



Amended CC&Rs Primer – What You Need to Know July 15, 2011

The Desert Mountain Master Association is very excited to announce that the recently revised CC&Rs have been overwhelmingly approved by the community, with more than 1,300 owners voting “yes” to approve this document and only 11 owners voting “no.” As such, the newly recorded, amended and restated CC&Rs are now in effect. These new documents include substantial improvements, will greatly improve the governance of the Master Association, and will serve the community well for years to come. They give the Master Board the flexibility it needs to help keep Desert Mountain a great community, to run an efficient operation, to make Board decisions when necessary, and allow for the proper owner input and oversight when needed and appropriate. Interestingly, the new CC&Rs have actually significantly increased DM property owner oversight on major Board decisions going forward. This combination of improved governance efficiency and increased owner oversight is a very good thing for the Desert Mountain Master Association!

This primer was developed as a summary overview to help Desert Mountain owners better understand the revisions and upgrades that have been made to the approved and restated CC&Rs. For a complete set of the CC&Rs, please go to www.Desert-Mountain-HOA.com.

Property Rules And Restrictions: These are the Covenants, Conditions and Restrictions (CC&Rs) that each owner is obligated to observe and, in general, are virtually unchanged from the previous document. Listed below are some items of interest to owners that are common to all high-end communities. The full listing of all use restrictions can be found in “Exhibit E” of the amended CC&Rs.

- **Home Modifications** – The Master Design Review Committee has control over *all exterior changes or improvements any owner makes to their property*. This means that every modification an owner wishes to make to their home or the landscaping/lighting surrounding their home **must be** submitted to Design Review for approval. The Design Review Department is also committed to helping all Desert Mountain owners with the most aesthetically effective implementation of satellite antennas and solar improvements to benefit the owner and the community while also complying with the law.
- **Leasing Restrictions** – The leasing of dwelling units is still permitted as in the past. The new requirement is that leases must restrict occupancy to a single family, and that the Board must be notified in advance of the names of the occupants and the terms of the lease. This can be done by contacting the HOA office at 480-595-4220. Violation of the Governing Documents by a lessee is grounds for eviction. These provisions are needed because our Community Access Staff must know who is coming on property at the gates and so that the Master Board can protect owners from nuisance behavior by lessees. Fractionalized ownership of any kind and timeshares are still prohibited in Desert Mountain.
- **Pets** – The Board has a little more defined leeway in deciding what animal is a pet, so it may exercise some judgment in these matters. Pet owners are reminded that all pets must be kept on a leash or other appropriate restraint when not on the owner’s lot.
- **Parking** – No boats, trailers, motor homes, campers, etc. are to be parked in common areas or lots unless they are within an enclosed garage. Cars must also be parked in garages, not on streets, cul-de-sacs or driveways, except for emergency repairs or service for a time period not to exceed 12 hours.

- **Garbage Cans** – Garbage cans may only be visible on an owner’s lot for pick-up and must be promptly removed and stored out-of-view once trash is collected. In no event should trash cans be allowed to stay on the street for longer than 24 hours.

Village Representation: Formerly only Presidents of Incorporated Villages were represented on the Association’s Council of Presidents. The amended CC&Rs invite, but do not require, each Unincorporated Village to provide a representative to the Council if they have someone who is willing to serve. This expands the Council and gives representation to a wider group of Desert Mountain Village stakeholders.

Major Decisions: A new approach to approving major HOA decisions has been defined, which lets owners get involved when they choose to from an oversight perspective, but also clearly empowers the DMMA Board to make these decisions if they do not. There are 10 specific “major decisions” in this provision that are subject to this process. If the HOA Board wants to take action on any of these decisions, it must first pass a resolution at a Board meeting and then formally notify all the owners about it to tell them they have the right to object. Owners then have 45 days to notify the Board in writing if they have objections to the decision. If less than 10% of all owners object, the Board can proceed without further meetings or voting. If 10% or more owners do object, then the decision can only be approved if two-thirds of the owners voting approve it at a Special Meeting called for this purpose. These major decisions are:

1. The HOA acquiring an interest in any of the golf facilities.
2. Changing use restrictions listed in Exhibit E (CC&R Use Restrictions).
3. Capital expenditures of more than 10% of the annual budget.
4. Selling or changing the use of any master common area.
5. Borrowing money.
6. Imposing a fee on a lot purchaser. *(Please note that this is actually an added protection for DM owners as Arizona State Law currently allows the Board to instate such a fee at its own discretion.)*
7. Levying a special assessment on the owners in any amount.
8. Annexing any property that is not part of the Club’s development parcels. *(Please note that annexing is one way that the Club and Master Association make property subject to the Master Declaration.)*
9. De-annexing property.
10. Amending the Declaration solely to comply with the law (amending the Declaration for any other purpose still takes approval of 50% +1 of all owners AND the Club, as before).

Master Design Review Appeals: Under the previous CC&Rs, there was no appeal process for a lot owner who was denied approval by the Design Review Committee for his submittal for building plans or making improvements on his lot. The amended CC&Rs now provide for such an appeal, so an owner can appeal a Committee decision to the Master Board if need be. If the Board decides the appeal request is warranted, it will be referred to a three-person Oversight Committee. The HOA and the Club will each appoint one member to the Oversight Committee and the third member will be a professional architect. This new provision gives a denied owner a chance to appeal, creates an independent arms-length entity to hear such an appeal, and recognizes the shared interest of the HOA and Club in upholding the architectural standards of the community going forward.

If you have any questions or would like additional information about the newly amended CC&Rs, please contact Bill Overton, Community Manager, at 480-595-4220 or boverton@desertmt.com.