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**FIRST AMENDMENT TO
DECLARATION OF CONDOMINIUM AND OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CONTESSA BELLA CONDOMINIUMS**

Declarant Midpoint Properties, LLC hereby amends the Declaration of Condominium and of Covenants, Conditions and Restrictions for Contessa Bella Condominiums, as originally recorded with the Maricopa County Recorder at Document No. 2008-0202303 ("the Declaration").

The following amendments are made:

1. The following language shall be added after existing paragraph 1.1(II):

(JJ) "Future Annexable Property" means the real property located in Maricopa County, Arizona, which is described on Exhibit A attached hereto, together with all Residential Dwellings and other Improvements located thereon and all easements, rights, and appurtenances belonging thereto. The Future Annexable Property is divided into Phases consisting of individual Unit Groups, as further provided in the new Article 2.6 below and on Exhibit A.

2. The following language shall be added after existing paragraph 2.5:

2.6 Development Right to Add Future Annexable Property to the Condominium in Unit Group Phases.

(A) The Declarant hereby reserves the right to add the Future Annexable Property to the Condominium by Unit Groups, each as a "Phase" in the manner provided in § 33-1220 of the Condominium Act. Any Phase of the Future Annexable Property will be considered irrevocably added to the Condominium and subject to the terms and provisions of the Declaration when both of the following events have occurred: (i) the Declarant records an amendment to the Declaration adding the Future Annexable Property to the Condominium, and (ii) the first Unit within any such Phase of the Future Annexable Property is conveyed to a Purchaser. All of the Future Annexable Property added to the Condominium, except for the Units, shall become Common Elements. When any Phase of the

Future Annexable Property is added to the Declaration and becomes subject to the terms of the Declaration, the undivided interest of the Common Elements and in the Common Expenses for the Association and the votes for the Units in the Condominium as a whole (including the added Phase of the Future Annexable Property) shall be re-allocated. The Future Annexable Property shall be added to the Condominium and submitted to the Declaration no later than ten (10) years after the Recording of the Declaration. If, on the tenth anniversary of the Recording of the Declaration, the Declarant has recorded an amendment adding the Future Annexable Property to the Condominium, but any Phase of the Future Annexable Property is not irrevocably added to the Condominium and submitted to the Declaration because the Declarant has not conveyed a Unit therein to a Purchaser, that portion of the Future Annexable Property shall automatically be irrevocably added to the Condominium and submitted to the Declaration, unless the Declarant, immediately prior to the expiration of such tenth anniversary, records a Declaration of Permanent Withdrawal of such Phase of the Future Annexable Property. The Declarant may not record such a Declaration of Permanent Withdrawal that includes any Phase or Unit within the Future Annexable Property then subject to a First Mortgage. The Declarant shall have the right, without obligation, to record from time to time a confirmation of annexation of a Phase as a result of the sale of Unit in that Phase as may be requested by the Department of Housing and Urban Development (FHA/HUD) or any federal governmental entity or agency without the consent of any other Unit Owner or First Mortgagee or any state or local entity or authority being required. Such confirmation shall not be considered an amendment to the Declaration if a previous amendment conditionally annexing such Phase has been recorded. No Assessments shall be assessed against any Units in the Future Annexable Property and no votes may be exercised for such Units unless and until the Future Annexable Property is irrevocably added to the Condominium and subjected to the Declaration as provided in this Article 2.6.

(B) The Future Annexable Property is hereby conditionally added to the Condominium. The Future Annexable Property is divided into 12 separate Phases, each of which comprises one Unit Group, as identified as follows:

Unit Group Phases:

Building 1, Units 101 through 105
 Building 2, Units 106 through 110
 Building 3, Units 111 through 115
 Building 4, Units 116 through 120
 Building 5, Units 121 through 125
 Building 6, Units 126 through 130
 Building 7, Units 131 through 135
 Building 8, Units 136 through 140
 Building 9, Units 141 through 145
 Building 10, Units 146 through 149

Building 11, Units 150 through 152
 Building 12, Units 153 through 155

A Phase within the Future Annexable Property shall become irrevocably added to the Condominium and subject to the Declaration on the date the first Unit within that Phase (Unit Group) is conveyed to a Purchaser or, if earlier, on the date the Declarant records a Confirmatory Declaration of Annexation for that Phase for the purposes of satisfying FHA or VA requirements ("the Effective Date"). No Phase or Unit Group shall become subject to the terms and conditions of First Amended Declaration or deemed irrevocably added to the Condominium until the Effective Date for such Phase.

- (C) The total number of Units being conditionally added is 55.
- (D) All of the Future Annexable Property added to the Condominium shall be comprised of the Units within the Units Groups or Phases so added.
- (E) Upon the Effective Date for each Phase, the undivided interest in the Common Elements and in the Common Expenses shall be allocated equally among all of the Units then subject to the Declaration so that each Unit's undivided interest in the Common Elements and in the Common Expenses of the Association shall be the fraction, the numerator of which is one and the denominator of which is all Units the irrevocably committed to the Condominium and subject to the Declaration. In addition, upon the Effective Date for each Phase, the votes in the Association shall be allocated among all of the Units then subject to the Declaration with each Unit having one vote.
- (F) All of the Development Rights grants to, or reserved by, the Declarant in the Declaration shall apply to the Future Annexable Property.
- (G) The Declarant may not withdraw any Phase of the Future Annexable Property after the Effective Date for that Phase and the Declarant shall be deemed to have irrevocably added all of the Future Annexable Property to the Condominium unless, within ten (10) years after the Recording of the Declaration, the Declarant records an amendment withdrawing any portion of the Future Annexable Property that has not been irrevocably added by the sale of a Unit in that Phase or Unit Group or by the recording of a Confirmatory Declaration of Annexation for purposes of satisfying FHA or VA requirements.

3. The following language shall be added after existing paragraph 13.18:

13.19 FHA/VA Approval. During the period of the Declarant's control, the following actions shall require the prior written approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties (other than the Future Annexable Property); dedication, conveyance, or

EXHIBIT A

Property Initially Subject the Condominium

Units 150 through 152, inclusive, and Units 126 through 130*, inclusive, according to the Declaration of Condominium and of Covenants, Conditions and Restrictions for Contessa Bella Condominiums, as originally recorded with the Maricopa County Recorder at Document No. 2008-0202303 ("the Declaration"), and the Condominium Plat of Contessa Bella, A CONDOMINIUM in Book 1000 of Maps, page 30, as Recorded in the Official Records of Maricopa County, Arizona;

TOGETHER WITH an undivided interest in the Common Elements.

ALSO KNOWN AS:

A resubdivision of "CONTESSA BELLA" a one lot plat recorded on June 27, 2008 at Book 994 of Maps, page 44, Records of Maricopa County, Arizona;

EXCEPT the Future Annexable Property described in EXHIBIT B attached hereto.

*Units 150 through 152 comprise a Unit Group; Units 126 through 130 comprise a Unit Group

EXHIBIT B

Legal Description of the Annexable Property

Units 101 through 125, inclusive, Units 131 through 149, inclusive, and Units 153 through 155, inclusive, according to the Declaration of Condominium and of Covenants, Conditions and Restrictions for Contessa Bella Condominiums, as originally recorded with the Maricopa County Recorder at Document No. 2008-0202303 ("the Declaration"), and the Condominium Plat of Contessa Bella, A CONDOMINIUM in Book 1000 of Maps, page 30, as Recorded in the Official Records of Maricopa County, Arizona;

TOGETHER WITH an undivided interest in the Common Elements.