

Synopsis – Summary of Changes and Justifications for New CC&Rs

Reasons to update CC&Rs. Problems with the existing CC&Rs include but are not limited to the following:

- a) The Current CC&Rs limit Rules and Regs to Common Areas. As they currently stand, they are very weak and impeded the Boards ability to govern beyond Common Areas.
- b) We need better Rules and Regulations - that include residential property
- c) The ARC section is broad and needs to be more specific.
- d) Assessments need to be brought up to date and consistent with AZ statutes.

The three main areas of importance are:

- a) Better Rules and Regulations
- b) Improved ARC
- c) Rewriting of assessments

EFFORT TO INVOLVE COMMUNITY HOMEOWNERS:

- a) Held a 'Town Hall' in March of 2020 to address homeowners' questions and concerns. After 2 hours - all questions were answered.
- b) We have solicited and received many suggestions via email and phone calls. All suggestions were seriously considered, discussed by the Board and lawyer, and when appropriate, incorporated into the CC&Rs.

Current CC&Rs are Out of Date and Lengthy:

Over 30 years ago Don Savage created Cliff Rose as a HOA community. He started with a set of CC&Rs before he had developed Phase One and therefore had little input from the few homeowners. Since then each of us agreed to follow those CC&Rs when we purchased property here.

Now, 30 years later, we are asking the Community to update the document. Over the years amendments have extended the CC&Rs to about 100 pages, newer State statutes have created conflicts, pre-internet requirements are restrictive, calculations and formulas are confusing. Clarity would be beneficial in several areas.

Regarding RENTALS:

It is possible to have a supplemental policy for rentals that included rental violations, penalties and fees. The CC&Rs will be voted on without the rental section. At a later time, we could address the rental issues using input from a committee and vote on it separately down after the CC&Rs are voted on. Currently there are no provisions for renting or leasing.

IMPROVEMENTS/CHANGES:

Changes to Rules & Regs: (Section 4): The BOARD may, from time to time and subject to the provisions of this DECLARATION, adopt, amend and repeal rules and regulations. . . Any changes will be mailed to all members and go into effect after 30 days unless 51% of members disapprove by vote. (We added the 51% veto right of members based on input from the Town Hall homeowners meeting.)

Approval for Modifications: Current has a general statement of "no changes" without approval. Proposed lays out specifics as to what needs ARC approval. Proposed now requires ARC approval for hardscaping.

Antenna: Current has no provision for antenna. Proposed: no antenna without Board approval – subject to C.F.R. § 1.400 (Over-the-Air Reception Devices Rule),

Pets: Current CC&Rs stipulate that pets are "not to disturb other homeowners & no unsanitary conditions or odors". Proposed CC&Rs specify "not to disturb other homeowners, pick-up after, leash, sanitary, no livestock or other unusual pets..

Yard Signs: Proposed CC&Rs are more specific as to size and type (For Sale, For Lease, temporary Open House, cautionary Children's sign, political signs (size and duration), etc.

New Builds: Proposed are the same as Current: Conventional design - must be built in place (not moved from another location.

Single Family Home: Current CC&Rs just say "Residential use" - Proposed CC&Rs business restrictions have been modernized. Acceptable business are free from identification by sight sound or smell from outside lot and conforms to city and State codes. Door-to-door solicitation is not allowed, consistent with residential character (no hazardous materials). Example: A real estate office, lawyer's office etc would be acceptable.

Orderly Condition: Current CC&Rs only say subjective "neat & orderly". Proposed CC&Rs is more specific, adding " no visible car repairs (except for emergency), nor inoperable vehicles",

One Story: Current CC&Rs say "shall not exceed 2 stories". Proposed CC&Rs: no more than 1 story above grade level (front door). Existing 2 story homes are "grand-fathered" and walk-out basements are allowed.

Setbacks: Not in Current CC&Rs. Proposed defines setbacks at 25 feet, but may be reduced to 10 to conform to city code due to topography.

No Sub-dividing Lots: Not in Current CC&Rs. Proposed: Cannot sub-divide without approval of Board

Drainage: Not in Current CC&Rs. Proposed: No one shall interfere with the drainage established at the time of grading of the Lot or Common Area.

Exceptions: Board can grant exemptions

Assessment calculation: Current CC&Rs: ...the maximum annual assessment may be increased based on the percentage increase of liability insurance, taxes and expenses, and fees associated with the common area. [Ambiguous and problematic since one would think that "liability insurance" and "taxes" would be included in "expenses". The portion which refers to "and fees" – is it meant to be an offset to expenses, [if so is it subtracted from the expenses] or added to the expenses?

Proposed:

...the BOARD shall not increase the annual assessment in any fiscal year by more than twenty percent (20%) over the immediately preceding fiscal year's annual assessment without the approval of a majority of the MEMBERS. [standard for the State of Arizona].

Note: this is not an exhaustive list – but a quick run-down of interesting changes