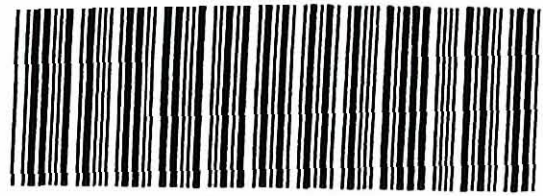


When recorded, return to:  
Annette Anghel  
DC Ranch L.L.C.  
4201 North 24<sup>th</sup> Street, Suite 120  
Phoenix, Arizona 85016



OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL

97-0298843 05/05/97 01:28 26

RECV 1 OF 1

**THE COVENANT**

**AT**

**DC RANCH**

THIS DOCUMENT IS BEING RE-RECORDED  
TO INCLUDE EXHIBIT B

## THE COVENANT AT DC RANCH

THE COVENANT AT DC RANCH is made this 10<sup>th</sup> day of December, 1996, by DC RANCH L.L.C., an Arizona limited liability company (hereinafter referred to as the "Declarant").

Declarant is the owner of the property described in the attached Exhibit "A" which is incorporated by this reference. Declarant hereby declares that all of the property described in Exhibit "A" and any additional property subjected to this Covenant in any manner shall be used only in strict compliance with the terms of this Covenant.

This Covenant shall run with the title to any and all real property subjected to it and shall be binding on and shall inure to the benefit of all parties having any right, title, or interest in any property subject hereto.

This Covenant is enforceable in accordance with its terms and Arizona law.

### Article One — Scope and Purpose

1.1 Development Intent. DC Ranch is an unusually attractive and valuable land area. Declarant intends to develop the community with improvements consistent with the special aspects of the natural setting. This Covenant establishes a comprehensive plan which is designed to enhance the quality of all future planning, architecture, development, and land use at DC Ranch and creates predictability in terms of future development. The intent of this Covenant is to create a developmental culture of high quality. Its purpose is to preserve, continue, and maintain the character of the community which is DC Ranch and its special landscape and environment. It is, therefore, the objective of this Covenant to institutionalize a procedure for the accomplishment of these mutually shared goals for the benefit of the community as a whole.

1.2 Benefits and Burdens. All owners of property at DC Ranch benefit from this Covenant. Tangible, particularized benefits include the increased desirability of property subject to high planning and construction standards and the assurances and predictability which arise from a comprehensive plan of development of high quality. Each owner, in the use and enjoyment of such owner's property, realizes these benefits.

In addition, there are intangible benefits which accrue to each property owner and to the public at large in that the development plan seeks to preserve and protect the rare quality of the landscape and the environment of DC Ranch. All parties benefit directly and indirectly from this Covenant and from its plan for orderly, planned, and controlled development.

All owners benefit not only from the development which will be permitted in accordance with the standards and requirements which are part of this Covenant, but they also benefit from that which will not be permitted. Each owner agrees that the restrictions set forth in this Covenant exist to preserve and protect the common good and the overall character and image of



the DC Ranch community and its development plan. Accordingly, this Covenant specifically empowers The Covenant Commission to approve and to disapprove proposals using both subjective and objective factors as appropriate in order to achieve the goals of this Covenant and the resulting mutually enjoyed benefits.

1.3 Binding Effect; Superior Application. This Covenant is binding upon all of DC Ranch in a manner which preserves, continues, and maintains the character of the community, its development, and aesthetics. This Covenant is superior to all other covenants or restrictions placed upon all or any part of the property; and The Covenant Commission, in any matters relating to design, development, aesthetics, and the character of the DC Ranch community, is superior to any other organization, entity, community association, or individual. All owners acknowledge and agree that these relationships and the plenary power in this Covenant and in The Covenant Commission benefit each owner and all owners collectively.

This Covenant contains diagrammatic summaries for illustrative purposes. In the event of a conflict between a summary and this Covenant, this Covenant shall control.

## Article Two — Jurisdictional Statement

2.1 Phased Development. Land may be made subject to this Covenant in phases. The first parcel of land submitted to the terms and conditions of this Covenant is described and depicted on Exhibit "A".

In addition, Declarant or others, with Declarant's written consent, may subsequently subject land to this Covenant by recording with the Office of the County Recorder of Maricopa County, Arizona, a supplemental amendment to this Covenant, the sole and exclusive purpose of which shall be to submit additional property. So long as the property is intended to be part of DC Ranch, there shall be no requirement for the consent of any party other than the property owner and the Declarant or its authorized successor in order to effectuate and to validate the amendment.

The land which may be submitted to this Covenant in the future and thus made part of DC Ranch is described in the attached Exhibit "B" which is incorporated by this reference. All or any part of such land may be submitted to this Covenant, as provided in the preceding paragraph, at any time, and from time to time, from the date of recordation of this Covenant until 25 years thereafter. All of the property that Declarant subjects to this Covenant is referred to herein as DC Ranch.

2.2 Changes in Circumstances and Use. The passage of time and the phased submission of property shall have no negative effect upon the validity and applicability of this Covenant. The Covenant Commission shall have the right to vary provisions of this Covenant and the Community Design Book, as provided below, to accommodate, adopt or reflect changes in methods, materials, technology and design innovation.

In addition to being developed in phases, DC Ranch will contain disparate uses and development forms, some of which may be unknown at the time of the recording of this Covenant. Each owner acknowledges that appropriate uses and development forms within DC Ranch will be subject to and evolve with technological advances, demographic shifts, and other changes within and outside of DC Ranch. Implementing these various and changing uses and forms shall not be a violation of the terms and conditions of this Covenant, and The Covenant Commission shall have discretion and judgment in interpreting and applying this Covenant and the Community Design Book to such disparate uses and development forms. It is intended that The Covenant Commission shall have discretion in applying this Covenant in the event of any and all changed circumstances.

2.3 Additional Covenants; Conflicts. No person shall record any declaration of covenants, conditions, and restrictions; declaration of condominium; lot split; map of dedication; subplat; or similar instrument affecting any portion of the property comprising DC Ranch, that is in conflict with the terms and conditions of this Covenant or which fails to acknowledge that all decisions relating, directly or indirectly, to design, architecture, and development or to preserving, continuing, and maintaining the character of the community are primarily vested in this Covenant and The Covenant Commission. To the extent that any such instrument creates power and authority in any other entity to deal with these issues, such instrument shall explicitly state that the exercise of such power is subordinate to The Covenant Commission and this Covenant.

*Any attempted recordation in violation of the preceding paragraph shall result in such instrument being void without the necessity of any action by the Declarant or The Covenant Commission.*

2.4 Governmental Construction Exemption. Notwithstanding anything to the contrary in this Covenant, no construction by any governmental authority on any property owned by such governmental authority or on any property over which such governmental authority has any form of easement shall be subject to this Covenant.

### Article Three — Joinder and Compliance

By taking title to property in DC Ranch, all land owners join in and accept the purposes of this Covenant and agree to be bound by it in order to protect the unusually attractive and valuable quality of the community and the rare and unique nature of the land and the environment at DC Ranch. Each owner acknowledges the benefits received from the existence of this Covenant and the actions of The Covenant Commission and accepts these benefits and the burdens that accompany them in order to preserve and to protect DC Ranch, the quality of life and the environment within DC Ranch.

*Owning property subject to this Covenant confers a number of important and significant rights, benefits, and privileges to property owners; however, owning such property also limits and restricts, to varying degrees, an owner's ability to implement and carry forward design decisions based solely upon personal preferences. Decisions on all matters of architecture and landscaping are subject to the discretion of The Covenant Commission and the terms of this*



*Covenant. By way of illustration, but by no means with limitation, decisions regarding architectural style; siting of structures; materials, types, and amounts of landscaping; bulk, massing, location, size, and height of structures; amount and size of accessory uses; and even colors are all matters subject to The Covenant Commission's discretionary authority and the terms of this Covenant.*

*Most property owners will find that this Covenant and the restrictions it contains work to their benefit by preserving property value, protecting community character, and maintaining the quality of life in DC Ranch. This Covenant and the lifestyle it protects and the way it protects it will, however, neither suit nor meet the needs of all. Owners wishing to preserve the highest degree of individual choice and preference, including the unrestricted choice of design or style, will, perhaps, be better served by acquiring property in a development which does not so rigorously control design and aesthetic considerations and which does not so carefully work to protect the land and environment in the development.*

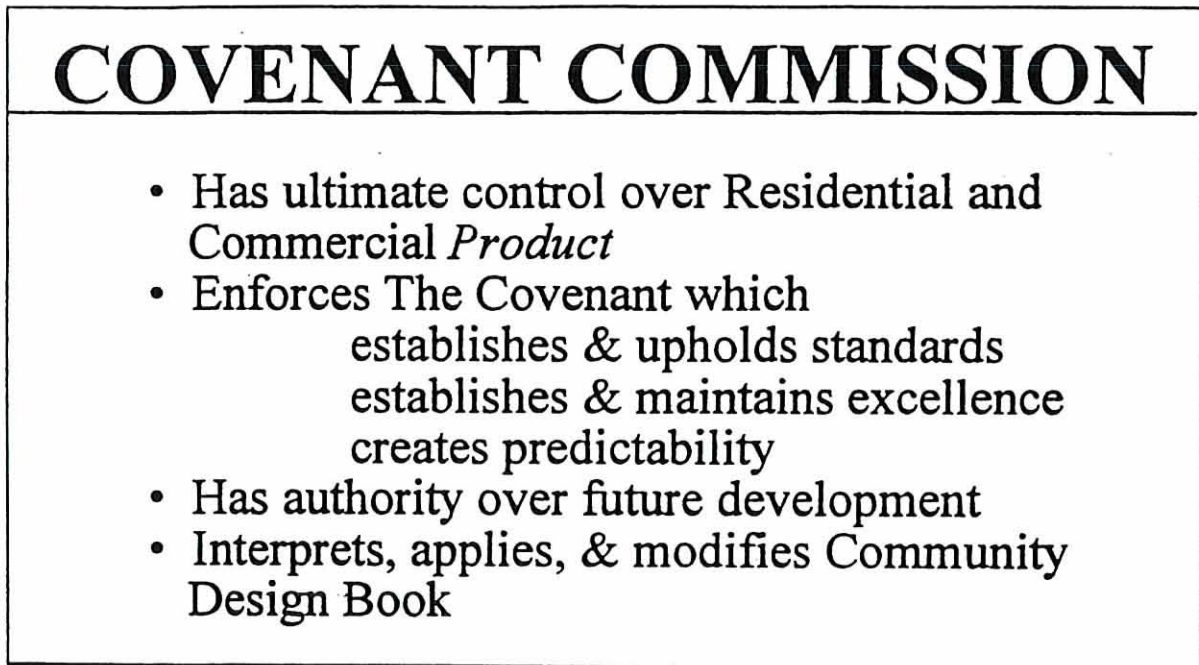
*Each owner acknowledges and agrees that this Covenant empowers The Covenant Commission with the ability and the authority to control and regulate development, community character, and aesthetic considerations to a degree which in many cases far surpasses the legislative and zoning authority vested in local government. Each owner, by taking title to property subject to this Covenant, accepts this authority and agrees to comply therewith. Each owner further agrees to and accepts the application and review procedures and the enforcement measures provided for elsewhere in this Covenant.*

## Article Four — Standards and Procedures

4.1 General. No improvements of any kind and no alterations of existing improvements, land, or plants shall take place except in strict compliance with this Covenant, the Community Design Book, and the application procedures. The Covenant Commission shall promulgate application and review procedures which each owner and applicant shall comply with in making applications as required by this Covenant. The Covenant Commission also shall promulgate and implement a process, and shall appoint a staff member who serves as a single point of contact, for application for and receipt of timely written response to applicants who request clarification, interpretation, or explanation of particular architectural and landscape design standards.

No owner shall place, erect, install or construct any improvement within DC Ranch (including, without limitation, performing site work in anticipation of the development of property, making exterior alterations to existing improvements, and planting or removing existing landscaping) prior to securing a Certificate of Covenant Compliance, as described in Article Seven and then only in strict compliance therewith. Any applicant desiring, for any reason, changes after obtaining a certificate must submit the proposed changes to The Covenant Commission in accordance with its procedures. The Covenant Commission's grant or denial of such Certificate of Covenant Compliance may be based upon both subjective and objective factors.

The Covenant Commission's powers are summarized in the following diagram:





4.2 Community Design Book. The Community Design Book is incorporated by reference into this Covenant as if fully set forth herein. The Community Design Book contains those architectural, development and design standards and guidelines which shall govern the placement, erection, installation, or construction of all improvements within DC Ranch (including, but not limited to, all site work performed in anticipation of the development of property, exterior alterations of existing improvements, and planting or removal of landscaping). The Community Design Book has been or shall be prepared initially by the Declarant and shall be administered and enforced by The Covenant Commission. In discharging its responsibilities, The Covenant Commission shall interpret and apply the Community Design Book and shall use its discretion and judgment in an effort to achieve the goals and objectives of this Covenant.

The Community Design Book contains provisions applicable to the entire DC Ranch and, in addition, contains provisions unique to specific portions of the Ranch. The Community Design Book is intended as an illustrative and informational supporting document, a primary purpose of which is to facilitate the Covenant Commission's exercise of powers established by this Covenant. The Community Design Book is also intended to provide guidance to the owner, to the applicant, and to The Covenant Commission in considering applications; provided, however, it is not the exclusive basis for decisions by The Covenant Commission, and technical compliance with the Community Design Book does not guarantee approval of any application.

Likewise, The Covenant Commission, in its sole discretion, may authorize variances from compliance with the Community Design Book (a) in narrow circumstances where the design meets the intent of the Community Design Book provision sought to be varied and where granting of the variance would enhance design innovation and excellence, or (b) when circumstances, such as topography, natural obstructions, hardship, or aesthetic or environmental considerations, require.

The Covenant Commission may modify the Community Design Book from time to time. In addition, the Community Design Book may be supplemented and modified by the Declarant to reflect new development forms and different uses and different geographical areas. As additional portions of DC Ranch are submitted to the provisions of the Covenant, The Covenant Commission or the Declarant may add additional chapters to the Community Design Book to reflect site specific features and challenges. Any changes to the Community Design Book shall comply with Schedule K attached to that certain First Amendment to Development Agreement recorded on July 21, 1995 as Document No. 95-0425859 in the official records of Maricopa County, Arizona (the "Development Agreement") and incorporated in the zoning approval in City of Scottsdale zoning case no. 54-ZN-89#Z, as amended from time to time.

4.3 Preconditions. The application procedures, available from the Commission staff, include the following preconditions to review of applications and set forth with detail how these preconditions are to be met. Each owner agrees to comply with these preconditions. These preconditions are:

- (i) All professionals, including architects, landscape architects, and planners, who submit development or design plans as part of an application must be "Covenant Certified"



and have successfully completed the Covenant orientation program on the terms, conditions, and philosophy of this Covenant.

(ii) All builders who seek to build any type of product at DC Ranch must successfully complete a Covenant orientation program for builders organized by or through The Covenant Commission.

(iii) All applicants must obtain a Certificate of Covenant Compliance prior to any application for permits of any type from the City of Scottsdale. Each owner and applicant specifically agree to comply with this requirement and agree that the City of Scottsdale shall not be requested or required to accept any such application in the absence of a Certificate.

(iv) Applicants shall comply with any requirements for preconsultation with The Commission and its staff and, if required by The Covenant Commission, shall participate in a site/concept workshop which may be organized by The Covenant Commission.

The Covenant Commission is empowered to conduct seminars, to conduct juried design competitions, and to sponsor the preparation of papers addressing relevant topics, in order to create and to foster a culture and value system for sustainable, quality development. Such activities shall also serve to amplify and explain this Covenant and the Community Design Book for the benefit of owners and applicants. The Commission is, furthermore, given the flexibility to grant conditional approvals as appropriate to encourage design innovation and excellence.

## **Article Five — Organization and Operation**

5.1 The Covenant Commission. The Covenant Commission is the entity responsible for the administration, interpretation, and enforcement of this Covenant. The Covenant Commission shall be a nonprofit corporation organized and existing under the laws of the State of Arizona. It shall function in accordance with Arizona law, this Covenant, and its Bylaws and Articles of Incorporation.

The Covenant Commission shall consist of at least five, but no more than seven, members. Each member shall serve a three year term. For a period of 25 years from the recording of this Covenant, the Declarant shall appoint successor members and remove (at any time and for any reason upon written notice to The Covenant Commission) all members of The Covenant Commission; provided, the Declarant may earlier delegate this right to the members of The Covenant Commission by written instrument recorded in the Office of the County Recorder of Maricopa County, Arizona. After the Declarant no longer has the right to appoint and remove members of The Covenant Commission, successor members will be appointed and removed as provided in the Bylaws.

The members of The Covenant Commission may, but need not, include architects, engineers, professional landscapers, or similar professionals. Members shall not be compensated for their service on The Covenant Commission; provided, members may be reimbursed for expenses incurred on behalf of The Covenant Commission. The Covenant Commission may



employ a staff to perform administrative or other necessary functions on behalf of the members of The Covenant Commission. The staff, including any Covenant Commission members who also qualify as staff, may be compensated.

Each application which is submitted to The Covenant Commission shall be considered by a committee of three members. In the event an application is disapproved by the three member committee, the applicant may seek further review of the application by The Covenant Commission as a whole. The decision of The Covenant Commission as a whole shall be a final decision which shall not be subject to further review by any authority or entity.

It is the intention of this Covenant that The Covenant Commission have authority over all matters of design review for all property within DC Ranch. Each owner of property subject to this Covenant agrees not to seek a permit of any type from the City of Scottsdale, any other governmental authority having jurisdiction over the construction of improvements on the property, or any community association having design review requirements in addition to those set forth herein and in the Community Design Book, unless and until such planned improvement is first approved by The Covenant Commission in accordance with this Covenant and the Community Design Book and a Certificate of Covenant Compliance (as described in Article Seven) has been issued.

5.2 Community Associations. Declarant intends to organize portions of DC Ranch under separate declarations of covenants, conditions, and restrictions to be administered by community associations, which will include one or more Ranch Association and, perhaps, other entities. These separate declarations may contain requirements or standards relating to design and development which are stricter or which address areas which are not otherwise covered by the Community Design Book. No such standards or requirements which are in derogation of, or contrary to, this Covenant, the Community Design Book, the goals of the comprehensive plan for DC Ranch, or the purposes for which this Covenant has been established, shall be valid or enforceable.

Any community association within DC Ranch, by and through its board of directors, may serve as a liaison to The Covenant Commission to communicate matters of architectural or design significance which are unique or of particular concern to the portion of DC Ranch over which it has jurisdiction. The community associations will not have any authority to bind The Covenant Commission.

The Covenant Commission may delegate some of its powers or responsibilities with respect to design review to one or more Ranch Associations.

5.3 Fees and Charges. Application fees and charges for violations may be imposed by The Covenant Commission which shall have the authority to collect such fees and charges. The Covenant Commission may require that a reasonable application fee be paid in full prior to review of any application. The amount of the application fee may vary in accordance with the type of construction or improvement being considered. Any fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals.

The Covenant Commission may require that any applicant put up a performance bond, funds in escrow, letters of credit, or other appropriate security in an amount and form determined in the discretion of The Commission, to guarantee completion of improvements, as approved. The following is a summary of funding sources available to The Covenant Commission.

### Covenant Commission Funding Sources



- Application fees
- Sanctions
- Declarant Contributions

5.4 Limitation of Liability. The standards and procedures established by this Covenant are intended as a mechanism for maintaining and enhancing the overall aesthetics and unique character of the DC Ranch community. This Covenant does not create any duty, direct or indirect, to any person. Review and approval of any application pursuant to this Covenant is made on the basis of such considerations only and The Covenant Commission does not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size or of similar design.

Neither the Declarant nor any member of The Covenant Commission shall be held liable for soil conditions, drainage or other general site work, nor for any defects in plans revised or approved hereunder, nor for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any property in DC Ranch.

## Article Six — Enforcement

6.1 Authority. Any work performed in violation of this Covenant or the Community Design Book, or in a manner inconsistent with any approved plans shall be deemed to be nonconforming. In the event of the performance of any work which is nonconforming, The Covenant Commission shall have the authority to exercise, in its discretion, any and all available enforcement means and methods to remedy the nonconforming condition and to levy such sanctions as it deems appropriate.

6.2 Sanctions. The enforcement means and sanctions which are available to The Covenant Commission include, but are not limited to:



(a) imposing reasonable monetary fines, which shall constitute a lien upon the property of the violator;

(b) exercising self-help or taking action to abate any violation of this Covenant or the Community Design Book;

(c) requiring the violator, at its own expense, to remove any structure or improvement on the violator's property and to restore the property to its previous condition and, upon failure of the violator to do so, having the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed without such action being deemed a trespass;

(d) without liability to any person, precluding any contractor, subcontractor, agent, employee or other invitee of any person who fails to comply with the terms and provisions of this Covenant or the Community Design Book from continuing or performing any further activities within the DC Ranch community;

(e) charging the violating owner for any costs incurred by The Covenant Commission to bring the property into compliance with this Covenant and the Community Design Book;

(f) voiding any instrument recorded in violation of this Covenant (provided, no action on the part of the Declarant or The Covenant Commission shall be required to render such instrument void);

(g) recording a notice of violation in the Office of the County Recorder of Maricopa County, Arizona; and

(h) without limiting the availability of any of the above enforcement mechanisms, The Covenant Commission also may bring suit at law or in equity to enjoin any violation or to recover monetary damages or both.

In any action to enforce this Covenant or the Community Design Book, if The Covenant Commission prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

## **Article Seven — Certificate of Covenant Compliance**

Each applicant will receive, upon approval of plans submitted in compliance with the procedures set forth herein and in the Community Design Book, a Certificate of Covenant Compliance which certifies that the plans have been approved for construction by The Covenant Commission and that the applicant may seek such other approvals as are necessary to begin construction of the planned improvements. Issuance of a Certificate of Covenant Compliance shall act to prevent The Covenant Commission from taking action to prohibit construction in accordance with approved plans as of the date of the issuance of the certificate. The Certificate of

Covenant Compliance shall not prohibit The Covenant Commission from taking any of the enforcement actions described in Article Six in the event of a subsequent violation. Each Certificate of Covenant Compliance shall specify a time period within which construction pursuant to the certificate must commence and beyond which no guarantee exists that the certificate and the underlying guidelines will remain "vested." After the expiration of such time period, The Covenant Commission may, in its sole discretion, determine that the applicant's rights to construct pursuant to the Certificate of Covenant Compliance fail to remain vested or that the design guidelines pursuant to which the certificate was granted no longer apply to the applicant's proposed construction.

After inspecting and approving any completed construction, landscaping, or other improvement within DC Ranch, The Covenant Commission shall issue a Certificate of Final Construction Approval evidencing compliance with requirements previously imposed by The Covenant Commission. Issuance of a Certificate of Final Construction Approval shall not prohibit The Covenant Commission from taking any of the enforcement actions described in Article VI in the event of a subsequent violation.

## **Article Eight — Duration and Amendment**

8.1 Duration. The covenants and restrictions set forth in this Covenant shall be of perpetual duration; provided, if Arizona law hereafter limits the duration of covenants running with the land, this Covenant shall automatically be extended at the expiration of such period for successive periods of 20 years each, unless terminated as provided below. Notwithstanding the above, if any of this Covenant's provisions shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Unless otherwise required by Arizona law, this Covenant shall not be terminated except by an instrument approved by at least a majority of the members of The Covenant Commission and, so long as the Declarant owns any property described in Exhibits "A" or "B," the consent of Declarant.

Notwithstanding any other provision of this Covenant, this Covenant shall not terminate without the consent of the City of Scottsdale, Arizona for so long as such termination is prohibited by the Development Agreement or until July 31, 2020, whichever is later.

8.2 Amendment. In addition to the rights set forth in Article Two, this Covenant may be amended by Declarant for so long as Declarant owns any portion of the property described in Exhibits "A" or "B."

After the Declarant no longer owns property described in Exhibits "A" or "B," this Covenant may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a majority of the members of The Covenant Commission. No amendment by



After the Declarant no longer owns property described in Exhibits "A" or "B," this Covenant may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a majority of the members of The Covenant Commission. No amendment by The Covenant Commission may materially and adversely affect the title to any property unless the owner thereof shall consent thereto in writing.

Notwithstanding the above, no amendment shall remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or its assignee of such right or privilege, and all amendments must be consistent with the requirements set forth in the Development Agreement, as amended from time to time.

Any amendment shall become effective upon recording in the Office of the County Recorder of Maricopa County, Arizona, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Covenant.

8.3 Transfer of Declarant Rights. Any or all of the special rights and obligations of the Declarant which are set forth in this Covenant and the Community Design Book may be transferred in whole or in part to others. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded with the Office of the County Recorder of Maricopa County, Arizona.

## **Article Nine — Relationship With City of Scottsdale**

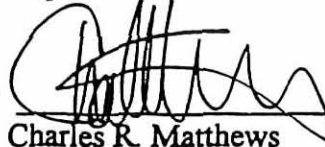
The Covenant Commission shall promulgate and implement a process for, and shall appoint a staff member who serves as a single point of contact for, providing to the City of Scottsdale, on request, a written description of the status of approval or denial of submissions to The Covenant Commission respecting particular development sites within DC Ranch, as necessary to allow submission of subdivision plat, development permit, or building permit applications to the City of Scottsdale's Development Review Board.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 10th day of December, 1996.

[SIGNATURE APPEAR ON NEXT PAGE]

DC RANCH L.L.C.,  
 an Arizona limited liability company  
 By DMB Property Ventures Limited Partnership,  
 a Delaware limited partnership,  
 administrative member  
 By DMB GP, Inc., an Arizona corporation,  
 general partner

By



Charles R. Matthews  
 Vice President

STATE OF ARIZONA       )  
                                       ) ss.  
 County of Maricopa       )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of December, 1996, by Charles R. Matthews, the Vice President of DMB GP, Inc., an Arizona corporation, for and on behalf of the corporation as general partner of DMB Property Ventures Limited Partnership, a Delaware limited partnership, for and on behalf of the partnership as the administrative member of DC Ranch L.L.C., and Arizona limited liability company, for and on behalf of the limited liability company.

My Commission Expires:

Sept. 13, 1999

  
 Notary Public

4832/Ca Docs/CCR/The Covenant/12996/AA:8





## EXHIBIT "A"

## DESCRIPTION OF DC RANCH PLANNING UNITS II AND IV

A parcel of land lying within Sections 19, 20 and 29, Township 4 North, Range 5 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the northwest corner of said Section 19, said point being the POINT OF BEGINNING of the herein described parcel;

THENCE along the north line of said Section 19, North  $89^{\circ}57'31''$  East, a distance of 2,378.29 feet, to the north quarter corner of said Section 19;

THENCE along the north line of said Section 19, North  $89^{\circ}54'27''$  East, a distance of 2,640.80 feet, to the northeast corner of said Section 19;

THENCE along the north line of said Section 20, North  $89^{\circ}54'12''$  East, a distance of 2,632.16 feet, to the north quarter corner of said Section 20;

THENCE along the north line of said Section 20, North  $89^{\circ}56'46''$  East, a distance of 2,182.54 feet;

THENCE leaving the north line of said Section 20, South  $08^{\circ}38'14''$  East, a distance of 264.82 feet;

THENCE South  $15^{\circ}25'23''$  East, a distance of 162.79 feet;

THENCE South  $08^{\circ}27'45''$  West, a distance of 404.82 feet;

THENCE South  $26^{\circ}34'40''$  West, a distance of 205.71 feet;

THENCE South  $02^{\circ}22'57''$  East, a distance of 259.96 feet;

THENCE South  $13^{\circ}30'18''$  West, a distance of 139.12 feet;

THENCE South  $22^{\circ}23'31''$  West, a distance of 198.97 feet;

THENCE South  $01^{\circ}51'10''$  West, a distance of 167.83 feet;

THENCE South  $07^{\circ}51'06''$  East, a distance of 158.41 feet;

THENCE South  $06^{\circ}03'02''$  West, a distance of 462.51 feet;

THENCE South  $01^{\circ}43'55''$  East, a distance of 178.65 feet;

THENCE South  $11^{\circ}24'13''$  West, a distance of 630.41 feet;

THENCE South  $32^{\circ}29'06''$  West, a distance of 116.21 feet;

THENCE South  $48^{\circ}35'28''$  West, a distance of 101.05 feet;

THENCE South  $65^{\circ}47'04''$  West, a distance of 195.52 feet;

THENCE South  $14^{\circ}02'44''$  West, a distance of 55.12 feet;

THENCE South  $15^{\circ}07'31''$  East, a distance of 457.37 feet;

THENCE South  $16^{\circ}47'21''$  East, a distance of 358.04 feet;

THENCE South  $29^{\circ}15'12''$  East, a distance of 127.69 feet;

THENCE South  $49^{\circ}30'11''$  East, a distance of 281.36 feet;

THENCE South  $24^{\circ}26'51''$  East, a distance of 215.39 feet;

THENCE South  $09^{\circ}51'54''$  East, a distance of 104.03 feet;

THENCE South  $23^{\circ}12'38''$  West, a distance of 203.63 feet;

THENCE South  $44^{\circ}17'23''$  West, a distance of 248.99 feet;

THENCE South  $08^{\circ}58'49''$  West, a distance of 85.72 feet;

THENCE South  $03^{\circ}18'05''$  East, a distance of 86.77 feet;

THENCE South  $89^{\circ}44'41''$  West, a distance of 683.95 feet;  
 THENCE North  $86^{\circ}41'16''$  West, a distance of 460.28 feet;  
 THENCE South  $88^{\circ}38'27''$  West, a distance of 245.32 feet, to the beginning of a non-tangent curve;  
 THENCE northerly along said curve, having a radius of 1,318.00 feet, concave southwesterly, whose radius bears South  $78^{\circ}28'55''$  West, through a central angle of  $46^{\circ}16'04''$ , a distance of 1,064.32 feet, to a point of intersection with a radial line;  
 THENCE South  $32^{\circ}12'51''$  West, a distance of 2,526.24 feet;  
 THENCE South  $09^{\circ}19'00''$  West, a distance of 1,057.61 feet;  
 THENCE South  $24^{\circ}25'08''$  West, a distance of 1,743.89 feet;  
 THENCE South  $04^{\circ}58'00''$  West, a distance of 1,300.55 feet, to the south line of said Section 29;  
 THENCE along the south line of said Section 29, North  $89^{\circ}47'17''$  West, a distance of 172.82 feet, to the southwest corner of said Section 29;  
 THENCE along the west line of said Section 29, North  $00^{\circ}01'02''$  West, a distance of 2,641.12 feet, to the west quarter corner of said Section 29;  
 THENCE along the west line of said Section 29, North  $00^{\circ}04'28''$  West, a distance of 2,641.66 feet, to the northwest corner of said Section 29;  
 THENCE along the south line of said Section 19, South  $89^{\circ}55'31''$  West, a distance of 2,639.09 feet, to the south quarter corner of said Section 19;  
 THENCE along the south line of said Section 19, South  $89^{\circ}57'09''$  West, a distance of 2,385.32 feet, to the southwest corner of said Section 19;  
 THENCE along the west line of said Section 19, North  $00^{\circ}00'43''$  East, a distance of 2,640.27 feet, to the west quarter corner of said Section 19;  
 THENCE along the west line of said Section 19, North  $00^{\circ}00'19''$  East, a distance of 2,639.60 feet, to the POINT OF BEGINNING.

EXCEPT the following described parcel:

A parcel of land lying within Section 19, Township 4 North, Range 5 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the north quarter corner of said Section 19;  
 THENCE along the north line of said Section 19 and along the south line of Pinnacle Peak Vistas III as recorded in Book 291, page 47, M.C.R., South  $89^{\circ}57'31''$  West, a distance of 203.56 feet, to the beginning of a non-tangent curve and the POINT OF BEGINNING;  
 THENCE leaving said north line and said south line, westerly along said curve, having a radius of 180.57 feet, concave northerly, whose radius bears North  $09^{\circ}07'12''$  West, through a central angle of  $18^{\circ}09'25''$ , a distance of 57.22 feet, to a point of intersection with a non-tangent line and to said north line and said south line;  
 THENCE along said north line and said south line, North  $89^{\circ}57'31''$  East, a distance of 56.98 feet, to the POINT OF BEGINNING.





DEPICTION OF PLANNING UNITS  
II & IV  
(Crosshatched Areas)

## PLANNING UNITS MAP

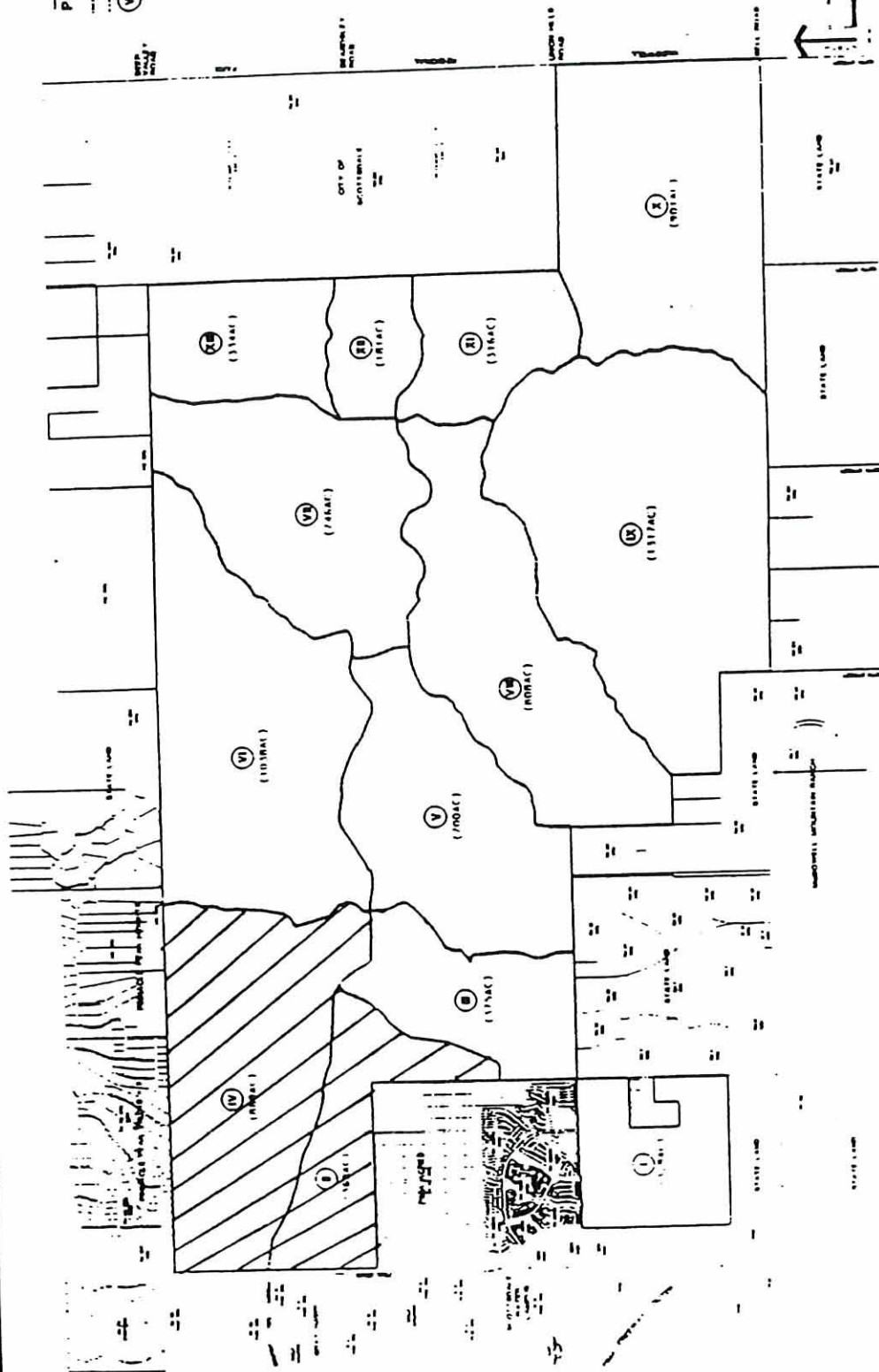


EXHIBIT "A"

# DC RANCH

VERNON SWANICK ASSOCIATES, INC.  
ARCHITECTS AND PLANNERS

**VSA**

## EXHIBIT "B"

## DESCRIPTION OF DC RANCH PROPERTY

PARCEL NO. 1:

All of Section 19, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals in the North half as reserved in the patent to said land recorded in Docket 304, page 447, records of Maricopa County, Arizona.

EXCEPT all coal and other minerals in the South half as reserved in the patent to said land recorded in Book 200 of Deeds, page 103.

EXCEPT the following described parcel:

A parcel of land lying within Section 19, Township 4 North, Range 5 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the north quarter corner of said Section 19;  
THENCE along the north line of said Section 19 and along the south line of Pinnacle Peak Vistas III as recorded in Book 291, page 47, M.C.R., South  $89^{\circ}57'31''$  West, a distance of 203.56 feet, to the beginning of a non-tangent curve and the POINT OF BEGINNING;  
THENCE leaving said north line and said south line, westerly along said curve, having a radius of 180.57 feet, concave northerly, whose radius bears North  $09^{\circ}07'12''$  West, through a central angle of  $18^{\circ}09'25''$ , a distance of 57.22 feet, to a point of intersection with a non-tangent line and to said north line and said south line;  
THENCE along said north line and said south line, North  $89^{\circ}57'31''$  East, a distance of 56.98 feet, to the POINT OF BEGINNING.

PARCEL NO. 2:

All of Section 20, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals in the North half as reserved in the patent to said land recorded in Docket 304, page 447, records of Maricopa County, Arizona.

EXCEPT all coal and other minerals in the South half as reserved in the patent to said land recorded in Book 200 of Deeds, page 103.



PARCEL NO. 3:

All of Section 21, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447, records of Maricopa County, Arizona.

PARCEL NO. 4:

All of Section 22, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447, records of Maricopa County, Arizona.

PARCEL NO. 5:

All of Section 23, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447, records of Maricopa County, Arizona.

PARCEL NO. 6:

All of Section 26, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447, records of Maricopa County, Arizona.

PARCEL NO. 7:

All of Section 27, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447.

PARCEL NO. 8:

All of Section 28, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447.

PARCEL NO. 9:

All of Section 29, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447.

PARCEL NO. 10:

The East half of the Northwest quarter; the West half of the Northeast quarter; the Northeast quarter of the Northeast quarter; the Southeast quarter of the Southeast quarter of the Northeast quarter; the Northeast quarter of the Southwest quarter; the North half of the Southeast quarter of Section 31, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447.

PARCEL NO. 11:

The East half of the Northwest quarter; the Northeast quarter and the North half of the Southeast quarter of Section 33, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447.

PARCEL NO. 12:

All of Section 34, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447.

PARCEL NO. 13:

All of Section 35, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.



EXCEPT the following described sites:

(Site 1) A Parcel of land 400 feet square described as follows:

COMMENCING at a point on the East line of the Northeast quarter of Section 35, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, said point being North (assumed bearing) (North  $0^{\circ}15'34''$  East in Road Survey Data) 190.44 feet from the Southeast corner of said Northeast quarter;

Thence South  $59^{\circ}59'$  West (South  $60^{\circ}14'34''$  West in Road Survey Data) 2527.72 feet;

Thence North  $45^{\circ}00'$  West (North  $44^{\circ}44'26''$  West in Road Survey Data) 282.80 feet to the Northwest corner of said parcel and the TRUE POINT OF BEGINNING;

Thence East 400 feet;

Thence South 400 feet;

Thence West 400 feet;

Thence North 400 feet to the TRUE POINT OF BEGINNING; and;

(Site 2) EXCEPT a parcel of land 200 feet square described as follows:

COMMENCING at a point on the East line of the Northeast quarter of Section 35, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, said point being North (assumed bearing) (North  $0^{\circ}15'34''$  East in Road Survey Data) 190.44 feet from the Southeast corner of said Northeast quarter;

Thence South  $59^{\circ}59'$  West (South  $60^{\circ}14'34''$  West in Road Survey Data) 2527.72 feet;

Thence South  $49^{\circ}26'38''$  East (South  $49^{\circ}42'12''$  East in Road Survey Data) 1174.32 feet to the Southeast corner of said parcel and the TRUE POINT OF BEGINNING;

Thence West 200 feet;

Thence North 200 feet;

Thence East 200 feet;

Thence South 200 feet to the TRUE POINT OF BEGINNING; and

EXCEPT Easement to erect and maintain power lines connecting Sites No. 1 and 2 situated in Section 35, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona; described as follows: An Easement 30 feet in width, being 15 feet

measured at right angles from and lying parallel and adjacent to the following described centerline:

COMMENCING at a point in the Center of the above described Site No. 1;

Thence South 49°26'38" East (South 49°42'12" East in Road Survey Data) 1,174.32 feet to the point of ending at the Southeast corner of the above described Site No. 2.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447.

PARCEL NO. 14:

All of Section 36, Township 4 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT all coal and other minerals as reserved in the patent to said land recorded in Docket 304, page 447.





When recorded, return to:  
Eneas Kane, Esq.  
DC Ranch L.L.C.  
4201 North 24th Street, Suite 120  
Phoenix, Arizona 85016



OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL

99-0673266 07/16/99 10:46

JUL 16 1 07 3

FIRST AMENDMENT TO  
THE COVENANT AT DC RANCH

WITNESSETH:

THIS FIRST AMENDMENT is made by DC RANCH L.L.C., an Arizona limited liability company ("Declarant"), as of the date set forth on the signature page below.

BACKGROUND STATEMENT

On December 10, 1996, Declarant signed The Covenant at DC Ranch ("Covenant") which was recorded on December 13, 1996 in the official records of the Maricopa County Recorder as Instrument No. 96-0868789, and re-recorded on May 5, 1997, in the official records of the Maricopa County Recorder as Instrument No. 97-0298843.

Pursuant to the terms of Article Eight, Section 8.2 of the Covenant, Declarant may amend the Covenant as long as the Declarant owns any portion of the property described in Exhibits "A" and "B" to the Covenant.

As of the date of this First Amendment, Declarant owns a portion of the property described in Exhibits "A" and "B" to the Covenant.

Declarant desires to amend the Covenant.

NOW, THEREFORE, pursuant to the powers vested in Declarant under the Covenant, Declarant hereby amends the Covenant as follows:

I

Article Five, Section 5.2 is amended by striking that section in its entirety and substituting the following therefor:

Community Associations. Declarant intends to organize portions of DC Ranch under separate declarations of covenants, conditions, and restrictions to be administered by community associations, which will include one or more Ranch Association and, perhaps,

other entities. These separate declarations may contain requirements or standards relating to design and development which are stricter or which address areas which are not otherwise covered by the Community Design Book. No such standards or requirements which are in derogation of, or contrary to, this Covenant, the Community Design Book, the goals of the comprehensive plan for DC Ranch, or the purposes for which this Covenant has been established, shall be valid or enforceable.

Any community association within DC Ranch, by and through its board of directors, may serve as a liaison to The Covenant Commission to communicate matters of architectural or design significance which are unique or of particular concern to the portion of DC Ranch over which it has jurisdiction. The community associations will not have any authority to bind The Covenant Commission.

The Covenant Commission may delegate some of its powers or responsibilities with respect to design review to one or more Ranch Associations. The Covenant Commission may modify, restrict, expand or revoke the powers or responsibilities delegated to the Ranch Associations at anytime.

## II

Article Six, Section 6.1 is amended by striking that section in its entirety and substituting the following therefor:

Authority. Any work performed in violation of this Covenant or the Community Design Book, or in a manner inconsistent with any approved plans shall be deemed to be nonconforming. In the event of the performance of any work which is nonconforming, The Covenant Commission shall have the authority to exercise, in its discretion, any and all available enforcement means and methods to remedy the nonconforming condition and to levy such sanctions as it deems appropriate. Prior to imposing any monetary sanction under this Article, the Covenant Commission shall provide



notice and an opportunity to be heard with regard to any violations  
of this Covenant or the Community Design Book.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this  
\_\_\_\_\_ day of \_\_\_\_\_, 1999.

DC RANCH L.L.C., an Arizona limited liability company

By: DMB Property Ventures Limited Partnership,  
a Delaware limited partnership,  
administrative member

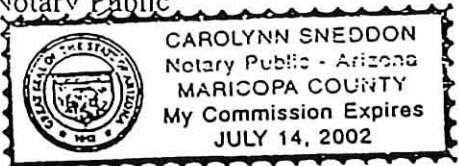
By: DMB GP, Inc., an Arizona corporation,  
general partner

By: Charley Freericks  
Charley Freericks  
Vice President

STATE OF ARIZONA       )  
                                  ) ss.  
County of Maricopa       )

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of July,  
1999, by Charley Freericks, Vice President of DMB GP, Inc., an Arizona corporation, for and on  
behalf of the corporation as general partner of DMB Property Ventures Limited Partnership, a  
Delaware limited partnership, for and on behalf of the partnership as the administrative member  
of DC Ranch L.L.C., an Arizona limited liability company, for and on behalf of the limited  
liability company.

My Commission Expires:  
7-14-02

Carolynn Sneddon  
Notary Public  


DCRANCHGOVERNANCEWORDAMCOV-RV