINNING;

THENCE continuing North  $00^{\circ} 32' 25''$  East, 488.59 feet to the Southerly right of way line of Shea Boulevard as shown in Book 15 of Road Maps, pages 54 and 55, records of Maricopa County, Arizona, said point being on a non-tangent curve whose center bears North  $05^{\circ} 45' 48''$  East, 2624.48 feet;

THENCE Easterly along said Southerly right of way line and said curve, through a central angle of  $09^{\circ} 10' 46''$ , a distance of 420.47 feet to the Northerly boundary of said Saddleview;

THENCE along the boundary of said Saddleview the following courses:

THENCE South  $20^{\circ} 58' 12''$  East, 300.00 feet;

THENCE South  $43^{\circ} 48' 15''$  West, 238.09 feet to the beginning of a tangent curve concave Northwesterly, having a radius of 100.00 feet;

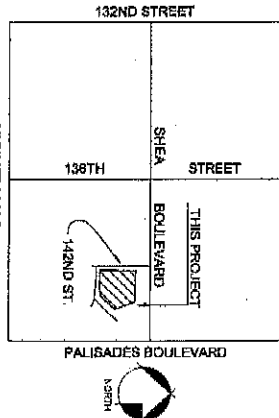
THENCE Southwesterly along said curve, through a central angle of  $46^{\circ} 44' 10''$ , a distance of 81.57 feet;

THENCE North  $89^{\circ} 27' 35''$  West, 294.00 feet to the POINT OF BEGINNING;



Exhibit "B"  
(Recorded Plat)

A CONDOMINIUM MAP AND MAP OF DEDICATION OF EASEMENTS OF  
VILLAS VERONA CONDOMINIUMS  
A PART OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF  
SECTION 30, TOWNSHIP 3 NORTH, RANGE 6 EAST, OF THE SALT RIVER  
AND SALT RIVER BASE AND VERDON, MARICOPA COUNTY, ARIZONA



- NOTES**
- THIS MAP IS LOCATED WITHIN THE CITY OF SCOTTSDALE WATER SERVICE AREA AND HAS BEEN RECORDED AS BEING AN ASSIGNED RENT SUBJECT.
  - CONDOMINIUMS WITH UNDER LUTY EASEMENTS, EXCEPT FOR PUBLIC ADDRESS AND UTILITY COMPANIES, SHALL BE SUBJECT TO THE CITY OF SCOTTSDALE'S WATER SERVICE AREA AND SHALL BE IN COMPLIANCE WITH APPLICABLE LOCAL AND REGIONAL ORDINANCES.
  - EXISTING LINES ARE TO BE CONSIDERED UNDERGROUND AS REQUIRED BY ARIZONA CONSTRUCTION CODE, CHAPTER 18-4.
  - CONCRETE IS 8" - 5" SET.
  - THE OWNER ASSOCIATION DOES NOT WARRANT THAT THE MAPS AND RECORDS OF THE DEVELOPER FURNISHED HEREIN SHALL BE CORRECT OR THAT THE LOTS LOCATED WITHIN COMMON AREAS SHALL BE THE SAME AS SHOWN ON THE RECORDS OF THE DEVELOPER. THE DEVELOPER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE RECORDS OF THE DEVELOPER. THE DEVELOPER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE RECORDS OF THE DEVELOPER.
  - THE DEVELOPER ASSOCIATION DOES NOT WARRANT THAT THE MAPS AND RECORDS OF THE DEVELOPER FURNISHED HEREIN SHALL BE CORRECT OR THAT THE LOTS LOCATED WITHIN COMMON AREAS SHALL BE THE SAME AS SHOWN ON THE RECORDS OF THE DEVELOPER. THE DEVELOPER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE RECORDS OF THE DEVELOPER.
  - THE DEVELOPER ASSOCIATION DOES NOT WARRANT THAT THE MAPS AND RECORDS OF THE DEVELOPER FURNISHED HEREIN SHALL BE CORRECT OR THAT THE LOTS LOCATED WITHIN COMMON AREAS SHALL BE THE SAME AS SHOWN ON THE RECORDS OF THE DEVELOPER. THE DEVELOPER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE RECORDS OF THE DEVELOPER.

**LEGAL DESCRIPTION**

THAT PART OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 NORTH, RANGE 6 EAST, OF THE SALT RIVER AND SALT RIVER BASE AND VERDON, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

THE DEVELOPER ASSOCIATION DOES NOT WARRANT THAT THE MAPS AND RECORDS OF THE DEVELOPER FURNISHED HEREIN SHALL BE CORRECT OR THAT THE LOTS LOCATED WITHIN COMMON AREAS SHALL BE THE SAME AS SHOWN ON THE RECORDS OF THE DEVELOPER. THE DEVELOPER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE RECORDS OF THE DEVELOPER.

**LEGALS**

THE DEVELOPER ASSOCIATION DOES NOT WARRANT THAT THE MAPS AND RECORDS OF THE DEVELOPER FURNISHED HEREIN SHALL BE CORRECT OR THAT THE LOTS LOCATED WITHIN COMMON AREAS SHALL BE THE SAME AS SHOWN ON THE RECORDS OF THE DEVELOPER. THE DEVELOPER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE RECORDS OF THE DEVELOPER.

**ACKNOWLEDGMENT**

I, Robert J. Olsson, President of the Villages Verona Condominiums Association, do hereby certify that the foregoing is a true and correct copy of the recorded plat as shown and that the same is a true and correct copy of the recorded plat as shown and that the same is a true and correct copy of the recorded plat as shown.

**ACKNOWLEDGMENT**

I, Robert J. Olsson, President of the Villages Verona Condominiums Association, do hereby certify that the foregoing is a true and correct copy of the recorded plat as shown and that the same is a true and correct copy of the recorded plat as shown.

**DEDICATION**

STATE OF ARIZONA }  
COUNTY OF MARICOPA } SS

KNOW ALL MEN BY THESE PRESENTS, THAT VILLAGES VERONA, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, AS GENERAL, HAS SUBMITTED UNDER THE RULES OF THE ARIZONA CONDOMINIUM ACT A PROPOSAL TO DEDICATE A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 3 NORTH, RANGE 6 EAST, OF THE SALT RIVER AND SALT RIVER BASE AND VERDON, MARICOPA COUNTY, ARIZONA, AS COMMON AREAS FOR THE USE AND BENEFIT OF THE DEVELOPER ASSOCIATION AND THE UNIT OWNERS OF THE VILLAGES VERONA CONDOMINIUMS.

**ACKNOWLEDGMENT**

STATE OF ARIZONA }  
COUNTY OF MARICOPA } SS

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**ACKNOWLEDGMENT**

STATE OF ARIZONA }  
COUNTY OF MARICOPA } SS

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**ACKNOWLEDGMENT**

STATE OF ARIZONA }  
COUNTY OF MARICOPA } SS

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**ACKNOWLEDGMENT**

STATE OF ARIZONA }  
COUNTY OF MARICOPA } SS

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**ACKNOWLEDGMENT**

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COUNTY OF MARICOPA } SS

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**ACKNOWLEDGMENT**

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COUNTY OF MARICOPA } SS

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**REVISIONS**

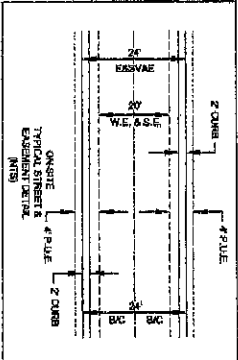
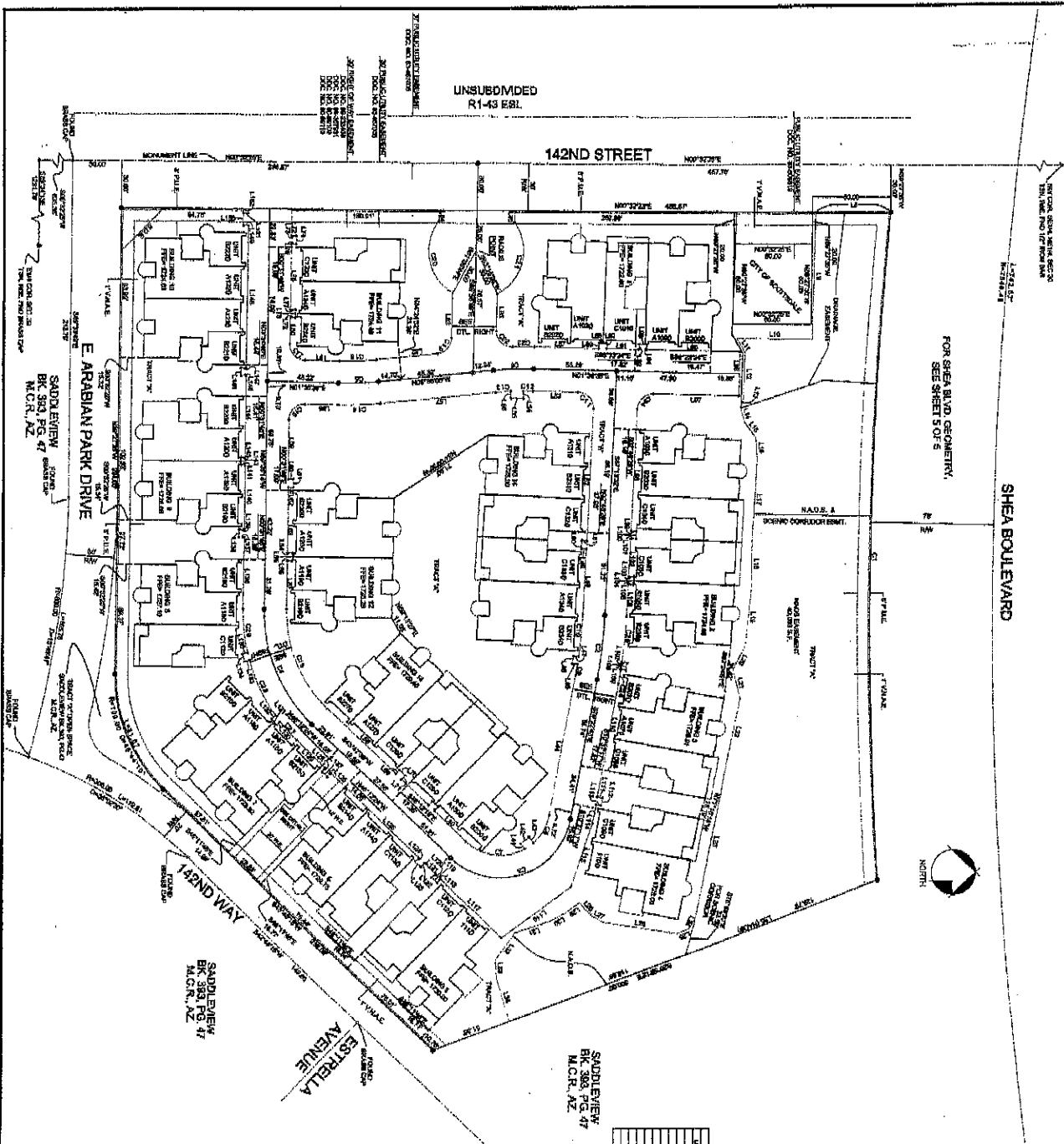
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**OLSSON ASSOCIATES, INC.**  
780 NORTH 6TH STREET, SUITE 210  
KOLAR, ARIZONA 85110  
PHONE: 602-742-7292  
FAX: 602-742-7293  
olsson@olsson.com

A CONDOMINIUM MAP AND MAP OF DEDICATION OF EASEMENTS OF  
VILLAS VERONA CONDOMINIUMS  
S.W. CORNER 142ND ST. & SHEA BLVD.  
SCOTTSDALE, ARIZONA

**REVISIONS**

NO.	DATE	DESCRIPTION



UNIT NO.	OWNER	STATUS
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**REMARKS:**  
 1. ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.  
 2. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROADWAY UNLESS OTHERWISE NOTED.  
 3. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROADWAY UNLESS OTHERWISE NOTED.  
 4. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROADWAY UNLESS OTHERWISE NOTED.

**NOTE:**  
 SEE SHEET 1 OF 5 FOR SHEAR BOULEVARD GEOMETRY.  
 SEE SHEET 2 OF 5 FOR SHEAR BOULEVARD GEOMETRY.

- NON-BUILDING LEGEND:**
- EXISTING ROADWAY GRADE CAP
  - ROADWAY MONUMENT TO BE SET
  - PROPERTY CORNER
  - ▲ FOUND BOLD CAP (S/N MONUM)

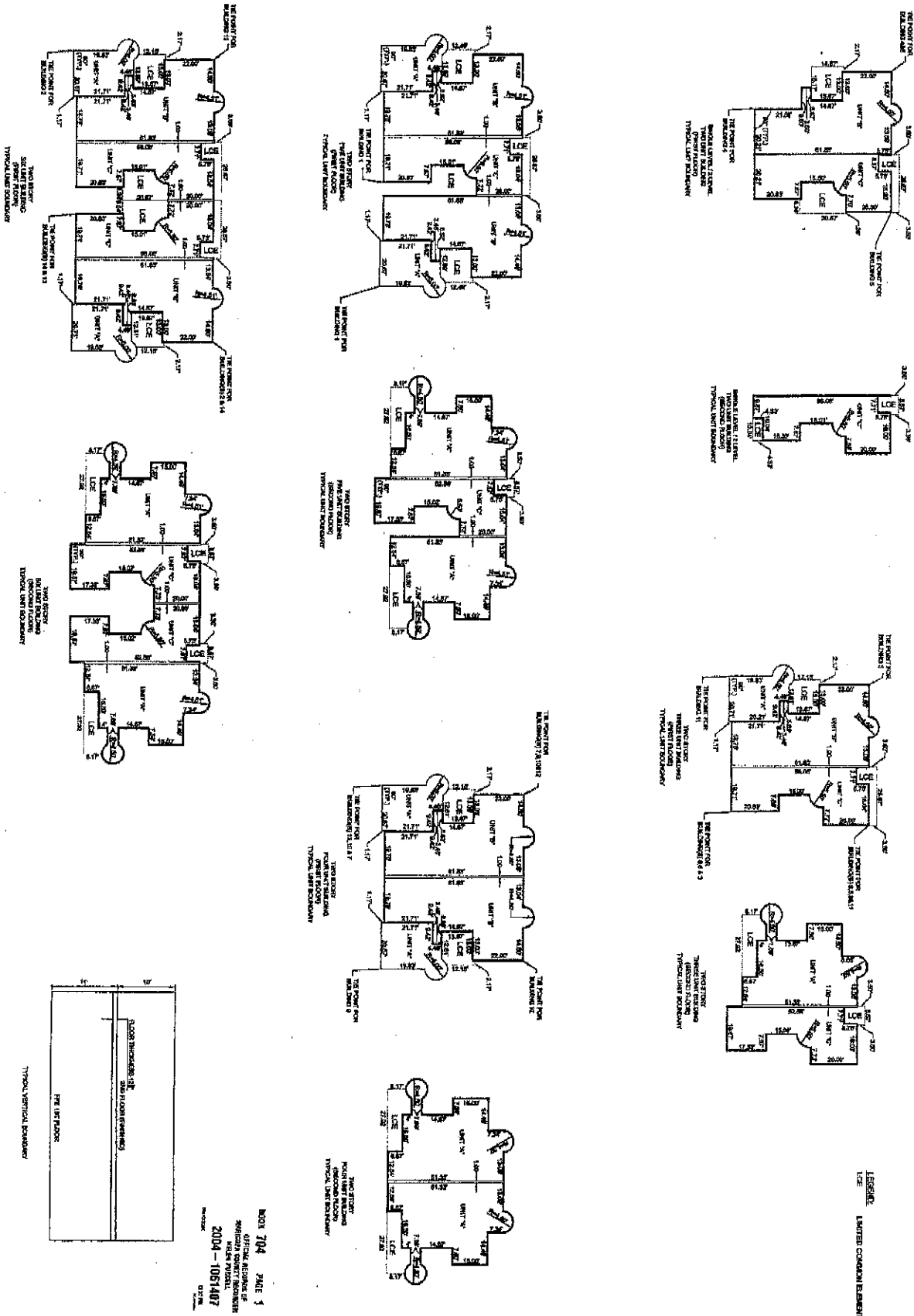
BOOK 704 PAGE 1  
 OFFICIAL RECORD OF  
 MARICOPA COUNTY RECORDS  
 2004-1061407

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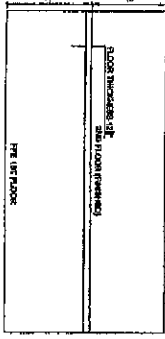
**A CONDOMINIUM MAP AND MAP OF DEDICATION OF EASEMENTS OF  
 VILLAS VERONA CONDOMINIUMS**  
 S.W. CORNER 142ND ST. & SHEAR BLVD.  
 SCOTTSDALE, ARIZONA

**OLSSON ASSOCIATES, INC.**  
 7250 NORTH 16TH STREET, SUITE 210  
 SCOTTSDALE, ARIZONA 85258  
 PHONE: 602.748.1000  
 FAX: 602.748.1001  
 www.olsson.com





NO. 704 PAGE 3  
 OFFICE ADDRESS:  
 2004-1063618  
 2004-1063618  
 02/04



**A CONDOMINIUM MAP AND MAP OF DEDICATION OF EASEMENTS OF  
 VILLAS VERONA CONDOMINIUMS**  
 S.W. CORNER 142ND ST. & SHEA BLVD.  
 SCOTTSDALE, ARIZONA

**OLSSON ASSOCIATES, INC.**  
 1001 NORTH 16TH STREET, SUITE 210  
 PHOENIX, ARIZONA 85020  
 PHONE: 602.744.1800  
 FAX: 602.744.1001  
 oacon@aol.com



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FIRST AMENDMENT TO RESTATED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR VILLAS VERONA

This first amendment to the Restated Declaration of Covenants, Conditions and Restrictions (CC&R's) of Villas Verona Owners Association, Inc. is made this 18<sup>th</sup> day of August, 2016.

Pursuant to Article XXII, Section 4, of the Declaration of Covenants, Conditions and Restrictions for Villas Verona dated September 9, 2004 and recorded on September 10, 2004, at Instrument No. 2004-1063618, the undersigned certify that not less than seventy-five (75%) percent of the Units approve the following amendment to the Declaration in writing:

Article XI, Section 14 is hereby amended to read as follows:

All leases shall be of a period of no less than thirty (30) days. The owner shall notify the management company of the name and contact information for adults occupying the unit, the beginning and end dates of the tenancy, and the license plate numbers of the tenants' vehicles. An Owner may designate a third party to act as the owner's agent with respect to all association matters relating to the rental unit, except for voting in association elections and serving on the board of directors. Any designation of a third party shall be in writing and provided to the management company. Failure to provide such information to the management company will result in a fine of \$15 per lease. No Unit shall be leased by an Owner, and no landlord-tenant relationship established unless such lease or landlord or tenant has agreed in writing that the lease is subject in all respects to the provisions of this Declaration, the Articles of Incorporation of the Association, the Bylaws of the Association and all rules and regulations duly adopted by the Association. Said writing shall provide that any failure of the lessee or tenant to comply with the terms of such documents or rules and regulations shall be default under the lease.

Except as identified, all other provisions of the Declaration (including all amendments thereto) shall remain in full force and shall be unaffected by this First Amendment.

Pursuant to Article II, Section 1 of the Declaration, the undersigned President of Villas Verona Owners Association hereby certifies that the foregoing First Amendment was approved by Owners representing (seventy-five) 75% of the Units as more fully set forth above, and that all requirements regarding this First Amendment will be satisfied upon the recording of this First Amendment, and this First Amendment will be effective upon recordation.

Harold Smith

President

State of Arizona            )  
  )ss.  
County of Maricopa        )

On this 18<sup>th</sup> day of August, 2016, before me, the undersigned Notary Public, appeared Harold Smith, the President of Villas Verona Owners Association, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that he signed the same for the purposes therein contained.



Valentina Loncar  
Notary Public

My Commission expires:

Aug 15, 2019