

FINAL MAY 2010

RANCHO MONTAÑA

HOMEOWNERS ASSOCIATION

GENERAL INFORMATION

AND

ARCHITECTURAL REVIEW COMMITTEE RULES

MAY, 2010

BACKGROUND

Rancho Montaña Homeowners Association (HOA) was incorporated as a non-profit corporation under the laws of the State of Arizona on November 14, 1994. Forty-seven (47) homes are included in the HOA. It was formed for the purpose of managing and maintaining common areas such as the community pool and spa, and grounds fronting La Montana Drive, Saguaro Boulevard and Grande Boulevard. The HOA is responsible for maintenance of front yard landscaping. The HOA also establishes and enforces rules, regulations and standards concerning maintenance, improvements and the general appearance of the properties within the planned-unit development.

The HOA is governed by a Board of Directors (the Board), which typically meets four times a year. In addition, an annual meeting is held in November or December. The governing documents of the HOA are the Declaration of Covenants, Conditions and Restrictions for Rancho Montana (CC&Rs). This document is available from the HOA Property Manager and is also available on the HOA website (www.ranchomontanahoa.com).

RANCHO MONTAÑA HOA ASSESSMENTS

Homeowners' assessments for **2010** are **\$84** per month. Payments are due on the 1st of each month. Payments should be made payable to: Rancho Montaña HOA
And mailed to: Team Property Management, 2023 W. Guadalupe Rd #11, PMB 301,
Mesa AZ 85202-7316

LATE FEES AND COLLECTION ACTIONS

A \$15 late fee will be assessed monthly to any homeowner account that is 30 days past due. When an account is 60 days past due, the HOA manager will send a written past due notice to the Owner by certified mail, return receipt requested, advising that the account will be turned over to a collection agency if not paid in full (including late fees) within 90 days. When the account is 90 days past due, the manager will turn the account over to a collection agency. Notice of this action will be sent via certified mail, return receipt requested, to the homeowner and the Board. The owner shall be responsible for all costs and attorneys fees relating to that action.

RANCHO MONTAÑA HOA CONTACT LIST

May, 2010

PROPERTY MANAGER

Mr. Jim Bahl

Team Property Management

2023 W. Guadalupe

RD #11, PMB 301

Mesa, AZ 85202-7316

PH: 480-452-8343; Fax: 480-755-4571

Email: jimbahl@yahoo.com

Please contact Jim Bahl if you have any questions, concerns, problems, etc. If necessary, Jim Bahl will involve the appropriate Board Member.

HOA WEBSITE

www.ranchomontanahoa.com

(Please see website for important dates, minutes of meetings, HOA documents and forms.)

Messages can be sent to board members at: board@ranchomontanahoa.com

RANCHO MONTAÑA BOARD MEMBERS

(Calendar Year 2010)

<u>Board Member</u>	<u>Term Expires</u>
Fred Anderson (President)	December 2010
Mike Bogner (Vice-President)	December 2012
Nancy Hadaway (Treasurer)	December 2011
Pam Cissik (Secretary)	December 2011
Randi Luckeneder	December 2012

Each Board Member is elected for a 3-year term at the Annual Meeting. The terms are staggered with one or two Board positions open for re-election each year. Board Members are appointed to their respective offices each year after elections.

ARCHITECTURAL REVIEW COMMITTEE

The Board has established an Architectural Review Committee (ARC) pursuant to the CC&Rs Section 3.4. It is divided into two subcommittees – one handling architectural, irrigation and pool issues, the other handling landscaping and painting issues. This is a working committee that reports to the Board. It meets on an as-needed basis between board meetings to implement actions approved by the Board. It also investigates and makes recommendations to the Board regarding landscaping and architectural issues. Membership on the ARC is open to any interested homeowner. Contact the Property Manager or a Board Member if you are interested in participating.

ARCHITECTURAL, IRRIGATION & POOL ISSUES – BOARD CONTACTS

Mike Bogner
Fred Anderson

LANDSCAPING AND PAINTING ISSUES – BOARD CONTACTS

Pam Cissik
Randi Luckeneder

OTHER CONTACTS

UTILITIES

RESPONSIBILITY FOR UTILITIES: The HOA Assessment covers the cost of twice weekly trash pickup. Each homeowner is responsible for establishing and paying for any other utility costs (including electric, water, sewer, cable or satellite TV, internet and telephone service).

TRASH AND RECYCLING SERVICE:

Arizona Sanitation Services, PO Box 3608, Scottsdale AZ 85271-3608
Telephone: (480) 736-0201

Trash is picked up twice weekly on Mondays and Thursdays. Arizona Sanitation will also dispose of Christmas trees. The HOA Assessment covers trash pickup. Any interested homeowner can establish and pay for twice monthly “recycling” pickup by calling Arizona Sanitation Services directly. The cost for this service as of May, 2010 is \$5/month.

NATURAL GAS: No natural gas service is available in the development.

ELECTRIC - SRP

P. O. Box 2950, Phoenix, AZ 85062-2950
(602) 236-8888 or (800) 258-4777 (Monday to Friday 6:30 a.m. – 7:00 p.m.)

WATER - CHAPARRAL CITY WATER CO.

12021 N Panorama Drive, Fountain Hills AZ 85268
24-hour phone: (480) 837-9522

SEWER - FOUNTAIN HILLS SANITARY DISTRICT

16941 E. Pepperwood Circle, Fountain Hills AZ 85268
(480) 837-9444 or Fax: (480) 837-0819

CABLE TV/INTERNET/PHONE SERVICE:

COX COMMUNICATIONS

(623) 594-1000 or www.cox.com/arizona

QWEST

(800) 244-1111

Many other companies also provide long distance, internet, and satellite dish service. Satellite dishes may be installed. See guidelines on page 15 of this booklet.

TOWN OF FOUNTAIN HILLS:**Town Hall:**

16705 E. Avenue of the Fountains, Fountain Hills AZ 85268

(480) 816-5100

www.fh.az.gov or **www.fh.az.gov/for-individuals** (links directly to information for individuals)

FOUNTAIN HILLS CHAMBER OF COMMERCE

16837 E Palisades Blvd., Fountain Hills AZ 85268

(480) 837-1654

www.fountainhillschamber.com

Rancho Montaña
Architectural Committee Rules
(Approved by the Rancho Montana Board of Directors May 17, 2010)

INTRODUCTION

The Rancho Montaña Architectural Review Committee (“ARC”) has been established by the Rancho Montaña Board of Directors (“Board”) pursuant to Article 3.4 of the *Declaration of Covenants, Conditions and Restrictions for Rancho Montaña, Recorded 11/14/94 and Re-recorded 01/31/95* (“CC&Rs”). The ARC is appointed by the Board and its members serve at the discretion of the Board. The Board has the right to appoint and remove individuals of the ARC. (CC&Rs - Article 3.4) All decisions of the ARC are subject to review and approval by the Board.

The purpose of the ARC is to regulate the external design, appearance and use of all property within the Rancho Montaña Homeowners’ Association (HOA) (CC&Rs - Article 3.4), to ensure the consistency and quality of appearance of Rancho Montaña, “to preserve and protect the Common Area and Front Yards and the beauty thereof” (Article 8.1.e), and “to protect and enhance the value and desirability of the Property” for all its Members (CC&Rs - Article 2.1).

All Architectural Guidelines and/or Rules, and Landscape Guidelines and/or Rules adopted to date are hereby rescinded and replaced with these “*Rancho Montaña Architectural Review Committee Rules*” (“ARC Rules”).

All “Articles” used as references in these ARC Rules are Articles referenced within the CC&Rs. All Articles within the CC&Rs are hereby included in and made part of these rules by this reference, and are enforceable by the ARC. Some, but not necessarily all such CC&Rs, are specifically included in these ARC Rules for emphasis or reference.

NON-LIABILITY OF OFFICIALS

Neither the ARC, any member thereof, the HOA or any director, officer, employee or agent of the HOA shall be liable to any Owner or other person or entity for any damage, loss or prejudice claimed on account of (a) the approval or disapproval of any plans, drawings and/or specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings or specifications, (c) the development or manner of development of any property within Rancho Montaña, or (d) the exercising of any of the powers, duties or responsibilities of the ARC.

CONFLICTING PROVISIONS

These ARC Rules are intended to assist the ARC in carrying out the intent of the CC&Rs and in no way are they intended to conflict with it. The CC&Rs take precedence in any conflict between the two.

AUTHORITY TO ENFORCE ARC RULES

The HOA, the ARC and any owner is given the right, but not the obligation to enforce the CC&Rs under Article 12.1 of the CC&Rs. The CC&Rs allow the HOA to assess a fine for violation of the CC&Rs (CC&Rs - Article 3.12). Arizona State Law also gives the Board the right to impose reasonable monetary penalties on members for violations of the declaration, bylaws and rules of the HOA (Arizona Revised Statutes 33-1803).

ENFORCEMENT PROCESS AND POLICY

If an Owner receives a written notice that his/her property is not in compliance the CCRs or ARC Rules, the Owner may provide the ARC or Board with a written response by certified mail within ten business days after the date of the notice. The ARC or Board shall provide the Owner a written response within ten business days after receipt of the Owner's reply with a written explanation that shall include the provision of the CC&Rs or ARC Rules that has been violated, the date the violation occurred or was observed, the first and last name of the person or persons who observed the violation and the process the Owner must follow to contest the notice. (AZ Revised Statutes 33-1803).

“After notice and an opportunity to be heard, the board of directors may impose reasonable monetary penalties on members for violations of the declaration (CC&Rs), bylaws and rules of the Association” (AZ Revised Statutes 33-1803) and may turn the matter over to an attorney for enforcement at the Owner's expense (CC&Rs - Article 12.1) and may suspend the voting rights of the Owner and the right of Owner and his tenants, guests or invitees to use the pool and spa (CC&Rs - Article 9.1A).

The HOA will not act as an enforcer or arbiter of issues arising between homeowners that involve back or side yards or party walls and fences.

WHEN IS ARC APPROVAL REQUIRED?

IF IN DOUBT, PLEASE ASK FIRST!! Generally, the Owner must receive approval from the ARC prior to:

- a. Performing any excavation or grading work on any Lot,
- b. Constructing or installing any improvements on any Lot, (Improvements mean: buildings, roads, driveways, parking areas, private storm drains, fences, walls, rocks, hedges, plantings, planted trees and shrubs, and all other structures or landscaping improvements of every type and kind (CC&Rs - Article 1.20)
- c. Making any addition, alteration, repair, change or other work (including changing the color scheme) that alters the exterior appearance or improvements of any lot.
(CC&Rs - Article 5.22.A, B, and C)

ARC APPROVAL PROCEDURE

If an owner of any lot wishes to make any improvement, change, addition or perform any other activity on his or her lot that requires the prior approval of the ARC, the owner must complete an Application for Design Review. A copy of the form is attached to these ARC Rules and is also available on the HOA website at www.ranchomontanahoa.com or may be obtained by contacting the Property Manager. The completed form and any additional information must be submitted to the address indicated on the form. The ARC will make its best efforts to review and approve or deny the application within thirty (30) days of receipt of a complete application. All applications must be approved by a majority of the ARC subcommittee members reasonably available at the time the application is submitted; provided that a minimum of 3 ARC members must review an application. However, if a completed application, with all supporting documents requested by the ARC, has not been approved or disapproved within sixty (60) days of receipt by the ARC, then the application is deemed approved. (See CC&Rs - Article 5.22 D)

Decisions of the ARC may be appealed to the Board by submitting a letter with any necessary and required plans, specifications and/or documentation explaining what laws, rules, guidelines or regulations support such appeal. The appeal will be included in the agenda for the first regular board meeting following thirty (30) days from receipt of the appeal along with all necessary documentation. Approval or denial of appeals is not subject to the sixty (60) day automatic approval provision for original applications.

The approval of one application by the ARC shall not be deemed a waiver of the ARC's right to withhold approval of an application for similar work. (CC&Rs - Article 5.22E)

Upon receipt of approval, the Owner requesting the approval shall proceed to complete the work approved so that it is completed as soon as reasonably practicable and within any time period prescribed by the ARC (CC&Rs - Article 5.22F)

NO WARRANTY FOR APPROVALS

The HOA does not warrant that its approval of any plans, specifications or improvements does not violate any law or adversely affect the rights of any Owner, person, entity or Lot. Owners requesting approval of any plans or improvements are responsible for ensuring such improvements comply with all applicable laws and legal rights. The HOA is not required to consider or assure the legality of any plans or improvements. The HOA has the right, but is not obligated, to withhold approval or grant conditional approval for any plans or improvements that are suspected to violate any applicable laws. Such conditional approval shall not be deemed final until the HOA's conditions have been met to the HOA's satisfaction.

OTHER APPROVALS

The Fountain Hills Planning and Zoning Department may require permits for improvements or other work being performed on Owner's lot. See Fountain Hills Planning and Zoning Department website: <http://www.fh.az.gov/planning-zoning> for further information. It is the Owner's responsibility to obtain all necessary permits and to comply with all town, county and state laws, regulations or codes in performing such work. Any approval of plans, specifications or proposed construction given by the ARC shall not constitute any representation or warranty by the ARC that the approved construction or modification complies with applicable federal, state or local laws or ordinances. The approval of the ARC of any project shall be in addition to, and not in lieu of, any approvals, consents or permits required under the ordinances or rules and regulations of any county or municipality having jurisdiction over the work being performed. (CC&Rs - Article 5.22H)

MAINTENANCE OF HOME AND OTHER IMPROVEMENTS ON A LOT

Except as hereinafter provided, each Owner of a Residence shall be solely responsible for the maintenance of all portions of its Residential Unit. The Owner of each Residential Unit shall keep the land and improvements comprising its Residential Unit in good condition and repair. All maintenance of the exterior of the Residential Unit, including without limitation walls, fences and roofs, shall be accomplished in accordance with the requirements of the ARC. See Landscaping Rules for Owner's responsibilities for landscaping. (CC&Rs - Article 8.2)

STUCCO

Except as approved by the ARC, exterior residential surfaces must be smooth stucco. Exterior yard walls, and party walls must be concrete block faced with smooth stucco as currently existing in Rancho Montaña. Exterior finish materials including stucco on all building walls, site walls, and screen walls must be continued down to below grade, thereby eliminating any exposed unfinished walls or foundation.

EXTERIOR PAINTING

The Owner is responsible for painting the exterior of the home and any other improvements on the Owner's lot. When repainting any exterior surfaces of any home, block walls, or gates the color used must either match the existing color of the home or the color selected must match (or be as close as possible to) an approved house color presently existing in Rancho Montaña. Trim and garage doors must also be painted the same color unless an accent color is approved by the ARC. All fences must be painted to match the common area walls of the HOA. The current color is Frazee paint's Toffee Crunch. ARC approved paint colors will be posted and updated on the Rancho Montaña HOA website.

All projections from a building including, but not limited to, chimney caps, vents, gutters, scuppers, downspouts, utility boxes, lighting covers and sconces, porches, railings, gates and exterior stairways shall match the color of the surface from which they project or be an appropriate accent color approved by the ARC. The slats of gates must be painted to match the house color or stained the original color.

When an Owner repaints a home or wall and utilizes the same (original) color, or has a copy of the previously approved Application for Design Review noting the color approved, no further approval is necessary (unless the ARC subsequently disapproved the color used by the owner). Variations of colors when applying paint due to differences in “paint lot number”, age or fading of the previously applied paint are acceptable.

If an owner wishes to utilize a different color, the following procedure must be used. BEFORE BEGINNING TO PAINT, an Application for Design Review must be completed and submitted to the ARC with the paint color swatch attached. Sometimes, due to the underlying paint color or for some other reason such as lighting/time of day, the final paint color as applied may not match the swatch. Therefore, the ARC requires that paint be applied on a test area of the home. The ARC must inspect the test area before approving the color to be used. It is the Owner’s responsibility to ensure that the painter matches the final approved color (in the event the paint is diluted to spray the home). The Board reserves the right to require repainting of all exterior surfaces if the above procedure is not followed.

GARAGES AND GARAGE DOORS

Every effort should be made to minimize the visual impact of garages and garage doors. Replacement garage doors should closely match the original door in appearance, and any deviation in style must be approved by the ARC. The appearance of garage doors must blend with the home design, and the color of garage doors must match the color of the residential unit unless an accent color is approved by the ARC.

ROOF TILES

Roof tiles originally installed on the residential units are: Foothills Blend (16063), Desert Glow (16725), Chardonnay (16017). The ARC has not identified a source for replacement tiles. If an Owner re-roofs the residential unit, the roof tiles currently installed should be re-used. The Owner should replace any broken tiles with tiles that match the original color as closely as possible. The replacement tiles should be placed in an inconspicuous location that is not visible from the front of the house. Any change in tile color, color pattern or style must be first approved by the ARC.

BLOCK WALLS AND FENCES – MAINTENANCE AND REPAIR

Walls and Fences (“walls”) that were built on a dividing line between separate lots are defined in the CC&Rs as “Party Walls” Any wall that was built for the purposes of retaining and stabilizing soil and gravel and to prevent erosion of said soil and gravel is a “Retaining Wall.” Walls and Fences that surround the back and side yards of individual lots are defined in the CC&Rs as “Yard Walls.” It is possible for a Party Wall to be a Yard Wall and it is possible for a Retaining Wall to be part of a Party Wall or Yard Wall. (CC&Rs - Article 7.1)

YARD WALLS, PARTY WALLS AND RETAINING WALLS CANNOT BE MOVED OR MODIFIED

The Builder of the development, Centennial II Limited Partnership, gave notice in the CC&Rs that “The yard walls do not run on the dividing line between many of the separate lots in the project, and that many of the yard walls are or will be located inside the actual lot lines both as to the sides and rear of lots.” Owners have no right to move or alter Party Walls, Yard Walls or Retaining Walls from their original location without the written consent of the ARC. (CC&Rs -Article 7.2) Any Owner proposing to modify, alter, make additions to or rebuild a Party Wall must first obtain the written consent of the adjoining Owner. (CC&Rs - Article 7.8)

SHARING REPAIR AND MAINTENANCE COSTS

The HOA maintains the exterior surface of any Yard Wall (wall and fence) that faces a Common Area (including the pool area). The HOA is also responsible for maintaining and repairing the exterior surface of any Retaining Wall facing any Common Area, even if it is outside a Yard Wall but on an Owner’s property (for example: Retaining Walls along Grande Blvd). (CC&Rs -Article 7.3) The HOA has been granted an easement for purposes of maintaining those walls. (CC&Rs - Article 9.5)

Each Owner must maintain (paint and repair) the exterior surface of a Yard Wall or Retaining Walls on the Owner’s Lot, whether facing the interior of the lot or facing a street. Each Owner is responsible for maintaining the exterior surface of a Party Wall facing his lot. The cost of reasonable repairs shall be shared equally by adjoining Lot Owners; except if a Retaining Wall is located inside a Party Wall or Yard Wall on an Owner’s Lot, the Owner of that lot is solely responsible for the cost and expense of maintaining the Retaining Wall (CC&Rs - Article 7.3)

STREETS, SIDEWALKS, DRIVEWAYS, PARKING AREAS

The Town of Fountain Hills is responsible for the maintenance and repair of all streets and sidewalks adjoining said streets within the development. The HOA is responsible for maintenance and repair of the parking area adjacent to the pool. The HOA is also responsible for the maintenance and repair of sidewalks in the front yards and driveways (CC&Rs - Article 8.1b), but only the portion of the driveway aligned within the garage door opening. The homeowner is responsible for all costs for any modifications or additions to sidewalks and driveways (whether or not made at the time of original construction) and repair and maintenance of same. The homeowner is responsible for any maintenance and repair attributable to misuse or damage caused by the owner or owner’s tenants, guests, or other invitees. Any modifications or additions to sidewalks or driveways must be approved in writing by the ARC.

OWNER INSTALLED SWIMMING POOLS AND SPAS

Swimming pools (hereinafter referred to as “pools”) and spas or hot tubs (hereinafter referred to as “spas”) should be designed so that the visual impact from adjacent lots, streets and public spaces is minimized. Adjacent property owners must be notified in writing prior to approval by the ARC. Pools and/or spas must be constructed according to all applicable ordinances, and other regulations, including required fence and enclosure heights. Doors and gates leading to pools and/or spas must meet governmental safety and closure regulations including doors that open directly from the residence to any pool and/or spa area. The color of exposed tile and other visible construction materials must be approved by the committee. Equipment must not be visible from immediate neighboring property and must be enclosed by walls and a gate or other suitable screening method.

LANDSCAPING RULES

BACKGROUND

In December, 2005, the Board made the decision to use “low-water succulents and cacti” in Common Areas and Front Yards, and required “desert landscaping” for all Front Yards. This decision was made under the authority of CC&Rs - Article 8.1.c which allowed the HOA to “Replace injured and diseased trees or other vegetation in any [Common Area and Front Yards], and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes.” In keeping with the “Desert Landscaping” theme and to ensure a higher level of water conservation, the Board discontinued providing irrigation to the Common Areas and Front Yards. This was done under the authority of CC&Rs - Article 8.1: “The Board shall be the sole judge as to the appropriate maintenance of the Common Area, Front Yards...” Each homeowner was given the opportunity to retain plants and shrubs (other than “low-water succulents and cacti”) with the stipulation that the homeowner, by electing to do so, would become responsible for the maintenance (watering, trimming, and replacement) of such vegetation. If a homeowner fails to properly maintain such vegetation, the HOA has the right to remove the vegetation, replace it with desert landscaping of the HOA’s choice and assess the homeowner the cost of such work.

The above policy is consistent with the Town of Fountain Hills Low Water Requirements.

See: Low Water Requirements:

http://www.fh.az.gov/content/pdfs/planning-and-zoning/low_water_ordinance.pdf

Seasonal Tips for the Garden:

<http://www.fh.az.gov/content/pdfs/planning-and-zoning/Seasonal%20Tips.pdf>

The Town of Fountain Hills also maintains a list of approved low water use plants which homeowners are encouraged to use in front and back yards subject to the following requirements for trees.

Lakeside Village Association, which was the master association governing 16 member associations, including Rancho Montana HOA, adopted an approved plant list that included trees in transitional areas (front yards and common areas). As the Lakeside Village Association was dissolved as of

December 30, 2009, the Rancho Montana HOA has reaffirmed and adopts the Lakeside Village approved list of trees for transitional areas. These trees are as follows:

BOTANICAL NAME	COMMON NAME
Acacia Farnesiana	Sweet Acacia
Acacia Stenophylla	String Acacia
Callistemon Viminalis	Weeping Bottlebrush
Cercidium Floridum	Blue Palo Verde
Cercidium Praecox	Palo Brea
Cercidium Microphyllum	Foothills Palo Verde
Eucalyptus Spathulata	Narrow-leaved Gimlet
Geijera Parviflora	Australian Willow
Olneya Tesota	Ironwood
Prosopis Alba	Argentine Mesquite
Prosopis Grandulosa Torreyana (Chilensis)	Chilean Mesquite
Prosopis Julifora	Common Mesquite

Instead of the above trees, the Rancho Montana HOA also may plant or approve the planting of cacti, such as saguaro, Mexican fencepost, totem pole, or succulents, such as the ocotillo, soaptree yucca or blue yucca.

HOA RESPONSIBILITIES

Except as stated below, the HOA is responsible for maintaining the Common Area and Front Yards.

COMMON AREA

The “Common Area” consists of the following areas: The pool and spa (including the associated enclosures, restroom, gazebo, parking area and landscaped area between the pool fenced entry and the street), the area outside of Yard Walls or Retaining walls that front onto La Montana, Saguaro and Grande, the entry island on Woodside Drive at La Montana and the hillside directly behind the yard walls of homes on the East side of Woodside Drive. (See Plat Map and associated Conditions of Approval)

The HOA is responsible for weed control, maintenance and replacement of all plantings, trees and ground cover in the Common Area in the manner and according to the schedule determined by the Board. (CC&Rs – Article 8.1)

FRONT YARDS

“Front Yards” means the land between any public street (including the sidewalk) and side walls/fences, Yard Walls or Residential Unit on each Lot. (CC&Rs - Article 1.19)

The HOA provides the following maintenance for front yards:

1. The HOA shall be responsible for applying pre-emergent spray and post-emergent spot spraying to control weeds to Front Yards when appropriate and as necessary. The frequency and methods of weed control shall be determined by the Board. Weeds shall

be removed from the Common Area, but not from the Front Yards. The HOA also shall not do any blowing of debris in Front Yards.

2. All trees in front yards shall be maintained, trimmed, pruned, and replaced as deemed necessary by the ARC. The frequency and method of tree maintenance shall be determined by the Board.
3. The HOA shall periodically add, replace or enhance granite placed in the front yards.

No Owner shall interfere with the general scheme of Front Yard landscaping, maintenance and repair without the consent of the Association, it being the intent hereunder that the Association shall be solely responsible for the maintenance and repair of Front Yard landscaping, including the replacement of trees and other vegetation, planting of trees, shrubs and ground cover, in order to facilitate a generally consistent landscaping scheme throughout the Project. (Emphasis added) (CC&Rs - Article 8.2) Any Owner that wishes to alter the Front Yard landscaping or to plant and/or maintain and assume all liability for Front Yard trees must submit an Application for Design Review and obtain ARC approval before proceeding with the work.

The Owner shall not alter the front yard landscaping including the planting of vegetation, placement or removal of rocks, gravel or other materials or items without the consent of the ARC. An Application for Design Review must be completed by Owner and approved by the ARC before any alterations are made. The Owner may however replace shrubs (including succulents and cacti) in the front yard with succulents and cacti without ARC approval as long as the mature height of such succulents or cacti are less than 6 feet. However, adding any additional shrubs (including additional succulents and cacti) or trees require ARC approval. If an Owner wishes to add more trees than the 1-2 trees customarily on a lot facing a street, the HOA will require as a condition of approval that the Owner assume responsibility for the tree(s), including but not limited to, costs for routine maintenance, removal, replacement or trimming of trees due to storm damage or disease, and property damage or personal injuries suffered as a result of storm damage or in the course of performing the foregoing activities. An Application for Design Review shall be completed with a plan or photograph attached noting the type of tree(s), location of the tree(s), mature height and breadth of tree(s), and the height and breadth to which the tree shall be kept trimmed.

The CC&Rs grant the HOA a blanket easement for purposes of maintaining the front yards (CC&Rs – Article 9.5)

The Owner shall be responsible for any planting, trimming, replacement, enhancement, or removal of dead or diseased front yard vegetation (other than trees planted and maintained by the HOA) including low water succulents or cacti, and shall be responsible for providing any and all necessary irrigation for same. The Owner shall also be responsible for adding, replacing or enhancing river rock, addressing or correcting any grading or drainage issues, and addressing and eliminating any pest issues. The Owner shall be responsible for removing any debris from the front yard.

If the ARC decides that a tree in a Front Yard must be replaced, the homeowner must first commit in writing to provide irrigation to the tree for a one-year period or until the tree has become established. If the Owner declines to provide irrigation for the one-year period, the HOA may, but is not required to, install a cacti or succulent. All replacement trees will be selected by the ARC or Board except as stated above where the ARC has approved an Owner's Application for Design Review.

BACK AND SIDE YARDS

The obligations of the Owner include keeping all shrubs, trees, grass, plantings and landscaping of every kind on the back and side yards (whether inside or outside yard walls) of its Residence properly cultivated and free of trash, weeds and other unsightly material.

The ARC has authority under the CC&Rs to approve or disprove any landscape improvements on a lot. (CC&Rs - Article 5.22B)

IRRIGATION

The HOA shall be responsible for providing irrigation to common areas as required and to the extent determined by the ARC or Board. The HOA shall not be responsible for providing irrigation to front yards. The HOA shall not be responsible for the maintenance, replacement, enhancement or removal of existing irrigation lines in front yards.

GRANITE

Granite shall be the groundcover for all common areas and front yards. Gravel size shall be 3/4" inch screened. The color shall be "Madison Gold" (or as close as possible). The HOA shall be responsible for the maintenance and periodic enhancement of front yard gravel. However, any homeowner may at his/her own expense add Madison Gold granite to front yards. Any alteration of front yard gravel by replacement, enhancement or elevation changes must first receive prior approval by the ARC.

OTHER RULES

In addition to the ARC Rules and associated CC&R's listed above, the following Rules are hereby adopted. Such Rules are provided because they are included in the CC&R's, or because such Rules were deemed necessary to accomplish the purpose of the ARC and to provide for the safety and welfare of the Membership, the consistency of neighborhood appearance, and to preserve and enhance the property value of the Rancho Montaña neighborhood.

1. SWIMMING POOL AND SPA USE

Use of the swimming pool and spa and other common area facilities located in that area is a privilege. The ARC requires that all Owners abide by these rules and reserves the right to suspend use of the area if these rules are not complied with:

- 1) All children under age 14 must be accompanied by an adult owner or tenant.
- 2) No babies or children still using diapers are allowed in the pool or spa. Instruct your children to use the restroom
- 3) Watch your children. No life guards are provided. Use of the pool and spa and other common area facilities is at each person's own risk.

- 4) No cats or dogs allowed in the pool area.
- 5) No glass containers are allowed in the pool area.
- 6) Everything carried in (including trash) must be carried out.
- 7) Pick up after yourself and leave the pool area the way you found it (including moving all furniture back to its original location).
- 8) Do not handle or move the pool cleaner.
- 9) The pool area is for the use of homeowners or tenants and their guests only.
DO NOT LEND OUT YOUR KEY.
- 10) If you see anything out of the ordinary or observe a malfunction or something needing repair, please contact the Property Manager to report it.
- 11) **If the situation warrants it (e.g. trespassing) please immediately call the police.**

2. **SIGNS.**

No signs shall be displayed on any Lot except the following:

- a. One temporary for sale, for rent sign or security notice with a total face area of five square feet or less;
- b. Such signs as may be required by law;
- c. One residential identification sign with a total face area of eighty square inches or less;
- d. Signs approved by the ARC.

All signs must conform to applicable Town of Fountain Hills ordinances. (CC&Rs - Article 5.3)

3. **EXTERIOR LIGHTING**

Site lighting is defined as lighting mounted on the ground, in trees or on site walls for the purpose of providing security or decorative accent lighting.

Building mounted lighting is defined as lighting built into or attached to buildings on walls, ceilings, eaves, soffits or fascias for the purpose of providing general illumination, area illumination or security illumination.

Site lighting must be directed onto vegetation or prominent site features and may not be used to light walls or building elements. Building mounted lighting must be directed downward away from adjacent lots, streets and open spaces and may not be used to light walls or building elements for decorative purposes.

All exterior lighting must provide for significant shielding to ensure that light sources and lamps do not constitute a nuisance to adjacent properties; no bare lamps will be permitted. Recessed lights in exterior soffits, eaves, or ceilings shall have the lamp recessed a minimum of three inches (3") into the ceiling. Only incandescent lamps with a maximum wattage of seventy-five (75) watts will be allowed for exterior lighting unless specific approval is received from the Committee. Low voltage lighting is recommended. Colored lights, other than low intensity amber, will not be allowed for exterior lighting except when used as part of exterior decorations (see EXTERIOR DECORATIONS).

Lights on motion detectors for the purpose of security illumination are allowed to stay lit for a maximum of twenty (20) continuous minutes. Security lights must still meet the other requirements of this section on EXTERIOR LIGHTING. If problems with these lights occur, the ARC reserves the right to demand that the fixtures be disconnected. These lights will not be allowed to operate for the purpose of general illumination.

The ARC reserves the right to require removal or replacement of any exterior lighting not installed in accordance with these guidelines.

4. **EXTERIOR RECREATIONAL OR PLAY EQUIPMENT**

No outdoor playground or sports equipment ("Equipment"), including without limitation basketball hoops, shall be erected, constructed, placed, or permitted to remain on the exterior of a Lot, provided that an Owner may place Equipment on portions of its Lot other than the Front Yard, provided such Equipment is not visible from neighboring property. ARC approval must be obtained and neighboring property owners notified in writing prior to installation. (CC&Rs - Article 5.21)

5. **ADDRESS IDENTIFICATION AND SIGNS**

The ARC has adopted the original address identification signage for all residences. No other address identification signage will be permitted. No additional signage attached or detached from the residence will be permitted, except for temporary construction signs, "for sale" signs, "for lease" signs, "for rent" signs, security identification signs or other signs as permitted by the CC&Rs and approved by the ARC.

6. **EXTERIOR DECORATIONS**

Decorations including holiday decorations should be tasteful. Decoration displays, including lights, should not have a commercial appearance and should not be "overdone". The ARC reserves the right to prohibit or require the removal of any exterior decorations deemed not in keeping with the intent of these guidelines.

7. **HVAC AND SOLAR PANELS**

"Except as initially installed, no heating, air conditioning, or evaporative cooling unit shall be placed, constructed or mounted upon any lot [or residence] without the prior written approval of the Committee." (CC&Rs - Article 5.11) Solar panels are permitted with the approval of the ARC. The ARC may impose reasonable requirements that do not prevent the installation, impair the function, restrict the use, or adversely affect the cost or efficiency of the solar panels or other solar energy device. (AZ Revised Statutes 33-1816)

8. **ANTENNAS/SATELLITE DISHES**

Installation and placement on a Lot of all antennas and satellite dishes, including masts or other supporting devices and structures, whether intended for the transmission or reception of television or radio signals or any other form of electromagnetic radiation must be in such a manner which is not only consistent with acceptable performance but must either not be visible from any other Lot, the common area, or any street or must be screened by landscaping or by some other means to reduce, to the greatest extent possible, visibility from other Lots, the common area, or streets. (CC&Rs – Article 5.18) In addition, it is the Lot owner's responsibility to ensure that an antenna or dish be constructed and installed according to all applicable ordinances and regulations.

9. **VISIBLE STORAGE TANKS**

All installation of fuel tanks, water tanks, or similar storage facilities must be pre-approved by the ARC and shielded from view from adjacent lots, streets or common areas by walls or structures or shall be located underground with all visible projections screened from view from adjacent lots, streets and common areas.

10. **DISPLAY OF FLAGS**

Displaying the American flag is permitted from a flagpole, or if it is hung from a pole bracket mounted on the residence, wall, fence, or suspended from a roof overhang, provided it is displayed in a manner consistent with the Federal flag code. Flying of other flags, such as a flag of the United States army, navy, air force, marine corps or coast guard, the POW/MIA flag, the Arizona state flag and/or an Arizona Indian Nations flag are also permitted by Arizona State Law. (AZ Revised Statutes 33-1808A). A freestanding flagpole shall not exceed 20 feet in height and its location on a lot must be pre-approved by the ARC.

11. **MOTOR VEHICLE PARKING AND REPAIR**

The CC&Rs prohibit parking of trucks, mobile homes, travel trailers, recreational equipment or other similar vehicles or equipment on any Lot except for motor vehicles which are owned by a visiting guest of the Owner or tenant (in no event shall such motor vehicle be parked on a Lot for more than seven (7) days during any six (6) month period). No vehicle repairs (except for emergencies) are permitted on a Lot or the Common Area. Nor are inoperable or unsightly vehicles (as deemed by the ARC) permitted to be maintained on a Lot or Common Area. All vehicles must be parked in garages or driveways. No overnight street parking is permitted. The HOA has the right to have any vehicle parked or maintained improperly towed at the Owner's expense. (CC&Rs – Articles 5.5, 5.6 and 5.7)

12. **TRASH AND RECYCLING CONTAINERS**

Trash and recycling containers shall be placed curbside only for the shortest time necessary for collection of trash and recycling. All containers shall be kept in a location, to the extent reasonably feasible, where they are not visible from neighboring property. (CC&Rs – Article 5.17)

13. **GARAGE DOORS**

Garage doors are to be left open only as needed for ingress and egress. The interior of garages are to be maintained in a clean and neat condition and used only for the parking of vehicles and storage of normal household supplies and materials. Garages cannot be used for or converted to living quarters or recreational activities without the prior written approval of the ARC. (CC&Rs - Article 5.12)

14. **NOXIOUS AND OFFENSIVE ACTIVITY**

No activity shall be allowed on a lot that is an annoyance or nuisance to the neighborhood. (CC&Rs – Article 5.4)

15. **RESIDENTIAL USE AND BUILDING RESTRICTIONS**

All Lots are to be improved and used only for single-family residential use. Home businesses are permitted as long as in accordance with Town of Fountain Hills ordinances. No buildings are permitted on a Lot other than one detached single-family residence. No structures of a temporary character shall be used at any time as a residence. No Lot may be further subdivided. (CC&Rs – Articles 5.1, 5.2 and 5.9).

16. **MACHINERY AND EQUIPMENT**

No machinery and equipment may be placed operated or maintained on a Lot, except that which is customary in connection with the use, maintenance or improvements on a Lot or approved by the ARC. (CC&Rs- Article 5.8)

17. **WINDOW TREATMENTS**

Permanent draperies or other suitable window treatments must be placed on all windows facing the street and common areas within thirty days of occupancy. No reflective materials are allowed. (CC&Rs – Article 5.10)

18. **LEASING RESTRICTIONS**

All leases must be in writing, subject to the CC&Rs, for the entire residence and Lot and must have a term of a minimum of thirty days. (CC&Rs - Article 5.14)

19. **ANIMALS**

Only dogs, cats and other common household pets may be kept on a Lot, provided they are not kept, bred or maintained for any commercial purpose, or in unreasonable numbers as determined by the ARC. No animals or fowl may be kept on any Lot which results in an annoyance to or are obnoxious to other owners or tenants in the vicinity. All pets must be kept within a fenced yard or on a leash under the control of the Owner at all times. No structure for the care, housing or confinement of any animal or fowl shall be maintained so as to be visible from neighboring property. (CC&Rs – Article 5.15)

20. **DRILLING AND MINING**

All drilling and mining and associated activities are prohibited. (CC&Rs – Article 5.16)

21. **UTILITY SERVICES**

All permanent lines, wires or other devices for communication or transmission of electric power must be contained in conduits or cables installed and maintained underground or concealed in, under, or on buildings or other structures approved by the ARC. (CC&Rs – Article 5.19)

22. **DISEASES AND INSECTS**

No owner or resident shall permit any thing or condition to exist upon a Lot which shall induce, breed or harbor infectious plant diseases or noxious insects. (CC&Rs – Article 5.20)