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#17

LETTER TO HOMEOWNERS

Town Square Homeowners Association, Unit 11

Re: Proposal for amendments to COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS (CC&Rs)

The upcoming vote for approval to amend Town Square Homeowners Association CC&Rs is crucial to the financial survival of the Community at current assessment levels. This vote is the 2nd phase of the Associations plan to update the documents. The 1st phase amended the requirement of 90% of Homeowners approval to amend documents to a lower, more realistic requirement of 67% of Homeowners approval. This amendment was voted on and approved in 2007.

This 2nd phase, if approved, will allow the Association to continue to operate at near current assessment levels, as we have since the original CC&R document was filed by the builder of our homes in 1984. In 1993, the builder turned the Association over to the Board. The new Board recognized immediately that it would be impossible to comply with a strict interpretation of the documents without requiring an annual assessment far beyond the means of most of the Homeowners.

Acting in the best interests of the Homeowners, the Board complied with the documents to the extent possible, based on the budget they had to work with. Certain requirements, such as planting seasonal flowers in all front yards which were lost through attrition, maintenance, repair or replacement of damaged or worn out sprinkler system, in short maintaining everything from the sidewalk to the front of the house, was far too costly for the budgeted assessment.

For the above reason, maintenance responsibility of the Town Square HOA has been restricted to planting and mowing front yards and common areas, trimming trees and bushes to required heights and weed control of planted areas of front yards. The rest of yard and home maintenance has been the Homeowners responsibility since the Homeowners Association administrative duties were turned over to the homeowners by the builder, as deemed by the Board in the letter of September, 1993.

This 2nd phase vote to amend the CC&Rs will allow the Board of Directors to conduct the business of the Association in strict compliance with the documents, and eliminate questions about the interpretation of the documents since the necessary action by the Board in 1993.

If amended, the rules will more realistically recognize the requirements of our Community, and allow us to pay accordingly for the financial responsibilities we do have; private street maintenance, street light rental and electricity costs, general landscaping maintenance (as described in the amendment proposal), taxes of Common Areas and Administration costs, including Management Company fees and other costs.

TO READ AND INTERPRET PROPOSAL:

Text in blue is wording of un-amended current CC&R document.

Text in <u>blue with portions lined out</u> will be deleted from CC&Rs if amendment is approved.

Text in <u>red</u> would be added to CC&Rs if amendment is approved by 67% of homeowners.

ALTA MESA UNIT 11 - TOWN SQUARE HOMEOWNERS ASSOCIATION

Proposal for amendments to:

DECLARATION OF COVENANTS, CONDITIONS RESTRICTIONS, AND RESERVATIONS

ARTICLE I

DEFINITIONS

Section 8. <u>"Front Yards"</u> shall mean and refer to the area from the front sidewalk to the dwelling and from the front sidewalk to the front property fences., and from the side sidewalk to the side property fences on corner lots.

Section 9. <u>"Community"</u> shall mean and refer to a group of residential patio home dwelling units. single family dwelling units.

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"Common Expense" shall mean and refer to the actual and Section 14. estimated costs of: maintaining the Front Yards of each and every lot in the Covered Property, which shall include the mowing and fertilizing of lawns, the planting of seasonal flowers, plants, and shrubs, costs of attrition, and water and electrical expenses incurred for the use of time clocks on sprinkler systems. "Common Expense" shall also refer to the actual and estimated costs of: general landscape maintenance, repair and replacement of any improvements in the Common Areas, including unpaid Special and Reconstruction Assessments, general landscape maintenance of front yards and common areas, which is limited to planting, mowing and fertilizing of lawns, trimming of bushes and trees to required heights, and weed control with chemicals in planted areas; costs of management and administraation of the Association including, but not limited to, compensation paid by the Association to employees, accountants, attorneys and other agents; the costs of utilities, gardening and other services benefitting the Common Areas, the costs of casualty, liability, workmens compensation and other insurance covering the Common Areas and reasonable reserves as deemed appropriate by the Board; the costs of bonding of the members of the management body, taxes paid by the Association, amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Areas or portions therof; costs incurred by the Architectural and Landscaping Committee, and the costs of any other item or items designated by, or in accordance with other expenses incurred by the Association for any reason whatsoever which in the good faith judgment of the Board, are required in connection with the Common Areas and the Alta Mesa Unit 11 Community, the Articles of Incorporation, or the By-Laws, or in furtherance of the purpose of the Association or in the discharge of any obligation imposed on the Association by this Declaration.

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ARTICLE II

ALTA MESA DECLARATION

Section 2. Upon recordation of the Unit 11 Plat, the lots in ALTA MESA UNIT 11 shall have a land use classification, as that term is defined in the Alta Mesa Declaration of Cluster Residential. Single Family Homes, Residential.

ARTICLE V

DUTIES AND POWERS OF THE ASSOCIATION

Section 1... General Duties and Powers:

(B) Own, maintain, and otherwise manage all of the Common Areas and all improvements and landscaping theron, and all other property acquired by the Association, and maintain all Front Yards in Covered Property; and provide General Landscaping Service limited to planting and mowing of seasonal lawns, trimming of bushes and trees to required heights and chemical weed control to all Front Yards in Covered Property.

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(F) Collect assessments to defray expenses associated with the Common Areas and maintenance of Front Yards of each Lot in the Covered Property fromthe Owners of said Lots. General Landscape Maintenance to Front Yards, limited to planting and mowing of seasonal lawns, trimming of bushes and trees to required heights and chemical weed control to all Front Yards in Covered Property.

ARTICLE X

MAINTENANCE OBLIGATIONS

Section 1. Maintenance of Common Areas and Front Yards. The Landscaped areas shall be of greenscaping consisting of lawns, groundcovers, trees, shrubs and flowering plants. No desert landscaping, rockscaping, gravel, granite, cactus or any type of plant considered to be of the desert species shall be planted or emplaced on any Common Area or Front Yard. Those Common Areas and Front Yards shall subsequently be maintained by the Declarants own employees or by another party contracted to perform said maintanance until seventy five percent (75%) of the units are occupied. At such time, The Association shall be delegated and assigned the power of maintaining and administering and enforcing these covenants, conditions and restrictions; collecting and disbursing funds pursuant to the assessments and charges hereinafter created and referred to, and to perform such other acts and shall generally benefit the community. The Association shall maintain the Common Areas

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and Front Yards of each and every Lot at a level of general maintenance and landscaping excellence at least equal to the standard prevailing with respect to areas of a similar nature located in residential communities commonly and generally deemed to be of high quality. The Association may, at its option, satisfy the maintenance obligations provided herein with its own employees and equipment or contract with another party to satisfy said maintenance obligations.—Maintenance obligations shall consist of maintaining the Front Yards at a level of General Landscaping Maintenance, limited to:

- (A) Mowing, fertilizing, verticutting and planting of seasonal lawns planting of seasonal shrubs, groundcover, bushes and trees, flowers. Replacement of trees, shrubs, bushes and plants due to attrition.
- (A) Mowing, fertilizing, verticutting and planting of seasonal lawns, trimming bushes and trees to required heights and controlling weeds in planted areas with chemicals.
- (B) All Front Yards worthcal Document equipped with bubbler and sprinkling systems which will be operated by automatic timer, and controlled by the party contracted with to accomplish said maintenance obligations.
- (B) The limited Common Area in the Community does not require irrigation. Landscape Maintenance necessary in Common Areas will be performed as in Paragraph (A), Section 1, Article X.
- (C) Common Areas shall come equipped and be maintained by the same means as described in Paragraph (B), Section 1, Article X.

Section 2. Maintenance Responsibilities of owners. Except where such obligations are expressly assumed by the Association, every Owner shall maintain the exterior of his or her Dwelling, roof, walls, fences and/or the exterior and roof of any otherImprovement or structure, including irrigation system, located or emplaced on his or her Lot, in good condition and repair.

such successors and assigns should acquire more than one (1) undeveloped lot from the Declarant for the purpose of development.

- Section 2. "Declaration" shall mean this Declaration of Covenants, conditions and Restrictions.
- Section 3. "Lot" shall mean and refer to a recorded Lot to the extent such Lot is part of the Covered Property; provided, however, Lot shall not include any portion of a Common Area.
- <u>Section 4.</u> "Owner" shall mean and refer to one or more persons of entities, other than **Declarant**, who are alone or collectively the record owner of a fee simple title to a Lot, but excluding those holding title merely as security for the performance of an obligation.
- Section 5. "Dwelling" shall mean the residential dwelling unit together with garage and other structures on the same Lot.
- Section 6. "Improvement" shall include buildings, driveways, fences, screening walls, retaining walls, hedges, windbreaks, plantings, planted trees and shrubs, poles, and all other structures or landscaping inprovements of every type and kind.
- Section 7. "Common Area" shall mean and refer to all real property and the improvements theron owned by the Association for the common use and enjoyment of said Owners.

(amended)

Section 8. "Front Yards" shall mean and refer to the area from the front sidewalk to the dwelling, and from the front sidewalk to the front property fences, and from the side sidewalk to the side property fences on the corner Lots.

(amended)

Section 9. "Community" shall mean and refer to a group of residential, single family dwelling units.

<u>Section 10.</u> "<u>Association</u>" shall mean and refer to ALTA MESA UNIT 11 HOMEOWNERS ASSOCIATION, an Arizona non-profit corporation, to be incorporated under the laws of the State of Arizona, its successors and assigns, which shall be an "ancillary association" as that term is defined in Article V, Section 5 of the Alta Mesa Declaration. Unless this Declaration specifically requires a vote of the Members, approvals and other actions to be given or taken by the Association shall be valid if given or taken by the Board or its authorized delegate.

- Section 11. "Board" shall mean the Board of Directors of the Association.
- Section 12. "Association Rules" shall mean rules adopted by the Association pursuant to Article V hereof entitled "Duties and Powers of the Association."
- Section 13. "Architectural and Landscaping Committee" shall mean and refer to the committee provided for in Article IX hereof entitled "Architectural and Landscaping Control."

(amended)

Section 14. "Common Expense" shall mean and refer to the actual and estimated costs of; general landscape maintenance, repair and replacement of any improvements in the Common Areas, including unpaid Special and Reconstruction Assessments, General Landscape maintenance of front yards and common areas, which is limited to planting, mowing and fertilizing of lawns, trimming of bushes and trees to required heights and weed control with chemicals in planted areas; cost of management and administration of the Association including, but not limited to compensation paid by the Association to employees, accountants, attorneys and other agents; the costs of utilities, gardening and other servfices benefitting the Common Areas; the costs of casualty, liability, workmens compensation and other insurance covering the Common Areas and reasonable reserves as deemed appropriate by the Board; the costs of bonding of the members of the management body;

(amended)

taxes paid by the Association; amounts paid by the Association for the discharge of any lean or incumberance levied against the Common Areas or portions thereof; costs incurred by the Architectural Control and Landscaping Committee; and the costs of any other item or items designated by, or in accordance with other expenses incurred by the Association for any reason whatsoever which in the good faith judgement of the Board, are required in connection with the Common Areas and the Alta Mesa Unit 11 Community, the Articles of Incorporation, or the By-Laws, or in furtherance of the purpose of the Association or in the discharge of any obligation imposed on the Association by this Declaration.

Section 15. "assessments" the following meanings shall be given to the assessments hereinafter defined:

<u>"Regular Assessment"</u> shall mean the amount which is to be paid by each Owner to the Association for Common Expenses.

"Special Assessment" shall mean a charge against a particular Owner and his Lot directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed, or attorneys' fees and other charges payable by such Owner, pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

"Reconstruction Assessment" shall mean a charge against each Owner and his Lot representing a portion of the cost to the Association for reconstruction of any portion or portions of the Common Areas (if any) pursuant to the provisions of the Declaration.

"Capital Improve ressment" shall mean a charge against each Owner and his Lot representing a portion of the cost to the Association for installation or construction of any capital improvements on any portion of the Common Areas which the Association may from time to time authorize.

Section 16. "Articles and By-Laws" shall mean and refer to the Articles of Incorporation and By-Laws of the Association as the same may from time to time be duly amended.

Section 17. "Covered Property" shall mean all real property and the improvements situated thereon which comprise Alta Mesa Unit 11 and are or shall be subject to this Declaration.

Unless specifically defined elsewhere in this Declaration, all other words shall have their common and ordinary usage, as the context requires, and no term defined in the Alta Mesa Declaration shall automatically or necessarily have the same definition when used herein, except where and to the extent necessary for this Declaration to be consistent with the Alta Mesa Declaration.

ARTICLE II

ALTA MESA DECLARATION

Section 1. Neither this Declaration, the Association, or Articles of Incorporation or By-Laws of the Association shall be effective until approved by the Association established by the Alta

Mesa Declaration (the "Alta Mesa Association") and the Residential Architectural Committee established by the Alta Mesa Declaration. The Association and the rights of its members are subject and subordinate to the provisions of the Alta Mesa Declaration, the Articles of Incorporation and By-Laws of the Alta Mesa Association, the Alta Mesa Rules, and the Architectural rules and guidelines adopted pursuant to the Alta Mesa Declaration. In addition, all of the Properties shall remain fully subject to the Alta Mesa Declaration. In the event of any conflict or inconsistency between this Declaration and the Alta Mesa Declaration, the terms and the provisions of the Alta Mesa Declaration shall control, except in cases where the terms and provisions of this Declaration require that the parties effected perform acts or obtain supermajority levels of voting in excess of or more stringent than those required by the Alta Mesa Declaration, in which event the provisions of this Declaration shall control.

(amended)

<u>Section 2.</u> Upon recordation of the Unit 11 plat, the Lots in ALTA MESA, UNIT 11, shall have a land use classification, as that term is defined in the Alta Mesa Declaration of Single Family Homes, Residential.

ARTICLE III

USE RESTRICTIONS

Section 1. Residential use. With the exception of the Common Area, all of said Lots shall be known and described as single-family Lots and none of said Lots or any part thereof shall be used for the conduct of an active trade or business.

Section 2. New and Permanent Construction. All structures on said Lots shall be of new construction and no buildings shall be movement my other location onto any of said Lots, except as otherwise provided for herein.

Section 3. Temporary Structures. No structure of a temporary character, trailer, garage, tent, shack or other outbuilding shall hereafter be used on any part of the Covered Property at any time as a residence, either temporarily or permanently until a dwelling house shall have been erected, or until a contract with a reliable contractor shall have been entered into for the construction of the dwelling which shall comply with the restrictions as herein contained, except trailers or temporary construction offices or storage buildings placed or erected thereon to be used for construction purposes by the contractors performing either on-site or off-site work on said subdivision during the course of construction.

Section 4. No Business Use. No store, office, hosital, or other place for the care or treatment of sick or disabled; theatre, saloon, or other place of entertainment shall ever be erected or permitted upon any of the said Lots, or any part thereof. No business of any kind or character whatsoever, save and except rental of the units themselves or passive investment activities by an Owner for his account, shall be conducted in and from any residence on said Lots. Any Owner who elects to rent his unit to another person does so on the condition that the use of his unit by any such tenant shall be subject to the terms and conditions of this Declaration and, specifically Section 16 of Article XVII entitled "Lease Agreements."

Section 5. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other common household pets may be kept on the Lots, provided they are not kept, bred or maintained for

Section 2. Floor Area. No dwelling house having a ground area of fewer than 900 square feet per unit, including the walls proper of the house, but exclusive of open porches, pergolas or attached garage, or other similar extensions or projections shall be erected, permitted or maintained on any of the said Lots.

Section 3. Set Backs. No building shall be erected on any of the said Lots, the front walls of which are closer than ten (10) feet to, nor further than twenty-five (25) feet from the front property line. The side walls of any such building abutting upon a street shall be no closer than five (5) feet to said street line to which it is adjacent. No set back from the side property line of a Lot is required of any side wall which does not abut on a street.

Section 4. Fences. No front solid wall or fence of any height or kind shall be constructed or maintained closer than twenty (20) feet to the front street line of any of the said Lots.

ARTICLE V

DUTIES AND POWERS OF THE ASSOCIATION

(amended)

Section 1. General Duties and Powers. In addition to the duties and powers enumerated in its Articles and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

(A) Enforce the provisions of this Declaration by appropriate means, including, without limitation, the expenditure of funds of the Association, the employment of legal counsel, the commencement of actions, and the promulgation of the Association Rules as provided in the By-Laws, which shall include the establishment of a system of fines or penalties enforceable as Special Assessments also as provided for in the By-Laws;

(amended)

- (B) Own, maintain, and otherwise manage all of the Common Areas and all improvements and landscaping thereon, and all provide General Landscaping Service limited to planting and mowing of seasonal lawns, trimming of bushes and trees to required heights and chemical weed control to all Front Yards in Covered Property.
- (C) Pay any real and personal property taxes and other charges assessed against the Common Areas;
- (D) Obtain, as may be appropriate for the benefit of all of the Common Areas, water, electric services and refuse collection;
- (E) Grant easements for utilities where necessary over the Common Areas and the Covered Property;

(amended)

- (F) Collect Assessments to defray expenses associated with the Common Areas and General Landscape Maintenance to Front Yards, limited to planting and mowing of seasonal lawns, trimming of bushes and trees to required heights and chemical weed control to all Front Yards in Covered Property.
- (G) Maintain such policy or policies of insurance as the Board deems necessary or desirable in furthering the purpose of and protecting the interest of the Association and the Owners;
- (H) Establish and maintain a working capital and contingency fund in an amount to be determined by the Board.
- Section 2. Association Rules. The Association shall also have the power to adopt, amend and repeal such rules and regulations as it deems reasonable (The Association Rules). The Association Rules shall govern such matters in

specifications to the Association or the Architectural Committee and to obtain the approval of the Association of the Committee of such plans. Such exemptions shall be in writing with notice thereof given to the Association, and may be for a specified period of time, with respect to specified improvements only or all improvements, or may permanently exempt such Owner(s) from such obligations. The party receiving such exemption shall continue to be bound by the remaining provisions of Section 1 and 2 and the subsequent Sections of this Article IX and by the provisions for Architectural Control set forth in the Alta Mesa Declaration.

ARTICLE X

MAINTENANCE OBLIGATIONS

(amended)

Section 1. maintenance of Common Areas and Front Yards. The Landscaped areas shall be of greenscaping, consisting of lawns, groundcovers, trees, shrubs and flowering plants. No desert landscaping, rockscaping, gravel, granite, cactus or any type of plant considered to be of the desert species shall be planted or emplaced on any Common Area or Front Yard. The Association shall be delegated and assigned the power of maintaining and administering and enforcing these covenants, conditions and restrictions, collecting and disbursing funds pursuant to the assessments and charges hereinafter created and referred to; and to perform such other acts and shall generally benefit the community. The Association shall maintain the Common Areas at a level of general maintenance and landscaping excellence at least equal to the standard prevailing with respect to areas of similar nature located in residential communities commonly and prevailing with respect to areas of similar nature located in residential communities commonly and prevailing with respect to areas of similar nature located in residential communities commonly and prevailing with respect to areas of similar nature located in residential communities commonly and prevailing with respect to areas of similar nature located in residential communities commonly and prevailing with respect to areas of similar nature located in residential communities commonly and prevailing with respect to areas of similar nature located in residential communities commonly and prevailing with respect to areas of similar nature located in residential communities commonly and prevailing with respect to areas of similar nature located in residential communities commonly and prevail prev

(amended)

(A) Mowing, fertilizing, verticutting and planting of seasonal lawns, trimming bushes and trees to required heights and controlling weeds in planted areas with chemicals.

(amended)

(B) The limited Common Area in the Community does not require irrigation. Landscape Maintenance necessary in Common Areas will be performed as in Paragraph (A), Section 1, Article X.

(amended)

<u>Section 2.</u> Maintenance Responsibilities of Owners. Except where such obligations are expressly assumed by the Association, every Owner shall maintain the exterior of his or her dwelling, roof, walls, fences and/or the exterior and roof of any other improvement or structure, including irrigation system, located or emplaced on his or her Lot, in good condition and repair.

ARTICLE XVII

GENERAL PROVISIONS

Section 1. Enforcement. The Association shall have the exclusive right to enforce by proceedings at Law or in equity, all restrictions, conditions covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment hereto, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations and the right to recover damages or other dues for such violation. Failure by the Association to enforce any covenant, condition or restriction herein contained shall in no event be a waiver of the right to do so thereafter.

<u>Section 2. Severability.</u> Invalidation of any one of these covenants, conditions or restrictions by judgement or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the Covered property and shall inure to the benefit of and be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatic. The Covered ded for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Owners has been recorded, agreeing to amend or release said covenants, conditions and restrictions in whole or in part.

Section 4. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development, management and operation of a residential community and for the maintenance of the Common Area and Front Yards. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions in interpretation or construction.

Section 5. Amendments. These conditions may be terminated, extended, modified or amended, at any time or times as to the tract or any part thereof, by an instrument signed by not less than sixty-seven percent (67%) of the Owners of the Lots, provided that no such termination, extension, modification or amendment shall be effective until a proper instrument in writing has been executed, acknowledged and recorded in the Office of the Recorder, County of Maricopa, State of Arizona, and further provided that no such termination, extension, modification, or amendment shall be inconsistent with the Alta Mesa Declaration. The easements reserved in Articles XIV and XV hereof may not be terminated, modified, or amended except with the written consent of the owners of the dominant tenement and the removal of all encroachments of the affected servient tenement.

(Section 5. has been amended as stated above, and registered with the County of Maricopa, Recording Number 2007-0843758. Except as expressly amended by this amendment, the Declaration shall remain in full force and effect. In the event of any conflict or inconsistency between this Amendment and the Declaration, this Amendment shall prevail. All terms not defined in this Amendment shall have the same definition assigned to them in the Declaration).