

EXHIBIT "C"

Initial Use Restrictions

(a) General. Anthem Parkside shall be used only for residential and related purposes. Related purposes may include, without limitation, offices for any management agent or agents retained by the Association and business offices for Declarant or the Association consistent with this Declaration and any Supplemental Declaration.

When used in these Use Restrictions, the phrase "Visible from Neighboring Property" shall mean, with respect to any given object, that the object is or would be visible to a six-foot tall person standing at ground level on any part of the neighboring property at an elevation no greater than the elevation of the base of the object being viewed, except where the object is visible solely through a wrought iron fence and would not be visible if the wrought iron fence were a solid fence.

(b) Animals and Pets. No animals of any kind, including livestock and poultry, shall be raised, bred, or kept on any portion of Anthem Parkside, except that for each Dwelling Unit there shall be permitted a reasonable number of usual and common household pets, as determined in the Board's discretion. Pets which are permitted to roam free, or, in the Association's sole discretion, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to other Owners or residents of any portion of Anthem Parkside shall be removed upon the Board's request at the Owner's expense. If the Owner fails to honor such request, the Board may cause the pet to be removed at the Owner's expense. No pets shall be kept, bred, or maintained for any commercial purpose.

(c) Business Use. No business or trade shall be conducted in or from any Lot, except that an Owner or occupant residing in a Dwelling Unit may conduct business activities within the Dwelling Unit so long as:

(i) the existence or operation of the business activity is not apparent or detectable by sight (including signage), sound, or smell from outside the Dwelling Unit;

(ii) the business activity conforms to all zoning requirements for Anthem Parkside;

(iii) the business activity does not cause parking or other traffic problems within Anthem Parkside, as determined in the Board's discretion, or involve door-to-door solicitation of residents of Anthem Parkside; and

(iv) the business activity is consistent with the residential character of Anthem Parkside and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of Anthem Parkside, as may be determined in the sole discretion of the Board.

The foregoing limitations shall not preclude occasional garage sales, moving sales, rummage sales, or similar activities, provided that such activities may not be held on any one Lot more than once in any three-month period and, when held, may not exceed three consecutive days in duration.

"Business and trade" shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the family of the producer of such goods or services and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether (a) such activity is engaged in full or part time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

This Section shall not apply to any activity conducted by Declarant or a Person approved by Declarant with respect to its development and sale of Anthem Parkside or its use of any Lots which it owns within Anthem Parkside, including the operation of a timeshare or similar program. Additionally, this Section shall not apply to any activity conducted by the Council or the Association.

The leasing of a Dwelling Unit shall not be considered a business or trade within the meaning of this subsection. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Dwelling Unit by any person other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. Dwelling Units may be leased only in their entirety. No fraction or portion may be leased.

No structure on a Lot other than the primary residential Dwelling Unit shall be leased or otherwise occupied for residential purposes, except that a casita on a Lot, if any, may be occupied but not independently leased. There shall be no subleasing of Dwelling Units or assignment of leases except with the Board's prior written approval. All leases shall be in writing.

No transient tenants may be accommodated in a Dwelling Unit, and all leases shall be for an initial term of no less than 30 days, except: (a) with the prior written consent of the Board or (b) as initially authorized by Declarant in a Supplemental Declaration for Lots located within certain Neighborhoods.

Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board or its designee by the Owner within ten days of execution of the lease. The Owner must make available to the lessee copies of the Governing Documents. The Board may adopt reasonable rules and regulations regulating leasing and subleasing.

(d) Wildlife. Capturing, killing, or trapping wildlife is prohibited within Anthem Parkside, except in circumstances imposing an imminent threat to the safety of Persons or pets.

(e) Firearms. The discharge of firearms within Anthem Parkside is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

(f) Nuisances. No Owner shall engage in any activity which materially disturbs or destroys the vegetation, wildlife, or air quality within Anthem Parkside or which results in unreasonable levels of sound or light pollution.

(g) Garages. Garage doors shall remain closed at all times except when entering and exiting the garage. Detached garages are prohibited.

(h) Exterior Lighting. Excessive exterior lighting on any Lot is prohibited. The Board in its sole discretion shall determine whether any exterior lighting is excessive.

(i) Storage of Goods. Storage (except in approved structures or containers) of furniture, fixtures, appliances, machinery, equipment, or other goods and chattels on the Common Area (except by the Association), or, if not in active use, any portion of a Lot which is visible from outside the Lot is prohibited.

(j) Occupants Bound. All provisions of the Governing Documents and Council Governing Documents shall apply to all occupants, guests, and invitees of any Lot. Every Owner shall cause all occupants of his or her Lot to comply with the foregoing and shall be responsible for all violations and losses to the Common Area caused by such occupants, notwithstanding the fact that such occupants of a Lot are also fully liable and may be sanctioned for any violation.

(k) Prohibited Conditions. The following conditions, structures, or activities are prohibited on any Lot.

(i) Casitas (except as initially constructed by Declarant or approved by Declarant as part of the initial construction of a Dwelling Unit on a Lot);

(ii) Dogs runs and animal pens of any kind, if such structures are Visible from Neighboring Property;

(iii) Shacks or other structures of a temporary nature on any Lot except as may be authorized by Declarant during the initial construction of improvements within Anthem Parkside. Temporary structures used during the construction or repair of a Dwelling Unit or other improvements shall be removed immediately after the completion of construction or repair;

(iv) Permanent basketball goals, basketball standards, or backboards which are or would be Visible from Neighboring Property; provided, portable basketball goals may be used on a Lot without prior approval, but must be stored so as not to be Visible from Neighboring Property overnight or otherwise when not in use;

(v) Freestanding flagpoles; provided, flags may be displayed using a bracket or other approved device mounted to the Dwelling Unit so long as the size of the flag displayed

does not exceed that of a standard United States flag (as determined in the Board's discretion and as may be set forth in a Board rule);

- (vi) Compost piles or containers and statues; and
- (vii) Outside clotheslines or other outside facilities for drying or airing clothes.

In any event, and notwithstanding the above list of prohibited conditions, as set forth in Article IV, any structure, improvement, or thing proposed for construction, erection, installation, or placement on a Lot requires prior Reviewer approval unless otherwise specifically exempt under the Design Guidelines.

(l) Quiet Enjoyment. Nothing shall be done or maintained on any part of a Lot which emits foul or obnoxious odors outside the Lot or creates noise or other conditions which tend to disturb the peace, quiet, safety, comfort, or serenity of the occupants and invitees of other Lots.

No noxious, illegal, or offensive activity shall be carried on upon any portion of Anthem Parkside, which in the Board's reasonable determination tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants and invitees of other Lots.

(m) Signs. No sign shall be erected within Anthem Parkside, except those required by law, including posters, circulars, and billboards; provided, the following types of signs may be erected on a Lot without the Board's written consent: (i) residential identification signs of a face area of 75 square inches or less for identification of the occupant and its address, in a style designated by the Design Guidelines or approved by the ARC; (ii) one temporary sign of customary size, as determined by the ARC, for the purpose of advertising the Lot for sale or rent; (iii) one temporary sign identifying the Person installing landscaping or a pool on the Lot, but only during the period that such installation is in progress; and (iv) security signs of a face area of 75 square inches or less, in a style and location designated by the Design Guidelines or approved by the ARC. This restriction shall not apply to entry, directional, and marketing signs installed by Declarant or a Builder. The Board, Council, and Declarant shall have the right to erect signs as they, in their discretion, deem appropriate.

(n) Subdivision of Lot and Time-Sharing. No Lot shall be subdivided or its boundary lines changed except with the Board's prior written approval; provided, however, Declarant, its successors and assigns hereby expressly reserve the right unilaterally to subdivide, change the boundary line of, and replat any Lot(s) that Declarant, its successors and assigns may own.

No Lot shall be made subject to any type of timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Lot rotates among members of the program on a fixed or floating time schedule over a period of years. However, Declarant hereby reserves the right for itself and its assigns to operate such a program.

(o) Holiday Decorations. Owners may display holiday decorations located or visible from outside their Dwelling Units if the decorations are of the kinds normally displayed in single family residential neighborhoods, are of reasonable size and scope, and do not disturb other Owners and residents by excessive light or sound emission or by causing an unreasonable amount of spectator traffic. Holiday decorations may be displayed in season only from November 1 to January 31 and, during other times of the year, from one week before to one week after any nationally recognized holiday.

(p) Antennas and Satellite Dishes. No antenna, satellite dish, or other device for the transmission or reception of television or radio (including amateur or ham radios) signals is permitted outside the Dwelling Unit, except those devices whose installation and use is protected under federal law or regulations (generally, certain antennae under one meter in diameter). Notwithstanding such protection, an application for such an antenna or other device must be submitted to the Architectural Review Committee for approval and approval will be granted only if:

(i) First, the antenna or other device is designed for minimal visual intrusion (*i.e.*, is located in a manner that minimizes visibility from the street or an adjacent Lot and is consistent with the Community-Wide Standard); and

(ii) Second, the antenna or other device complies to the maximum extent feasible with the Design Guidelines within the confines of applicable federal regulations (*i.e.*, without precluding reception of a quality signal or unreasonably increasing the cost of the antenna or device).

The Architectural Review Committee shall consider any such application on an expedited basis.

(q) Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered containers of a type, size and style which are pre-approved by the ARC or specifically permitted under the Design Guidelines, or as required by the applicable governing jurisdiction. Such containers shall not be Visible from Neighboring Property except when they are being made available for collection and then only for the shortest time reasonably necessary to effect such collection. All rubbish, trash, or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Lot.

(r) Pool Equipment. All pool equipment stored on any Lot shall be screened so as to be neither Visible from Neighboring Property nor able to be seen through any wrought iron fence.

(s) Unightly or Unkempt Conditions. All portions of a Lot outside enclosed structures shall be kept in a clean and tidy condition at all times. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other portion of Anthem Parkside.

Woodpiles or other material shall be stored in a manner so as not to be Visible from Neighboring Property and not to be attractive to rodents, snakes, and other animals and to minimize the potential danger from fires. No nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other portion of Anthem Parkside. No activities shall be conducted upon or adjacent to any Lot or within improvements constructed thereon which are or might be unsafe or hazardous to any Person or property. No open fires shall be lighted or permitted on Anthem Parkside, except in a contained outdoor fireplace or barbecue unit while attended and in use for cooking purposes or within a safe and well designed interior fireplace.

(t) Landscaping. Pursuant to Section 4.3 of the Declaration, initial landscaping shall be installed, as approved, in the front and side yards of a Lot within 90 days from the date of the initial closing of escrow on the Lot or the issuance of a certificate of occupancy on the Lot, whichever is later. Initial landscaping on all other portions of the Lot, including the rear yard, shall be installed within 180 days from the date of the initial closing of escrow on the Lot or the issuance of a certificate of occupancy on the Lot, whichever is later.

(u) Vehicles and Parking. The term "vehicles," as used in this Section, shall include, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

No vehicle may be left upon any portion of Anthem Parkside except in a garage, driveway, or other area designated by the Board. No person shall park any recreational vehicles, mobile homes, trailers, campers, boats or other watercraft, stored vehicles, and unlicensed vehicles or inoperable vehicles within Anthem Parkside other than in enclosed garages; provided, however, boats may be kept or stored on a Lot so long as they are not Visible from Neighboring Property and ~~commercial vehicles~~ not exceeding one ton in weight may be parked and kept in a driveway. This Section shall not apply to emergency vehicle repairs.

Notwithstanding the above, for purposes of cleaning, loading, unloading, and short term parking, recreational vehicles may be parked on Anthem Parkside for 72 hours per calendar month. Owners must obtain a recreational vehicle permit for such short term parking from the Association office. The use of golf carts is prohibited within Anthem Parkside.

(v) Wetlands, Lakes, and Other Water Bodies. All wetlands, lakes, ponds, and streams within Anthem Parkside, if any, shall be aesthetic amenities only, and no other active use of lakes, ponds, streams, or other bodies of water within Anthem Parkside or within any golf course is permitted, except that the Association and its agents shall have the exclusive right and easement to retrieve golf balls from bodies of water within the Common Areas. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, streams, or other bodies of water within or adjacent to Anthem Parkside.

(w) Solar Equipment. No solar heating equipment or device is permitted outside the Dwelling Unit except such devices whose installation and use is protected by federal or Arizona

law. Notwithstanding such protection, an application for such equipment or device must be submitted for approval under Article IV prior to installation and approval will be granted only if:

(i) First, such equipment or device is designed for minimal visual intrusion when installed (*i.e.* is located in a manner which minimizes visibility from the street or an adjacent Lot and is consistent with the Community-Wide Standard); and

(ii) Second, the equipment or device complies to the maximum extent feasible with the Design Guidelines within the confines of the applicable governmental regulations.

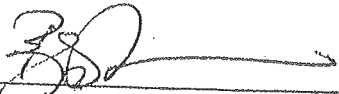
FIRST AMENDMENT TO THE BYLAWS
OF
ANTHEM COMMUNITY COUNCIL, INC.

The Board of Directors of the Anthem Community Council, acting Pursuant to A.R.S. § 10-3821 and Section 4.15 of the Bylaws of Anthem Community Council, Inc., did unanimously approve the following amendment to the Bylaws of Anthem Community Council as follows:

Section 4.14 of Article 4 shall be deleted in its entirety and replaced with the following Section 4.14:

Open Meetings. At the sole discretion of the Anthem Community Council Board of Directors, meetings of the Board of Directors of the Anthem Community Council will be open to the officers, directors, and authorized representatives of an Association, Owners or any other Person subject to the Community Covenant.

I, Benjamin S. Redman, as Secretary of the Anthem Community Council, hereby certify that the amendment stated above was unanimously approved by the Anthem Community Council Board of Directors on January 18, 2000.



Benjamin S. Redman, Secretary,
Anthem Community Council

Approved and Consented to by
Anthem Arizona, L.L.C. (the "Community Developer"):

By: 

Its: Vice President and General Manager

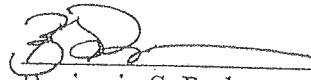
SECOND AMENDMENT TO THE BYLAWS
OF
ANTHEM COMMUNITY COUNCIL, INC.

The Board of Directors of the Anthem Community Council, acting pursuant to A.R.S. 10-3821 and Section 4.15 of the Bylaws of Anthem Community Council, Inc., unanimously approved the following amendment to the Bylaws of Anthem Community Council, Inc., at a regular meeting of the Board held on April 11, 2000, as follows:

Section 4.25(a), fourth and sixth line, of Article IV shall be amended by deleting "10 days" and replacing it with "15 days."

Section 4.25(b), first and ninth line, of Article IV shall be amended by deleting "10-day" and replacing it with "15-day."

I, Benjamin S. Redman, as Secretary of the Anthem Community Council, Inc., hereby certify that the amendment stated above was unanimously approved by the Anthem Community Council Board of Directors on April 11, 2000.


Benjamin S. Redman, Secretary
Anthem Community Council, Inc.

Approved and Consented to by
Anthem Arizona, L.L.C. (The "Community
Developer"):

By:  _____

Its: Vice President and General Manager