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HELEN PURCELL

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THE WELLS A Senior Adult Community

**EIGHTH AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (CC&R's)**

THIS EIGHTH AMENDED AND RESTATED DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS (CC&R's) is made on the date hereinafter set forth by **The Wells Homeowners Association, Inc., A Senior Adult Community.**

WITNESSETH:

WHEREAS, the predecessors in the interest of the Declarant previously executed that certain Amended Declaration of Covenants, Conditions and Restrictions recorded at Recorder's No. 84-433196, a Second Amended Declaration of Covenants, Conditions and Restrictions recorded at Recorder's No. 85-621332, a Third Amended Declaration of Covenants, Conditions and Restrictions recorded at Recorder's No. 86-084756, a Fourth Amended Declaration of Covenants, Conditions and Restrictions recorded at Recorder's No. 87-499241, a Fifth Amended Declaration of Covenants, Conditions and Restrictions recorded at Recorder's No. 89-102608 re-recorded at Recorder's No. 89-108850, a Sixth Amended and Restated Declaration of Covenants, Conditions and Restrictions recorded at Recorder's No. 89-353126, and a Seventh Amended Declaration of Covenants, Conditions and Restrictions recorded at Recorder's No. 93-0459855A, official records of Maricopa County, Arizona (collectively, the "Amended Declaration"), regarding that certain real property located in the City of Mesa, County of Maricopa, State of Arizona, which is described as follows;

Lots one (1) through four hundred ninety-nine (499), inclusive, and Tracts 'A' through 'D', inclusive, of **The Wells**, a subdivision of Maricopa County, Arizona, according to the plat of record in the office of the Maricopa County Recorder in Book 256 of Maps at Page 42 thereof, in Book 333 of Maps at Page 2, and Book 359 of Maps at Page 22 thereof.

WHEREAS, the present Amended Declaration hereby incorporates by reference the Arizona Revised Statutes #33-1801 *et. al.*, and that said statutes, as now enacted or as hereafter amended, shall govern the authority and limitations of this Declaration; and

WHEREAS, The present Amended Declaration provides that Owners of not less than eighty percent (80%) of the Lots may amend the Amended Declaration; and

NOW THEREFORE, **The Wells Homeowners Association, Inc., A Senior Adult Community**, declares (1) that the present Amended Declaration hereby incorporates by reference the Arizona Revised Statutes #33-1801 *et. al.* and that said statutes, as now enacted or as hereafter amended, shall govern the authority and limitations of this Declaration: and (2) **The Wells Homeowners Association, Inc., A Senior Adult Community** declares that the Amended Declaration shall be further amended as follows:

ARTICLE I --

The following terms shall have the following meanings unless a different meaning is plainly required by the context:

Section 1.1 “Articles” shall mean the Articles of Incorporation of **The Wells Homeowners Association, Inc., A Senior Adult Community** (hereinafter referred to as “HOA”), as such Articles may be amended from time to time.

Section 1.2 “Board” shall mean the Board of Directors of the HOA.

Section 1.3 “Bylaws” shall mean Bylaws of the HOA, as such Bylaws may be amended from time to time.

Section 1.4 “CC&R’s” shall mean this **EIGHTH AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**, as now exist, and as may later be amended from time to time, and recorded in the office of the Maricopa County Recorder.

Section 1.5 “Common Area” shall mean all real property and the improvements thereon, owned by the HOA for the common use and enjoyment of the Owners. The Common Area which is to be owned by the HOA is described as follows:

Tracts ‘A’ through ‘D’, inclusive, **The Wells**, a subdivision of Maricopa County, Arizona, according to the plat of record in the office of the Maricopa County Recorder originally recorded in Book 256 of Maps at Page 42 thereof.

Section 1.6 “Governing Documents” shall mean the Articles of Incorporation, the CC&R’s, the Bylaws, any Rules and Regulation established and instituted by the Board of the HOA, and any amendments to these documents as may be adopted from time to time.

Section 1.7 “HOA” shall mean **The Wells Homeowners Association, Inc., A Senior Adult Community**, an Arizona nonprofit corporation, its successors and assigns.

Section 1.8 “Lot” shall mean any part of the Property which is separately designated and numbered on the Plat, or any amended Plat authorized and recorded in accordance with Section 2.7 herein, but shall exclude the Common Area, and shall be limited to single-family use.

Section 1.9 “Class ‘A’ Lot shall include the following Lots:

16, 17, 33, 34, 46, 47, 48, 49, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 75, 76, 77, 78, 79, 80, 81, 82, 92, 93, 94, 95, 105, 106, 107, 108, 118, 119, 120, 121, 128, 129, 130, 131, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 266, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 309, 310, 311, 312, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 335, 338, 339, 340, 344, 345, 352, 353, 354, 355, 362, 363, 364, 365, 366, 367, 374, 375, 376, 383, 384, 385, 386, 387, 391, 392, 393, 394, 395, 402, 403, 404, 405, 406, 407, 408, 409, 416, 417, 418, 419, 429, 430, 437, 438, 439, 440, 441, 442, 443, 450, 451, 452, 453, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 482, 483, 484.

Section 1.10 "Class 'B' Lot shall include the following Lots:

1, 3, 4, 6, 7, 9, 10, 12, 13, 15, 18, 20, 21, 23, 24, 26, 27, 29, 30, 32, 35, 37, 38, 40, 41, 43, 50, 52, 53, 55, 56, 58, 59, 61, 83, 85, 86, 88, 89, 91, 96, 98, 99, 101, 102, 104, 109, 111, 112, 114, 115, 117, 122, 124, 125, 127, 132, 134, 135, 137, 138, 140, 187, 189, 326, 328, 329, 331, 332, 334, 341, 343, 346, 348, 349, 351, 356, 358, 359, 361, 368, 370, 371, 373, 377, 379, 380, 382, 388, 390, 396, 398, 399, 401, 410, 412, 413, 415, 420, 422, 423, 425, 426, 428, 431, 433, 434, 436, 444, 446, 447, 449, 454, 456, 457, 459, 460, 462, 473, 475, 476, 478, 479, 481, 485, 487, 488, 490, 491, 493, 494, 496, 497, 499.

Section 1.11 "Class 'C' Lot shall include the following Lots:

*44, *72, 215, 248, 265, 267, 290, 307, 313, *336.

*Lots 44, 72, 336 are made up of Class 'A' Lots 44, 45, 72, 73, 336, 337 with one Unit on two Lots, therefore, they are listed and considered Class 'C' Lots.

Section 1.12 "Member" shall mean a member of the HOA by ownership of a Lot or Lots within The Wells.

Section 1.13 "Occupant" shall mean any person actually residing in or occupying any residential unit in The Wells.

Section 1.14 "Owner" shall mean the record Owner, whether one or more persons or entities of fee simple title to any Lot which is part of the Property; including contract sellers, but excluding those having an interest in a Lot merely as security for the performance of an obligation.

Section 1.15 "Plat" shall mean the subdivision Plat of The Wells, a subdivision of Maricopa County, Arizona, recorded in the office of the Maricopa County Recorder in Book 256 of Maps at Page 42 thereof, and any amendments, replacements and substitutions.

Section 1.16 "Property" shall mean the real property described above in the preamble of these CC&R's, and which may also sometimes be referred to as "The Wells".

Section 1.17 "Rules and Regulations" shall mean operational, procedural and administrative requirements established and instituted by the Board for the HOA, as may be amended from time to time.

Section 1.18 "Statute" shall mean the Arizona Revised Statutes, as may be amended from time to time.

Section 1.19 "Unit" shall mean residential unit (manufactured home and carport) placed on a Lot or Lots for use as a single-family residence.

ARTICLE II -- PROPERTY RIGHTS

Section 2.1 **Owners Easements of Enjoyment** --Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot. Such right and covenant of enjoyment shall be subject to governing documents of the HOA, which may include but shall not be limited to:

A. The Right of the HOA to charge reasonable admission and other fees for the use of any recreational facility upon the Common Area.

B. The Right of the HOA to suspend the voting rights and recreational facility use by an Owner for any period during which any assessment(s) against that Owner's Lot remains unpaid; and for any infraction of current CC&R's or Rules and Regulations.

C. The right of the HOA to limit the number of guests of a Member who may use the common Area at a given time.

D. The right of the HOA to borrow money for the purpose of improving the Common Area, or mortgage the HOA property, provided that such action shall be approved by sixty-seven percent (67%) of the then Owners.

E. The right of the HOA to dedicate or transfer all or any part of the Common Area 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, however, unless an instrument agreeing to such dedication or transfer has been signed by sixty-seven percent (67%) of the then Owners.

Section 2.2 Delegation of Use -- In accordance with the governing documents of the HOA, Any Owner may delegate the Owner's right of enjoyment in and to the Common Area and the facilities located thereon to the members of the Owner's household, the tenants or contract purchasers, provided they reside in a unit.

Section 2.3 Encroachments -- Each Lot and Unit and the Common Area shall be subject to a setback upon the initial placing of Units on the Lots, and replacements thereof, including but not limited to encroachments of walls, stem walls, patios, pads, pedestals, ledges, awnings, roofs and fences. A valid setback for such encroachments and for the maintenance and repair of them shall and does exist.

Section 2.4 Easement for Utilities -- There is hereby created a blanket easement upon, across, over and under the Property for ingress, egress, construction, installation, replacement, repair, maintenance and operation of all utility and service lines and systems, including, but not limited to, water, sewers, gas, telephones, electricity and cable TV, and for ingress and egress of emergency vehicles and refuse collection. By virtue of this easement, it shall be expressly permissible for the providing utility or service company to install and maintain necessary equipment on the Property, and to bury underground conduits, wires, a cable system, gas lines, water and sewer lines, together with all the necessary appurtenances; and to affix and maintain electrical, water and/or sewer, wires, conduits, circuits and/or pipes on, above, across, under and through the Common Area, a Unit and a Lot. Notwithstanding anything to the contrary contained in this Section 2.4, no electrical, water and/or sewer, wires, conduits, circuits and/or pipes or other utilities or service lines may be installed or relocated on the Property except as initially designed and approved. This easement shall in no way affect any other recorded easement on the Property. The Board is authorized to grant such additional licenses, easements and rights of way for utilities and services as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the Common Area, or for the health, safety, convenience and welfare of the Owners.

Section 2.5 Private Street System -- Every Owner shall have a right of ingress and egress over Tract 'A' (the private street system) as shown on the Plat which is declared to be a private street system for the use and benefit of all Owners. Neither an Owner nor the HOA shall in any way interfere with or restrict the rights of ingress or egress over such streets.

Section 2.6 Common Area Undivided -- The Common Area shall remain undivided and at all times be owned by the HOA.

Section 2.7 Restriction on Further Subdivision -- No Lot shall be subdivided without approval of the City of Mesa, in accordance with city, county, state and federal laws.

ARTICLE III -- USE RESTRICTIONS

Section 3.1 Residential Use -- All of the Lots within the Property shall be known and described as, and limited in use to, single-family residences. No structure, other than one private single-family manufactured home residence, together with the structures permitted pursuant to Sections 3.3, 3.4 and 3.5, may be erected or maintained on any Lot.

Section 3.2 Housing Units -- All residential Units placed on Lots must be manufactured home housing. Each Unit, prior to installation, must fulfill all HUD requirements and specifications, and must be approved by the Board and comply with City of Mesa, county, state and federal laws.

Section 3.3 Carports -- A carport roof must be installed and attached to the side of a Unit contemporaneously with installation of the Unit on a Lot. Consistent with Section 3.9, no metal roofing shall be allowed on any carport.

Section 3.4 Patios and Enclosures -- Enclosed patios, Arizona rooms, screened or glass enclosures, shall be allowed on a Lot, provided that they are approved by the Board and comply with City of Mesa ordinances, in writing, prior to installation or construction.

Section 3.5 Storage Rooms -- Enclosed storage rooms may be constructed, but must conform to the existing structure roof line and be placed under the roof structure. In addition, all storage rooms must be approved by the Board and the City of Mesa.

Section 3.6 Grade -- All Units must be installed on the existing finished grade of the Lot.

Section 3.7 Exterior Finish -- Each Unit must have an exterior finish as installed by the manufacturer of the Unit. All maintenance repairs and replacements shall conform in appearance and quality to the original finish or be approved by the Board.

Section 3.8 Skirts -- Each Unit must be skirted on all four (4) sides below the graded surface of the Lot.

Section 3.9 Roofing -- Each Unit and carport must have an asphalt shingle, simulated tile, or other certified roofing which conforms aesthetically with existing Units and is approved by the Board. No metal roofing shall be allowed on any Unit.

Section 3.10 Age Restriction -- The Wells is a Senior Adult Community in accordance with the Fair Housing Amendments Act of 1988, and all amendments made to that act. Each unit in the Wells, shall be occupied by at least one person 55 years of age or older. No person under 40 years of age shall reside in any unit except as allowed in the Rules and Regulations. The Wells guests will be governed by rules and regulations as adopted by the Board.

Section 3.11 Temporary Structures -- No temporary structures are permitted.

Section 3.12 Business or Offensive Activities --

BUSINESS: There shall be no commercial activity which involves the solicitation of the Members or solicits non-Members and brings them into **The Wells** for that purpose. Exceptions will be set forth in the Rules & Regulations. No gainful employment by anyone for the purpose of commercial activities other than those purposes limited to **The Wells HOA** and its Members will be allowed.

OFFENSIVE ACTIVITIES: Offensive, immoral or illegal trade activity(s), which may be or become an annoyance, nuisance or detraction from the appearance of the neighborhood, may not be carried out upon any Lot or in the Common Area of **The Wells**.

Section 3.13 Signs -- No advertising signs (including "For Sale", "For Lease" or "For Rent" signs), billboards or unsightly objects shall be erected, placed or permitted to remain on any Unit or Lot, except as otherwise specifically permitted by the Rules and Regulations. Signs in the Common Area shall be approved by the Board.

Section 3.14 Outside Lighting -- No spotlights, floodlights or similar type high intensity lighting shall be placed or utilized on any Lot that allows light to be reflected on any other Lot. Other types of low intensity lighting which do not disturb the Owners or other occupants of the property shall be allowed.

Section 3.15 Pet Restrictions -- Pets are allowed in **The Wells**, but are limited to not more than one dog, twenty-five pounds or less, and /or a maximum of two house cats per Unit. All pets must be leashed and attended to when outside the Owner's Unit. Pet owners are responsible for the immediate removal of all pet feces in accordance with the applicable City of Mesa ordinances, and for keeping pets off other Lots.

Section 3.16 Vehicles -- Passenger vehicles including automobiles, vans, pickup trucks, motorcycles, golf carts, etc. are permitted on any Lot. Vehicles such as buses, boats, trailers and large commercial trucks are not allowed to be on the Property. No repair or re-building of vehicles is allowed on the Property. Recreational vehicles (RV's), trailers, and campers which are designed as living/camping units, and which are higher, wider or longer than a passenger vehicle, shall not be permitted to park overnight on the Property except as designated in the Rules and Regulations. No vehicles that make unreasonably loud or annoying noises shall be operated and/or maintained on the Property. Only licensed, registered and operable vehicles may be kept on the property. Only licensed operators are permitted to operate a vehicle within the confines of the Property.

Section 3.17 Parking -- Two vehicle parking spaces shall be provided on each Lot in accordance with the laws of the City of Mesa. Parking in the Common Area spaces throughout **The Wells** is for persons using the recreational facilities and for guest parking only. Storage of any type or item is prohibited in Common Area parking spaces. Overnight parking in the Common Area is limited to vehicles with Parking Permits. No vehicles shall be parked on any street overnight. No vehicle may be used as living quarters while parked on the Property.

Section 3.18 Trash, Clothes Drying Facilities -- All equipment, boxes, woodpiles, storage piles, and other similar items shall be kept in a storage room or otherwise, concealed from view of neighboring property and streets. No outside clothes drying facilities shall be permitted, and no clothes may be dried outside a Unit. Rubbish, trash and garbage shall not be burned or allowed to accumulate on any Lot. No incinerators shall be permitted. All garbage and rubbish removed from a Unit shall be placed in a dumpsite or disposed of by other means as approved by the Board.

Section 3.19 Underground Utilities -- All electric, gas, telephone, water, cable TV and other services and utility lines, pipes and/or other structures and media for transmission thereof shall be placed and maintained underground, except above ground service pedestals and switch cabinets and except to the extent such underground placement may be prohibited by law, and except for such above ground structures and or media for transmission as may be originally constructed, or as may otherwise be approved in writing by the Board, consistent with local, state and federal laws.

Section 3.20 Noisy Equipment -- Except for emergencies, no equipment which gives off disturbing sounds or loud noises, including but not limited to radios, stereos, TV's, phonographs, lawn mowers power hedge clippers, power chain saws and other similar equipment, shall be operated on any part of the Property except at a reasonable time and in a non-offensive manner.

Section 3.21 Antennas -- No outside antenna for television, radio or other transmission or receiving equipment shall be constructed, erected or maintained on any Lot except as set forth in the Rules and Regulations, and in accordance with local, state and federal laws.

Section 3.22 Rentals -- No portion of the Property, except an entire Unit, may be rented, and then only for residential purposes and pursuant to the written lease/rental agreement, a copy of which shall be on file with the HOA office. All lease/rental agreements shall contain a provision (see "A" following) in which the tenant agrees to submit to the terms and conditions of the CC&R's, the Bylaws, and the Rules and Regulations of the HOA.

A. The terms and provisions of the CC&R's, Bylaws, and the Rules and Regulations for the HOA shall be binding upon each lessee or other occupant of any Unit. Any violation of any such provisions shall be a default or breach under any lease. The Owner shall enforce such provisions against lessee or other occupant, and the HOA shall also have the right to enforce remedies provided herein or in any lease, in the event of a default resulting from the breach of the CC&R's, Bylaws or Rules and Regulations of the HOA.

B. It is the responsibility of an Owner to provide tenants/occupants with a copy of the CC&R's, Bylaws, and the Rules and Regulations, which may also be reviewed at the HOA office.

C. The Provisions of this Section 3.22 shall NOT apply to rental of the Common Area by the HOA.

Section 3.23 Obstruction of Common Area -- There shall be no obstruction of the Common Area, nor shall anything be left or stored in the Common Area except by the HOA.

Section 3.24 Walls and Fences -- Except for the perimeter wall surrounding the Property, no other fences or walls shall be constructed or placed on any Lot. The perimeter wall and originally constructed improvements such as retaining and grade walls shall not exceed the height of original construction unless approved in writing by the Board.

Section 3.25 Established Drainage -- Each Owner agrees not to interfere with or obstruct the established drainage pattern over his Lot from or to other Lots. For the purposes of this Section 3.25, "established drainage" means the drainage that existed at the time of the overall grading of the Property.

Section 3.26 Air Conditioning Units and Evaporative Coolers -- All air conditioning units or evaporative coolers shall be placed in back of a Unit unless written approval is received from the Board to place them in an alternative location; however, in no event shall an air conditioning unit or evaporative cooler be placed on the roof or at the front of a Unit. All installations must be in accordance with HOA

Rules and Regulations. All air conditioning units or evaporative coolers shall be maintained to prevent excessive noise and deterioration in appearance.

Section 3.27 Impairment of Structural Integrity of Units -- Nothing shall be done in any Unit or on any Lot or in, on, or to the Common Area which will impair the structural integrity of any Unit or which will structurally change any Unit except as is otherwise provided in the CC&R's.

Section 3.28 Laundry and Rubbish in Common Area -- No clothes, sheets, blankets, laundry of any kind, or other articles, shall be hung out or exposed on any part of the Common Area. The Common Area shall be kept free and clear of rubbish, debris and other unsightly materials.

Section 3.29 Alterations of Common Area -- With the exception of utilities and streets, there shall be no structural alterations or additions which would change the Common Area without the approval of sixty-seven percent (67%) of the HOA members, voting either in person or by proxy. Written notice of any such voting will be mailed to each Homeowner's address (as currently reflected in the HOA office records), along with a proxy ballot, at least thirty (30) days in advance of the date the voting is to take place.

ARTICLE IV PARTY WALLS (Duplex Divider Wall Between Two Units)

Section 4.1 Damage by Adjoining Owner -- In the event any party wall is damaged or destroyed through the act or omission of one adjoining Owner, or any of his guests, tenants, licensees, agents or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, then the first of such Owners shall forthwith proceed to rebuild or repair the damaged or destroyed wall to as good a condition as formerly without cost to the adjoining Owner.

Section 4.2 Damage by Causes other than by the Adjoining Owner -- In the event any party wall is damaged or destroyed due to ordinary wear-and-tear or deterioration from lapse of time, or by any cause other than the act of one of the adjoining Owners, his agents, tenants, licensees, guests or family, then, in such events, both such adjoining Owners shall proceed forthwith to rebuild or repair the damaged, destroyed or deteriorated party wall to as good a condition as formerly, at their joint and equal expense.

Section 4.3 Damage by Exposure -- Notwithstanding any other provision of this Article IV, an Owner who by his negligent or willful act or omission causes any party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 4.4 Contribution to Run With the Land -- The right of any Owner to contribution from any other Owner under this Article IV shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 4.5 Building Code Applicable -- In Addition to meeting the other requirements of these CC&R's, and of any government building codes or similar regulations or ordinances, any Owner proposing to modify, make additions to, or rebuild his Unit in any manner which requires the extension of, or other alteration of any party wall, shall first obtain the written consent of the adjoining Owner, but such consent shall not be unreasonably withheld.

ARTICLE V -- THE WELLS HOMEOWNERS ASSOCIATION, INC.

Section 5.1 Purpose -- The HOA shall be a nonprofit corporation organized under the laws of the State of Arizona. The HOA shall own the Common Area, shall take appropriate action to manage, maintain, repair, replace, improve, and insure the Common Area and the recreational facilities and improvements located thereon; shall perform related activities; and shall perform all other functions and duties assigned to the HOA by the governing documents. The HOA shall be responsible for providing such educational, recreational and social programs as the Board may determine. The HOA may make and enforce reasonable Rules and Regulations governing the use of the Property, which shall be consistent with these CC&R's. Unless it is specifically stated otherwise in these CC&R's, the Articles of Incorporation, Rules and Regulations or the Bylaws, that an action is required to be taken by the HOA as a whole, with Members voting thereon, the Board shall have the power to take all actions on behalf of the HOA. The Board may enter into a contract with a management agent for the performance of the matters required by the governing documents, and the Board may compensate the management agent. The powers, rights and duties of the HOA shall be those set forth in these CC&R's, and as such may be adopted in the Articles of Incorporation and the Bylaws not inconsistent with these CC&R's.

Section 5.2 Membership -- Every Owner of a Lot shall automatically be a member of the HOA. Tenants and those holding a security interest shall not be Members. No Membership certificate need be issued.

Section 5.3 Voting Rights --

A. "Class A" size lots, "Class B" size lots & "Class C" size lots shall be entitled to one (1) vote.

B. Units owned by corporations, family trusts, or non-residents, are entitled to one (1) vote for which a proxy determining who is casting the vote must be on file with the HOA at least ten (10) days prior to an election.

Section 5.4 Suspension of Voting Rights -- In the event any Owner shall be in arrears in the payment of any amount due under any of the provisions of the governing documents of the HOA for a period of thirty (30) days or more, or shall be in default of the performance of any of the terms of the governing documents of the HOA for a period of thirty (30) days or more, such Owner's right to vote as a Member of the HOA shall be suspended and shall remain suspended until all payments are brought current and all defaults cured.

ARTICLE VI -- PERSONAL OBLIGATIONS--ASSESSMENTS-LIENS-ATTORNEYS FEES

Section 6.1 Acceptance of Deed Binds Owner(s) Jointly and Severally -- By the acceptance of any deed or other document evidencing any ownership in any Unit, the Owner covenants and agrees to be bound by, and to pay and perform each and every obligation imposed on the Owner of such Unit by the Governing Documents of the HOA. If more than one person or party has an ownership interest in any Unit, then all the obligations imposed by the restrictions on the owner of such Unit shall be the Joint and several obligations of each and every owner thereof. The Obligations imposed by the Governing Documents on an Owner are obligations that run with the land and are also the personal obligation of the Owner and may be enforced by the HOA or any Owner.

Section 6.2 Liability for Assessments -- The Owner of a Unit shall be personally liable for the payment of any and all assessments with respect to such Unit that becomes due and payable on a date

on which the Owner has or claims an ownership interest therein. Furthermore, the Owner of a Unit shall be personally liable for the payment of that part of any and all assessments with respect to such Unit to the extent that the assessment is applicable on the basis of pro rata portion of any twelve month period during any part of which the Owner has or claims an ownership interest therein even though the due date of the assessment was before or after the date on which the Owner acquires or disposes of the ownership interest therein. This provision is solely for the protection of the HOA. This provision shall not permit the HOA to collect all or any part of any assessment twice. Furthermore, this provision shall not require any proration of assessments between successive owners of the same Unit, however, successive Owners of the same Unit may, by contract, arrange for proration of assessments between themselves, but the HOA shall not be required to be a party to any such arrangement or to be bound thereby.

Section 6.3 Purpose of General Assessments; Enforcing Governing Documents; Operations of HOA -- Assessments are for the purpose of managing & maintaining community facilities and other HOA affairs, activities, services, and expenses, including but not limited to all costs, expenses, capital expenditures, debt service and reserves incurred or established in acquiring, maintaining, operating and paying all expenses of or relating to the community facilities and all such items of or relating to, the HOA; enforcing the governing documents of the HOA; and providing, conducting and carrying on any and all types of services, affairs, meeting and activities of the HOA involving all or any of the members of the HOA.

Section 6.4 General Assessment -- As of December 31, 1999, the monthly assessments shall be: \$63.82 for each "Class A Lot", \$84.08 for each "Class B Lot", and \$106.37 for each "Class C Lot". Each year the Board shall establish a general monthly assessment against all Lots based on expenses estimated to be incurred by the HOA during the upcoming fiscal year in connection with the duties and services the HOA is required to perform under the terms of these CC&R's, the Articles of Incorporation and the Bylaws which the HOA deems appropriate in order to carry out the purposes of the HOA. Such expenses shall include but not be limited to, taxes and assessments against the Common Area, insurance premiums, utility bills, repairs, replacement and maintenance costs, administration and management costs, and a reasonable reserve amount for non-budgeted expenses, replacements, repairs and contingencies.

As of January 1, 2000, all future increases shall be an equal amount for all Classes of Lots; however, the weighted average increase shall not exceed five percent (5%) without approval of sixty-seven percent (67%) of all Homeowners, voting in person or by proxy. Homeowners are to be notified in writing at least thirty (30) days in advance of such election.

Section 6.5 Special Assessments -- In addition to the general assessment authorized in Section 6.4, the HOA 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 costs of any construction, reconstruction, repair or replacement to the Common Area, including related fixtures, provided that any such assessment shall have the consent of at least sixty-seven percent (67%) of the Homeowners voting in person or by proxy, after having been notified in writing at least thirty (30) days in advance of any election or increase.

Section 6.6 Failure to Establish a New Assessment -- If the Board fails to establish a general assessment per unit for any year during December preceding that year, then and in that event, the general assessment per unit for that year shall be the same as the general assessment per unit applicable in the immediately preceding year and shall be due and payable in the same manner.

Section 6.7 Commencement Date and Collection -- The HOA shall set the amount of general assessments for each lot on a monthly basis prior to the Annual Meeting to be held the second

Wednesday of February in each year. Each Homeowner shall be notified of any change in assessments at least thirty (30) days prior to the beginning of the new assessment period.

Section 6.8 Uniform Application of Assessments -- The amount of all regular assessments and all special assessments shall be uniformly applied to all units in the Wells.

Section 6.9 Late Payment Charges -- If all or any part of an assessment with respect to any unit is not paid 15 days after it is due, the HOA shall assess the owner a late payment fee of ten dollars (\$10) per month until paid.

Section 6.10 Liens in Favor of the HOA -- The amount of any assessment or other charge applicable to each Unit shall be payable to the HOA. The HOA is hereby granted a continuing lien against each Unit to secure payment of any and all assessments on the Unit involved, and to secure payment of any and all other amounts, if any, payable to the HOA from all or any of the Owners and occupants of the Unit. In addition to any statutory provisions regarding liens, the lien may be perfected by the HOA's recording a notice and claim of lien in the office of the Maricopa County Recorder. A notice and claim of lien shall describe the unit, state the amount of the lien against it, and the general nature of what the amount is for. It shall be signed and acknowledged by an officer of the HOA. A notice and claim of lien may describe only one Unit and the lien applicable thereto, or it may describe more than one Unit and the lien applicable to each. A notice and claim of lien with respect to a Unit shall not be recorded until all or a portion of the amount of the lien is at least sixty (60) days past due. Interest at twelve percent (12%) per annum (or at such greater or lesser percent as may be specified in the bylaws) shall accrue on the amount of the lien from the date the lien is recorded until it is paid. A notice and claim of lien may be foreclosed by the HOA in the same manner as provided for real property mortgages under the laws of Arizona. All interest, late payment fees, and all other cost, fees and expenses, including reasonable attorney's fees, incurred in collection efforts, including but not limited to foreclosing the lien shall be a lien upon the Unit involved. All costs, fees and expenses with respect to any lien shall be immediately due and payable. All such unpaid costs, fees and expenses shall bear interest from its due date to date of payment at twelve percent (12%) per annum (or at such greater or lesser percent as may be specified in the bylaws).

Section 6.11 Lien Certificate Showing Amounts Owed to the HOA -- Upon the written request of any lienholder or Owner (or any escrow agent acting for, or other person designated by, a Owner) and the payment of a reasonable fee as determined by the HOA, the HOA shall, by a duly authorized officer, execute, acknowledge and deliver a certificate (the "lien certificate") to the lienholder or Owner of that Unit (or to any person designated by, or acting on behalf of, the Owner). The lien certificate shall state the amount of all assessments and all other amounts due to the HOA with respect to that Unit (or otherwise due from the owners or other occupants of such Unit) as of the date of the lien certificate of some other specified date that is within thirty (30) days of the date of the lien certificate. The lien certificate shall be furnished within twenty (20) business days after the HOA receives the written request for the lien certificate. Holidays recognized by the State of Arizona and Saturdays and Sundays shall not be deemed to be business days. The information contained in the lien certificate shall be conclusive in favor of all persons relying on the lien certificate in good faith, and shall be binding on the HOA, Board, and all Owners.

Section 6.12 Reimbursement of Attorney's Fees and Costs -- If an Owner defaults in making a payment of any assessment or in the performance or observance of any provision of the Governing Documents of the HOA and the HOA obtains the services of an attorney with respect to the default involved, the Owner shall pay to and reimburse the HOA for any and all reasonable costs, fees, and expenses, including attorneys fees incurred by the HOA regardless of whether (a) the matter is resolved without suit, (b) the matter is resolved after suit is filed but before judgment, or (c) suit is filed and

judgment is obtained. The Owner shall reimburse the HOA for the costs of preparing and recording a notice and claim of lien regardless of whether an attorney is employed by the HOA for that purpose. Such cost shall be the greater of the actual cost or twenty-five dollars (\$25) (or such greater or lesser amount as may be specified in the Bylaws) with respect to the lien on each Unit shown on the notice and claim of lien.

Section 6.13 HOA Shall Have Right to Make Repairs -- If any Owner fails or refuses to care for, maintain or make needed repairs to that Owner's residential unit, the HOA shall have the right and power to care for, maintain and make repairs to that Unit, or cause the same to be done, and collect all costs and expenses of said repairs and maintenance, plus twenty-five percent (25%) thereof as a handling fee, plus all other costs, fees and expenses, including reasonable attorney's fees, if any are incurred by the HOA in connection therewith. The HOA shall have a lien on the Unit to secure payment of all such amounts which shall be perfected and enforced in the same manner as a delinquent assessment.

Section 6.14 Violation of Articles, CC&R's, Bylaws or Rules -- Any violation of any provision of the Articles, Bylaws or Rules and Regulations shall for all purposes be deemed to be a violation of these CC&R's. Any violation of any of these CC&R's shall for all purposes be deemed to be a violation of the Articles, Bylaws and Rules and Regulation. Any violation of any of the CC&R's, Articles, Bylaws or Rules and Regulations by a Unit Owner, tenant or occupant of a Unit shall for all purposes be deemed to be a violation by each and all of the Unit Owners, tenants and occupants (other than House Guests) of the Unit involved.

Section 6.15 Joint and Several Liability for Violations -- All persons who are in violation of any of the Governing Documents of the HOA as a result of the act or omission of any Unit Owner, tenant or occupant shall be jointly and severally liable for the violation with all other persons who are deemed to be in violation as a result of the same act or omission.

ARTICLE VII MAINTENANCE

Section 7.1 Maintenance of Common Area -- The HOA shall have the obligation to maintain and repair the Common Area (including the private streets) and all landscaping, recreational facilities and other improvements located in or on the Common Area. The costs of such shall be part of the general assessments and special assessments when necessary and appropriate.

Section 7.2 Owner's Damages to Common Area -- Maintenance or repairs to the Common Area which is caused through the willful or negligent act or omission of any Owner, his family, guests or tenants, shall be paid by said Owner, upon demand, to the HOA and the HOA may enforce collection of the same in the same manner as provided elsewhere in this declaration for collection and enforcement of assessments.

Section 7.3 Maintenance Guidelines -- The Board shall have the right to adopt reasonable Rules and Regulations concerning the landscaping and yard decorations, color schemes and other related matters affecting the outside appearance of each Lot and Unit, and the Owner shall be bound thereby.

Section 7.4 Owner's Responsibility for Maintenance -- Each Owner shall be responsible for maintaining his Lot and Unit in a neat and clean condition at all times. Such maintenance shall include, but not be limited to, cleaning, painting, repair and general care. Pest control shall be the responsibility of the Owner. An Owner shall do no act or any work that will adversely affect the other Units or their Owners. Each Owner is responsible for the underground cables on the Owner's Lot.

ARTICLE VIII ARCHITECTURAL CONTROL

Section 8.1 Board Approval Required -- No improvement of any type, including, but not limited to, buildings, antennas, fences, awnings, skirting, storage rooms, or other structure shall be commenced, erected or maintained upon a Unit or Lot, nor shall there be any addition or change to the exterior of any residence or other structure or improvement upon a Unit or Lot nor to the landscaping, grading or drainage ways thereof, including but not limited to, any exterior painting or repainting, exterior additions or alterations of any improvement to or on any Unit or Lot except in compliance with drawings and specifications which have been submitted to and approved in writing by the Board. Any consent or approval of the Board which is required under these **CC&R's** shall not be effective unless it is in writing and signed by the Board. The Board shall have the right to deny approval of any plans or specifications which are not, in the Board's opinion, suitable or desirable for aesthetic or any other reason: and in forming its opinion, the Board shall have the right to take into consideration the harmony and conformity of the proposed change with the existing design of **The Wells**, the suitability of the proposed change with the surrounding area and the effect of such change as seen from adjacent or neighboring Lots. The duties of the Board under this Article VIII may be assigned by the Board to an Architectural Review Committee consisting of at least three (3) members, all of whom must be Owners, but who need not be Board members. However, the Board shall have final accountability to approve or reject actions and/or recommendations of the Architectural Review Committee.

Section 8.2 Board Approval Waived -- In the event the Board fails to approve or disapprove, in writing, a proposed change within thirty (30) days after the plans and specifications have been submitted to it, approval of the Board will not be required and this Article VIII will be deemed to have been fully complied with, provided that the proposed change complies with all other requirements of these **CC&R's**.

Section 8.3 Application and Approval -- Two (2) copies of the complete plans and specifications of any proposed structure must be submitted to the Board, together with such fee or fees as the Board determines in its sole discretion to be reasonably necessary to defray the cost of its review and the professional evaluation of such plans and specifications. At least one (1) copy of the plans and specifications shall be retained by the Board.

Section 8.4 Waiver -- The approval by the Board of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the Board, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.

Section 8.5 Liability -- Neither the Board nor any member thereof, shall be liable to the **HOA**, any Owner, or to any other party for any damage, loss or prejudice suffered or claimed on account of:

- A. Approval or disapproval of any plans, drawings or specifications.
- B. The construction or performance of any work whether or not pursuant to approved plans, drawings and specifications.
- C. The development of any property with **The Wells**.

Without in any way limiting the generality of any of the foregoing provision of this section, the Board, or any member thereof, may, but is not required to, consult with or hear the views of the **HOA** or any Owner with respect to any plans, drawings, specifications or any other proposal submitted to the Board for review.

ARTICLE IX INSURANCE AND FIDELITY BONDS, CASUALTY LOSSES

Section 9.1 Insurance to be Obtained by the Association

A. Hazard Insurance -- The Board shall obtain and maintain at all times insurance for all insurable improvements on the Common Area against loss or damage by fire or other hazards, casualties and risks embraced within the coverage of the standard "extended coverage" policy available in the State of Arizona against all other perils customarily covered for similar types of projects (including those covered by the standard "all risk" endorsement) and against loss or damage due to vandalism and malicious mischief, Said insurance shall be in an amount equal to one hundred percent (100%) of the current replacement cost of all such insurable improvements (excluding land and other items usually excluded from such insurance coverage).

B. Liability Insurance -- The Board shall obtain and maintain at all times a comprehensive public liability policy covering the HOA for all damage or injury caused by the negligence of the HOA or any of its agents, directors or officers. The comprehensive public liability policy shall provide coverage of not less than ONE MILLION DOLLARS (\$1,000,000) for bodily injury and property damage for any single occurrence.

C. General Provisions Governing Insurance -- The insurance required to be obtained under Sub-Sections 9.1.A and 9.1.B shall be written in the name of the HOA, as trustee for each of the Owners and for each holder of a mortgage or lien secured by a Lot or Unit (as their respective interests may appear), and shall be governed by the provisions hereinafter set forth.

- (1) All policies shall be written with one or more companies authorized to provide such insurance in the state of Arizona.
- (2) Exclusive authority to adjust losses under policies in force on property owned by the HOA shall be vested in the Board.
- (3) In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners, Occupants or their mortgagees, and the insurance carried by the HOA shall be primary.
- (4) The Board shall be required to make every reasonable effort to secure insurance policies that will provide for a waiver of subrogation by the insurer as to any claims against the Board or the Owners and their respective tenants, servants, agents or guests (if securing same will impose on the HOA non-additional cost or only such additional reasonable cost as the Board may determine).
- (5) Each policy providing such insurance coverage shall require the applicable insurer to give not less than ten (10) days written notice to the HOA and to each holder of a mortgage which shall have given such insurer written notice of such holder's interest in the Property (which notice must include the name and address of such holder) of any cancellation or material modification of the policy.

D. Fidelity Bonds -- The Board shall obtain and maintain at all times adequate fidelity bond coverage to protect against dishonest acts on the part of officer, directors, and employees of the HOA and all others who handle, or are responsible for handling, funds held or administered by the HOA, whether or not such officers, directors, employees or others receive compensation for services they render to or on behalf of the HOA. Any independent management agent which handles funds for the HOA shall also obtain (and pay for) such fidelity bond coverage with respect to its own activities and those of its directors, officers and employees, whether or not such directors, officers or employees receive compensation for services rendered. The fidelity Bonds shall:

- (1) Name the HOA as obligee,
- (2) Be insured by one or more companies authorized to issue such bonds in the State of Arizona, and
- (3) Be in an amount sufficient to cover the maximum total of funds reasonably expected by the HOA to be in the custody of the HOA or such agent at any time while such bond is in force: but in no event shall the amount of such fidelity bond coverage be less than the sum of three (3) months general assessments on all Lots, plus the total of funds held in the HOA reserves. Each such fidelity bond shall provide that the issuer shall provide not less than ten (10) days written notice to the HOA before the bond may be canceled or substantially modified for any reason.

E. Cost of Insurance -- All premiums for the insurance or bonds required to be obtained by the Board by this Section 9.1 shall be as an expense of the HOA (except that as provided in Sub-Section 9.1.D above, the cost of the fidelity bond required to be furnished by any independent management agent shall be paid by such agent).

Section 9.2 Insurance to be Obtained by the Owners

Hazard and Public Liability Insurance -- It shall be the individual responsibility of each Owner to provide, as each Owner sees fit, and at the Owner's sole expense, fire liability, theft, and any other insurance covering fixtures and personal property within the Owner's Unit upon the Owner's Lot.

Section 9.3 Casualty Losses

A. Damage and Destruction

- (1) Immediately after any damage or destruction by fire or other casualty to all or any part of the Property required to be insured by the HOA under Section 9.1, the Board or its duly authorized agent shall:
 - (a) Proceed with the filing and adjustment of all claims arising under such insurance;
 - (b) Obtain reliable and detailed estimates of the cost of repair or reconstruction; and
 - (c) Upon receipt of the proceeds of such insurance, and except as is otherwise provided herein, use such proceeds to repair or reconstruct the damaged or destroyed property.

Repair and reconstruction, as used in this Article IX, means repairing and restoring the property in question to substantially the same condition as that in which it existed prior to the fire or other casualty, or where applicable, replacing the damaged or destroyed property with property substantially similar to the damaged or destroyed property as it existed prior to such damage or destruction

(2) Any major damage or destruction to the Common Area shall be repaired or reconstructed unless at a special meeting of the Members of the HOA duly noticed and convened within sixty (60) days after the occurrence of the damage and destruction, the Members determine by a vote of not less than seventy-five percent (75%) of all votes represented at such meeting (either in person or by proxy) not to so repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the HOA within the sixty (60) day period, then the period shall be extended until such information shall be made or become available; provided, however, that such extension shall not exceed sixty (60) days. No mortgagor (except for one holding a mortgage executed and delivered by the HOA upon any portion of the Common Area) shall have the right to participate in the determination as to whether the Common Area damage or destruction shall be repaired or reconstructed -- the Board shall determine whether any damage or destruction to the Common Area should be repaired or reconstructed.

(3) In the event that it is determined by the HOA in the manner described above that the damage or destruction of any part of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then such property shall be maintained by the HOA in a neat and attractive condition as an undeveloped portion of the Common Area.

(4) After any damage or destruction by fire or other casualty to all or any part of a Unit required to be insured by the Owner under Section 9.2, the Owner has ninety (90) days to complete the reconstruction or repair of the Unit.

B. Excess or Deficiency of Proceeds -- If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and the proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy an equal assessment against the Owner of each Lot to make up the deficiency. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the cost of repair, such excess shall be used to meet the expense of the HOA.

ARTICLE X GENERAL PROVISIONS

Section 10.1 Enforcement -- These CC&R's may be enforced by the HOA through its Board of Directors. Violation of any one or more of the provisions of these CC&R's may be restrained or enforced and damages may be awarded against any such violator by any court of competent jurisdiction. Breach of any one or more of these covenants shall not affect the lien or any mortgage, deed of trust, or security interest now or hereafter of record; but these CC&R's may be enforced by injunctive relief or otherwise against a security holder, a mortgagee or beneficiary of a deed of trust, as well as against any title Owner. Nothing herein shall be construed as meaning that damages are an adequate remedy where equitable relief is sought. (The HOA or any Owner shall have the right to enforce, by any proceeding at law or in

equity all restrictions, conditions, covenants, reservations, liens and charges now or hereinafter imposed by the provision of these CC&R's.)

Section 10.2 Attorney Fees -- If the HOA or other party bound by these CC&R's commences an action arising out of or in connection with these CC&R's, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney fees and costs of suit.

Section 10.3 Waiver -- The failure of the HOA or an Owner to enforce any provision of these CC&R's shall in no event be deemed a waiver of the right to do so thereafter.

Section 10.4 Severability -- The invalidity of any one of the provisions of these CC&R's by judgment or court order shall not invalidate any other provision.

Section 10.5 Amendment -- These CC&R's shall run with and bind the land and may be amended at any time by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots, and any amendment must be recorded in the office of the Maricopa County Recorder.

Section 10.6 Captions -- All captions, titles and headings of these Articles and Sections within these CC&R's and/or the Table of Contents shall have no effect on the interpretation of these CC&R's.

Section 10.7 Singular and Plural -- When required by the context of these CC&R's the singular shall include the plural.

Section 10.8 Authority of HOA to Act -- Power of Attorney -- Wherever the HOA is granted rights, privileges or duties in these CC&R's, the Board shall have the authority to act for the HOA in accordance with the Articles of Incorporation and the Bylaws. The HOA, may exercise any other right or privilege given to it expressly by these CC&R's, the Articles of Incorporation or the Bylaws. The Owners, collectively or individually, hereby constitute and appoint the Board as their attorney-in-fact for the purpose of taking such action or doing such acts, including but not limited to, executing, acknowledging and delivering any instruments or documents necessary, appropriate or helpful. This power of attorney is irrevocable and is coupled with an interest, and by accepting a deed to a Lot each Owner is deemed to have ratified and expressly granted this power of attorney to the Board.

Section 10.9 Inspection -- During reasonable hours the HOA and its authorized representatives shall have the right to enter upon and inspect any Lot, though not the interior of a Unit, to see if the provisions of these CC&R's, the Articles of Incorporation and the Bylaws are being complied with, and for other proper purposes of the HOA.

Section 10.10 Notices -- Notices required to be given to Owners by these CC&R's, the Articles of Incorporation and the Bylaws shall be deemed given when delivered personally or deposited in the United States mail, postage prepaid, addressed to the Lot owned by such Owner within The Wells, or to such other address as the HOA shall have noted on its books pursuant to the written request of an Owner.

Section 10.11 Equal Treatment of Owners -- These CC&R's shall be applied to and enforced against all Owners in a similar fashion and without discrimination.

Section 10.12 Gender -- Wherever the context of these CC&R's so requires, words used in the masculine gender shall include the feminine and neuter gender words. Words used in the neuter gender shall include the masculine and feminine genders.

Section 10.13 References to Covenants in Deeds -- Deeds to and instruments affecting any Unit or Lot or any part of the Wells may contain the covenants herein set forth by reference to these CC&R's, but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants shall be binding upon the grantee-Owner or other person or entity claiming through any instrument and his heirs, executor, administrators, successors and assigns.

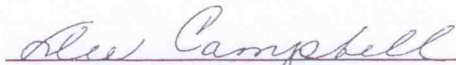
Section 10.14 Declaration -- By acceptance of a deed, or by acquiring any ownership interest in any of the Lots or Units, each person or entity, binds himself, his heirs, personal representative, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereinafter imposed by these CC&R's and any amendments thereof. In addition, each person by so doing thereby acknowledges that these CC&R's sets forth a general scheme for improvement and care for the Property covered thereby, and hereby evidences that his or her interest in all of the restrictions, conditions, rules and regulations contained herein shall run with the land and be binding on all subsequent and future owners, grantees, purchases, assignees and transferees thereof. Furthermore, each such person or entity fully understands and acknowledges that these CC&R's shall be mutually beneficial, prohibitive and enforceable by various subsequent and future owners.

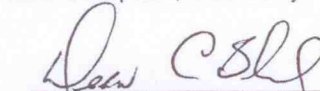
Section 10.15 Interpretation of the Covenants -- Except for judicial construction, the HOA, through its Board shall have the exclusive right to construe and interpret the provisions of these CC&R's. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the HOA construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by the covenants and provisions hereof.

IN WITNESS WHEREOF, the undersigned duly elected officers of 'The Wells' a senior adult community have signed this Declaration as of the 31 day of March, 1999


Richard Messier, President


James A. Broschat, Vice President


Dee Campbell, Secretary


Dean Blixt, Treasurer