

DC RANCH COMMUNITY COUNCIL  
AMENDED AND RESTATED DECLARATION  
OF COVENANTS AND EASEMENTS

THIS DC RANCH COMMUNITY COUNCIL AMENDED AND RESTATED DECLARATION OF COVENANTS AND EASEMENTS is made by DC Ranch L.L.C., an Arizona limited liability company ("Declarant"), as of the date set forth on the signature page hereof.

RECITALS

A. On December 10, 1996, Declarant executed that certain DC Ranch Community Council Declaration of Covenants and Easements which was recorded on December 13, 1996 in the official records of the Maricopa County Recorder as Instrument No. 96-0868790; and

B. On July 15, 1998, Declarant executed that certain Irrevocable Disclaimer of Right to Annex (the "Disclaimer"), which was recorded on July 15, 1998 in the official records of the Maricopa County Recorder as Instrument No. 98-0605830, in connection with the sale to the City of Scottsdale of the property described in the Disclaimer, commonly known as "Planning Units 7 through 13" of DC Ranch, whereby Declarant disclaimed any right to annex into the DC Ranch Community Council Declaration of Covenants and Easements any portion of such property; and

C. Pursuant to Article IX of the original Declaration, Supplemental Declarations were recorded as follows:

- (i) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 2.9, recorded March 27, 1997, in the official records of the Maricopa County Recorder as Instrument No. 97-0195818;
- (ii) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 2.10, recorded August 27, 1997, in the official records of the Maricopa County Recorder as Instrument No. 97-0591928;
- (iii) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 2.13/2.14, recorded February 12, 1998, in the official records of the Maricopa County Recorder as Instrument No. 98-0106500;
- (iv) Amendment to Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 2.13/2.14, recorded October 26, 1998, in the official records of the Maricopa County Recorder as Instrument No. 98-0954657;

- (v) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.1, recorded December 13, 1996, in the official records of the Maricopa County Recorder as Instrument No. 96-0868794;
- (vi) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.4, recorded June 30, 1997, in the official records of the Maricopa County Recorder as Instrument No. 97-0442230;
- (vii) Amendment to Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.4, recorded December 7, 1998, in the official records of the Maricopa County Recorder as Instrument No. 98-1105456;
- (viii) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.6, recorded May 15, 1997, in the official records of the Maricopa County Recorder as Instrument No. 97-0324224;
- (ix) Amendment to Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.6, recorded May 8, 1998, in the official records of the Maricopa County Recorder as Instrument No. 98-0383038;
- (x) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.7, recorded March 5, 1997, in the official records of the Maricopa County Recorder as Instrument No. 97-0143112;
- (xi) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.8, recorded November 19, 1997, in the official records of the Maricopa County Recorder as Instrument No. 97-0811564;
- (xii) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.11, recorded September 17, 1997, in the official records of the Maricopa County Recorder as Instrument No. 97-0642732;
- (xiii) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.13, recorded October 28, 1998, in the official records of the Maricopa County Recorder as Instrument No. 98-0963689;
- (xiv) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.14, recorded March 19, 1998, in the official records of the Maricopa County Recorder as Instrument No. 98-0211727;
- (xv) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.15, recorded November 6, 1997, in the official records of the Maricopa County Recorder as Instrument No. 97-0781300; and

- (xvi) Supplemental Declaration of Covenants, Conditions and Restrictions for DC Ranch Parcel 4.16, recorded June 27, 1997, in the official records of the Maricopa County Recorder as Instrument No. 97-0435861

(collectively, the "Existing Supplemental Declarations"); and

D Pursuant to Section 14.6(a) of the original Declaration, Declarant reserved the right to unilaterally amend that instrument so long as Declarant owns any portion of the real property described in Exhibits "A" or "B" to the original Declaration; and

E. Declarant still owns a portion of the real property described in Exhibits "A" and "B" to the original Declaration; and

F. Declarant desires to amend the original Declaration in various respects.

NOW, THEREFORE, the original Declaration is hereby replaced and superseded in its entirety and the following Amended and Restated Declaration is substituted in its place:

#### BACKGROUND

This Declaration applies to the real property located in Maricopa County, Arizona, which is described and depicted in Exhibit "A" and incorporated herein by this reference. In addition, the real property described in Exhibit "B" to this Declaration and incorporated herein by this reference (excepting therefrom the portion described in Exhibit "A"), may in the future be subjected to this Declaration in whole or in part. All of the property subjected to this Declaration may be referred to herein collectively as the "Properties."

This Declaration imposes upon all property subjected to it mutually beneficial restrictions under a general plan of development on behalf of all owners of the subjected property and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of such property.

Throughout this document, there are diagrammatic summaries to aid the reader's comprehension and use of the Community Council Governing Documents. In the event of a conflict between any diagrammatic summary and the text of any of the Community Council Governing Documents, the text shall control.

#### INTRODUCTION TO COMMUNITY'S PURPOSE AND DECLARATION

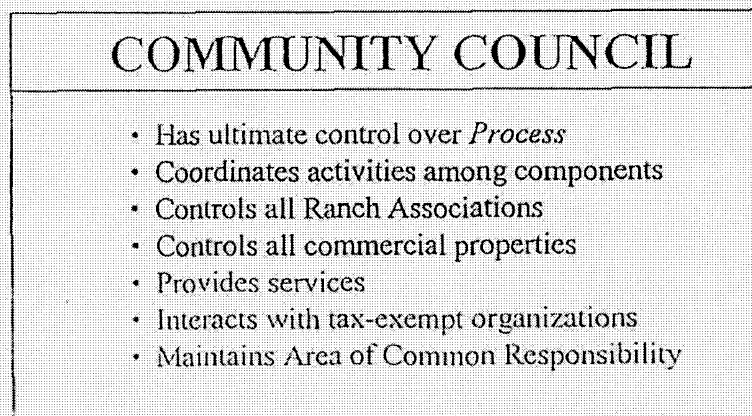
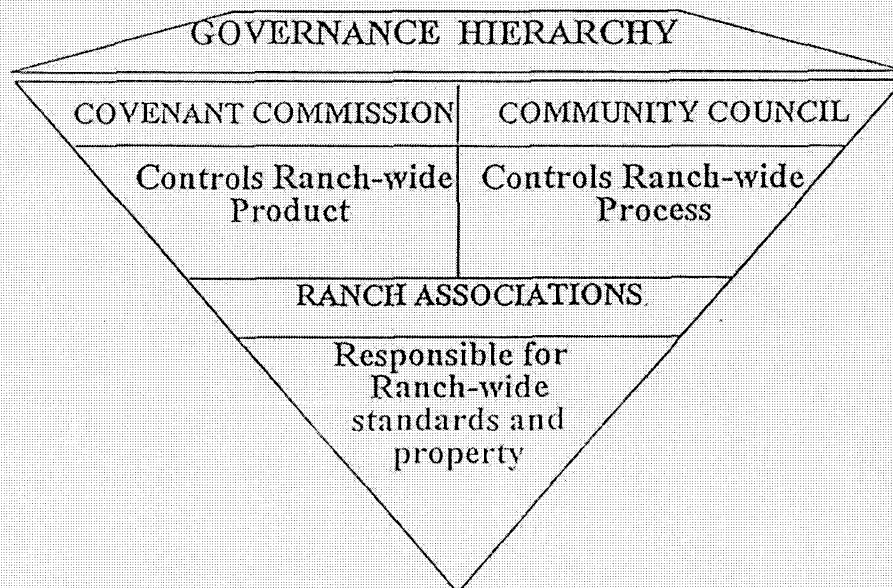
*Declarant has established this Declaration to provide a governance structure and a statement of the objectives of that structure in order to create a community at DC Ranch. This community shall have both a flexible system of standards and procedures for its overall*



development, administration, and operation and an articulated set of goals and aspirations for the life of the community itself. This Declaration reflects and sets forth those goals and provides the powers and flexibility necessary to develop the community of DC Ranch.

The community, its documentation, and its governance structure are different from a typical master planned community. The responsibilities and powers of the DC Ranch Community Council, Inc., (the "Community Council") are not those of a standard home owners association board of directors and are neither focused on, nor limited to, people control or property management and maintenance.

The following diagram illustrates the governance hierarchy of DC Ranch:

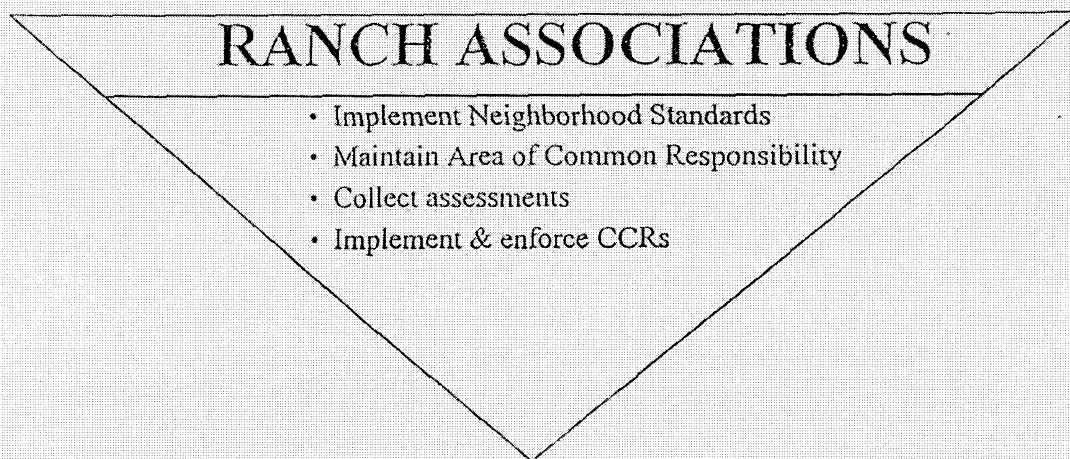


*While the Community Council has the power to provide for the maintenance, management, and preservation of some property, the powers of the Community Council extend to, and focus on, various programmatic activities intended to build and maintain a sense of community. Specifically, the Community Council shall encourage, fund, and implement programs for the entire DC Ranch community. It has the power to coordinate and facilitate activities and regulations among and between all components of DC Ranch. This Declaration empowers the Community Council to enter into agreements with other entities, including, without limitation, tax-exempt organizations and service providers, to exercise its powers and responsibilities.*

*The other components of DC Ranch include The Covenant Commission and one or more Ranch Associations.*

*The Covenant Commission shall have jurisdiction over all matters of design review for all property within DC Ranch. The Covenant Commission, in any matters relating to the design, development, aesthetics, and character of the DC Ranch community, is superior to any other organization, entity, community association, or individual. The Covenant Commission administers, interprets, and enforces The Covenant, the document which is designed to enhance the quality of all planning, architecture, development and land use at DC Ranch and which is superior to all other covenants placed upon any portion of DC Ranch. The Community Council and The Covenant Commission shall have a common administrative executive officer.*

*In addition, DC Ranch shall include one or more Ranch Associations. Each Ranch Association establishes standards and conducts activities for the property under its responsibility, while the Community Council sets and engenders those standards and activities which have community-wide application. The following is a summary of the functions of the Ranch Associations.*



*The Community Council may delegate to one or more Ranch Associations one or more of the powers, rights, functions, responsibilities, or obligations which the Community Council Governing Documents grant to the Community Council. Any Ranch Association to which the Community Council delegates any such power, right, responsibility, or obligation shall accept such delegation. No delegation of any Community Council power to any Ranch Association shall be effective unless such delegation is memorialized in a written, Recorded instrument executed by Declarant so long as Declarant owns any property described in Exhibit "A" or Exhibit "B" and the Community Council.*

*The following diagram depicts the overall relationships among the various components of DC Ranch and describes some of the responsibilities or powers of each:*

