

*Carefree Ranch
Homeowners Association
CC&R's*



Carefree Ranch Homeowners Association

P.O. Box 5720

Mesa, AZ 85211

PREFERRED COMMUNITIES
"LOVING WHERE YOU LIVE."



Official Records of Maricopa County
Recorder Helen Purcell

When recorded please return to:
Ekmark & Ekmark, LLC
6720 North Scottsdale Road
Suite 261
Scottsdale, AZ 85253

Electronic Recording.
20061056103, 08/08/2006 12:02, 00732-82-1-1--, N

**AMENDED, RESTATED AND CONSOLIDATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
and
RESERVATION OF EASEMENTS
for
CAREFREE RANCH**

AMENDED, RESTATED AND CONSOLIDATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
and
RESERVATION OF EASEMENTS
for
CAREFREE RANCH

1.0 RECITAL:

WHEREAS, a Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Lone Mountain was recorded at Docket 14660, Pages 223 through 230, records of Maricopa County, Arizona, ("Declaration I") governing Lots 1 through 46, inclusive, Lone Mountain, according to the plat of record in the office of the Maricopa County Recorder in Book 225 of Maps, Page 40, and a Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for The Ranch Highlands was recorded at Docket 14079, Pages 407 through 414, records of Maricopa County, Arizona, ("Declaration II") and governing Lots 1 through 55, inclusive, Ranch Highlands, according to the plat of record in the office of the Maricopa County Recorder in Book 218 of Maps, Page 26; (Lots 1 through 46, inclusive, and 1-55 inclusive, shall collectively be referred to herein as "Lots" and shall individually be referred to herein as "Lot");

WHEREAS, Declaration I was amended by a First Amendment of Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Lone Mountain, recorded at Docket 14731, Pages 1330-1331, in the office of the Maricopa County Recorder, Maricopa County, Arizona;

WHEREAS, Carefree Ranch Owners Association ("Association"), by and through its members, wishes to amend, restate and consolidate Declaration I and Declaration II and all amendments thereto in their entirety as set forth herein;

NOW, THEREFORE, the Association, by and through its members, hereby consolidates Declaration I and Declaration II and amends and restates the Declarations in their entirety as set forth herein and declares that all of the properties described above shall be held, sold, conveyed, leased, encumbered, used, occupied and improved, subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value thereof and of insuring a uniform plan for the development of the real property for the mutual benefit of all of the property described herein and the owners thereof, their heirs, successors, grantees, and assigns.

2.1 DEFINITIONS:

1. "Association" means The Carefree Ranch Owners Association, an Arizona corporation, or any successor or assignee by way of merger, consolidation, transfer or otherwise, whose membership shall be composed of Owners.

2. "Board" means the board of directors of the Association.

3. "Committee" means the Design Review Committee to be appointed by the Association to review and approve or disapprove plans and specifications for all improvements proposed to be constructed in the Subdivision.

4. "Design Guidelines" means the Carefree Ranch Owners Association Design Guidelines set forth by the Design Review Committee. The Design Guidelines are incorporated into this Declaration by this reference as if fully set forth herein. If the Design Review Committee amends the Design Guidelines, those amendments are incorporated herein by reference.

5. "Road" means the following roads: Tom Morris Road, Charles Blair MacDonald Road, Jack Neville Drive, Larry Hughes Drive, Red Lawrence Drive, Robert Hunter Drive, Stanley Thompson Lane, Alister McKenzie Drive, and A.W. Tillingshast Road, except for those portions of Alister McKenzie Drive and A.W. Tillingshast Road located in Lone Mountain I.

6. "Declaration" means this instrument, as amended from time to time.

7. "Developer" means CPI and its successors, assignees and transferees.

8. "Lot" means a numbered lot as shown on the Plats.

9. "Mortgage" means a mortgage and a deed of trust.

10. "Owner" means any person or entity which becomes the owner of all or any part of the Lot including one who owns an additional interest in all or part of a Lot.

11. "Person" means any individual, corporation, partnership, trust or other entity capable of holding title to real property.

12. "Plats" mean the subdivision plat of Lone Mountain which is recorded in the office of the recorder, Maricopa County, Arizona in Book 225 of Maps, page 40, and the subdivision plat of Ranch Highland which is recorded in the office of the recorder, Maricopa County, Arizona in Book 218 of Maps, page 26.

13. "Project" means The Carefree Ranch, a master planned area, which consists of Sections 4 to 9, inclusive, 16 to 20, inclusive, Section 31, and portions of Sections 21, 28, 29, 1 and 32, Township 6 North, Range 5 East, G&SRB&M, Maricopa County, Arizona, as the same may be enlarged or reduced in area from time to time.

2.2 ASSOCIATION MEMBERSHIP. Membership in the Association shall be limited to Owners of Lots. An Owner of a Lot shall automatically be a Member of the Association and shall remain a Member of the Association until such time as his ownership ceases for any reason, at which time his Membership in the Association shall automatically cease.

2.3 SUBDIVIDING. No Lot shall ever be subdivided.

2.4 USE OF PROPERTY. Except as otherwise provided herein, each Lot shall be used only for single family residential purposes and for no other purpose. Only single family residences and other related structures are allowed, subject to approval by the Committee. One guesthouse per residence shall be allowed, subject to the prior written approval of the Committee in accordance with the Design Guidelines. A guest house may not be rented, sold, or used separately from the main residence. One equipment structure per residence, not to exceed 500 square feet in floor area, will be permitted.

2.5 DESIGN CONTROL. Lots 1 through 55, inclusive, in Ranch Highlands and Lots 1 through 24, inclusive, and Lot 26 in Lone Mountain are subject to the Committee, the Design Guidelines, and the design control provisions herein. Lots 25 and 27 through 46, inclusive, in Lone Mountain are subject to design control by Desert Mountain and are not subject to the Committee, the Design Guidelines or the design control provisions sets forth in this Declaration.

No grading, landscaping, building, fence, wall, road, driveway or other improvement of any kind shall be commenced, placed or erected on any Lot unless and until plans and specifications thereof have been submitted to the Committee in such detail as it may require, and it shall have approved the plans and specifications.

The Committee shall have the right to withhold its approval of any plans and specifications, so long as such withholding of approval is reasonable. Such approval may be reasonably withheld for any reason whatsoever including, without limitation, reasons relating to aesthetics or design. The Committee's approval, if given, shall be deemed to relate only to the improvement specifically described in the approved plans and specifications. All construction shall be done in strict accordance with the approved plans and specifications. No changes in and no alterations of or additions to any such improvement shall be commenced without the approval of the Committee obtained under the procedure set forth above. If construction on any Lot, any improvement or on any alteration to an improvement is commenced without the prior approval by the Committee, the Committee shall have the right to refuse access to the Subdivision by

construction traffic.

Approval by the Committee shall be given subject to the following commitments from Owner: (1) to complete the proposed building project if it is started; or (2) if the project is stopped or terminated prior to completion, to reclaim and restore the contour and vegetation of the property to a condition that is comparable to that which existed before the project was begun. Construction on a Lot must be continuous and ongoing. At any time in the construction process, if the Committee feels that an Owner is not making continuous progress, the Committee can request that the Owner provide proof of continuous and ongoing progress in the form of a construction schedule. If the Owner fails to provide such a schedule to the Committee, if the Owner fails to abide by the schedule, or if the Committee determines that the schedule does not evidence continuous and ongoing construction progress, the Committee, in its discretion, has the authority to impose reasonable fines which fines may exceed \$1,000 per day. In no event may the entire construction process exceed 730 days. Notwithstanding the above, the Committee may, at its sole option and in extenuating circumstances, grant variances from the restriction limiting construction to 730 days if the Committee determines, in its sole discretion: (a) that either (i) enforcement of this restriction would create a substantial hardship or burden on an Owner or (ii) a change of circumstances since the recordation of this Declaration has rendered this restriction obsolete; and (b) that the extension permitted under the variance will not have any substantial adverse effect on the Owners and occupants within Carefree Ranch and is consistent with the high quality of life intended for residents of Carefree Ranch.

Except during the period of actual bonafide construction of an improvement, all personal property shall be stored by the Owner of a Lot within such Owner's residence, garage, carport, storage room or screened area approved by the Committee. The term "personal property" shall include, but shall not be limited to, motor vehicles of all kinds.

Service areas used in connection with any improvement shall be screened from view in a manner approved by the Committee. The term "service areas" shall include, but not be limited to, areas containing clothes-lines, trash containers, woodpiles and water, gas and propane tanks.

Each Lot on which its Owner proposes to construct improvements shall be subject to reasonable fees for the purpose of paying the expenses of the Committee in reviewing the plans and specifications for such improvements. Such expenses shall include fees paid to consulting architects or planners as well as other direct and indirect expenses incurred by the Committee and its agents in the administration of the design review function. Such fees may also include construction deposits, and, in the case of new buildings, road access damage fees. Such fees shall constitute a lien on the Owner's Lot and may be foreclosed as provided in Section 2.18.

A grading and drainage plan, prepared by a registered civil engineer or architect for each Lot, will be required prior to issuance by the City of Scottsdale of a permit to erect a residence on such Lot. The plan will provide that residential floors will be protected from flood water which would be generated by a 100-year storm, and that after construction on the Lot, flood waters will

be discharged from the Lot at approximately the same place as such flood waters would be discharged if the construction had not been done.

2.6 ALTERATION OF PROPERTY. No structure of any kind shall be constructed, or vegetation planted, or allowed to grow within the drainage easements which would impede the flow of storm, flood or other waters passing over, under or through these easements. Maintenance of drainage easements shall be the responsibility of the Owner upon whose Lot the easement is located. No Owner shall alter the topographic conditions of his Lot in any way that would materially alter its natural drainage of surface water. No Owner shall alter the topographic conditions of his Lot in any way which, in the opinion of the Committee, would cause unnecessary scarring of the hills or mountains or would destroy the natural beauty of the land. If there is any alteration of a Lot in violation of this section, Association may enter upon and restore the Lot as nearly as possible to its condition prior to such alteration and charge the Owner therefor. Such charge shall constitute an assessment and lien on the Owner's Lot and may be foreclosed as provided in Section 2.18.

2.7 TEMPORARY STRUCTURES. No trailer, motor home, tent, shack, garage, barn or other similar structure or accessory building shall be used at any time as a residence either temporarily or permanently; provided that nothing herein contained shall prevent the erection of a temporary shop or office structure, or use of a trailer, by a contractor or builder during the actual bonafide construction of an improvement.

2.8 FENCES, WALLS AND ANIMALS. No fencing will be permitted except those fences and walls approved by the Committee in connection with the construction of a residence, and fencing approved by the Committee for small corrals for the containment of the Owner's live stock. Only animals in such reasonable numbers as the Committee may determine may be kept or maintained on any Lot. Any Owner's animal which, in the opinion of the Board, causes annoyance to other Owners shall be kept under restraint by its Owner within the Owner's residence or within approved fences.

2.9 BUILDING HEIGHT. Each Lot in the Subdivision is different from all others in topography and many Lots have several choice building sites. Each residence to be built must be custom designed for the particular building site selected so it will aesthetically appear to be an integral part of the land and will not unduly interfere with the views from other building sites. Lower profile buildings will be required at high elevations than at low elevations. Height limitations shall be determined by the Committee for each building proposed to be constructed upon receipt of an application pursuant to Section 2.5 accompanied by preliminary plans and specifications for the building which shall include elevation drawings of the proposed building, site plans and such other information as the Committee may require. In no event, however, shall any building height exceed twenty-four feet and zero inches (24' - 0") above the existing natural grade, exclusive of chimneys, as set forth in the Design Guidelines. Notwithstanding the above, the Committee may, at its sole option and in extenuating circumstances, grant variances from the height restrictions set forth in this Section if the Committee determines, in its sole discretion: (a)

that either (i) enforcement of the height restriction herein would create a substantial hardship or burden on an Owner or (ii) a change of circumstances since the recordation of this Declaration has rendered this restriction obsolete; and (b) that the building height permitted under the variance will not have any substantial adverse effect on the Owners and occupants within Carefree Ranch and is consistent with the high quality of life intended for residents of Carefree Ranch.

2.10 MAINTENANCE, REPAIR AND RECONSTRUCTION. Each Owner at all times shall keep his property in neat and clean condition, and all improvements in good condition and repair, as required by the Association. In the event an Owner should fail to restore his property and any improvements to such condition within a period of thirty days after notice from the Association to such Owner, then the Association shall have the right to enter upon such Owner's property and remedy the condition at the expense of the Owner. Such expense shall constitute an assessment and lien on the Owner's real property in the Subdivision and may be foreclosed as provided in Section 2.18. The Association shall also have the right to enter upon an Owner's property upon thirty days notice to remedy any damage caused by such Owner to the common areas or roads adjacent to such Owner's property. Such expense shall constitute an assessment and lien on the Owner's real property in the Subdivision and may be foreclosed as provided in Section 2.18.

2.11 SIGNS. No signs of any kind (except signs that cannot be prohibited by law), and no unsightly objects or nuisances, shall be erected, placed or permitted to remain on any Lot site without approval of the Committee.

2.12 GARBAGE AND REFUSE DISPOSAL. Garbage and Refuse disposal is handled through the City of Scottsdale. Owners shall be responsible for garbage and refuse disposal as set forth in the Design Guidelines. The failure of any Owner to comply with these provisions of the Guidelines shall give rise to the Association's rights to enter upon such Owner's property and correct such violation at the expense of the Owner after thirty days notice from the Association as provided in Section 2.10. The cost thereof shall constitute an assessment and lien on the Owner's Lot and may be foreclosed as provided in Section 2.18.

2.13 NUISANCES. No loud, obnoxious or offensive activity shall be carried on upon any Lot or Roads, nor shall anything be done thereon which may be or may become an annoyance or nuisance to Owners. Vehicles of any kind will be permitted to use Roads or driveways or other portions of the Project under rules and regulations as may be established from time to time by the Board. Also, utility companies shall be permitted to operate vehicles within the easements reserved in Section 2.14 for the purpose of constructing, operating, repairing and maintaining improvements permitted by the respective easements under rules and regulations as may be established from time to time by the Board.

Operators of such vehicles using the Roads, driveways and other portions of the Project for a valid purpose must operate such vehicles in a safe manner, and in accordance with any

guidelines as may be established by the Board.

2.14 EASEMENTS. Developer has reserved the perpetual easements described below across, under and upon the portions of the Project as specified below for the purposes indicated:

A. An easement for the construction, operation, repair, maintenance, use and enjoyment of Roads and utilities, including: domestic water pipes, mains, pumps, lift stations and water storage tanks; sewer pipes and mains, telephone wires and lines; gas lines and mains; electric wires, lines and transformers; cable television wires and lines; postal services, and garbage and trash collection and removal. The easement shall consist of an area extending fifty feet on each side of the centerline of the Roads shown on the Plats.

B. An easement for the construction, operation, repair, maintenance, use and enjoyment of bicycle paths, horseback riding trails and facilities for the drainage of flood waters from the Subdivision.

(1) The easement described in Section 2.14B was reserved with respect to all Lots and shall be a blanket easement over all and any portions of said Lots.

(2) Notwithstanding the easement reserved in Section 2.14B no bicycle path or horseback riding trail shall be constructed, operated or maintained within 150 feet of a residence which was constructed, or was being constructed, on any Lot prior to the commencement of construction of such path or trail.

C. The easements shown on the Plats.

2.15 UTILITIES. All utility wires and lines as well as all collection or distribution mains of any type whatsoever shall be installed underground, and not overhead, to the place of usage from the place provided by the utility company. Utility lines, wires and mains shall be installed in or along Roads.

2.16 SECURITY AND LIMIT OF LIABILITY. The Association shall have the right to employ individuals, or to contract with a private company engaged in rendering security services, to provide guard service at any entry to the Project and to provide security patrol service within the Subdivision, and the expense thereof shall be paid by the Owners of all Lots in the Subdivision. The amount of such expense to be paid by each such Owner shall bear the same relation to the total amount of such expense as one shall bear to the total number of Lots in the Subdivision. The amount to be paid by each such Owner shall constitute an assessment and lien on such Owner's real property in the Subdivision and may be foreclosed as provided in Section 2.18. The Association shall not be liable for any theft, burglary, vandalism, disturbance, unauthorized entrance or other similar occurrence which may occur at the residence of any

Owner or within the Subdivision.

2.17 ROAD MAINTENANCE AND ASSOCIATION. The Association shall be responsible for providing access over Roads to all Lots and for the maintenance of trash removal Roads. The Owner of each Lot shall be responsible for providing driveways from Roads to any residence on his Lot and for maintenance of and trash removal from such driveway.

2.18 ASSESSMENTS AND LIENS. Each Owner shall pay his proportionate share of (1) any periodic facilities charges to be made by Arizona Public Service Company with respect to the power lines to be installed to serve the Subdivision and the power generating facilities maintained by APS to supply power to such power lines, and (2) the expenses of the Committee and of the Association, including the costs of maintaining and operating the Roads. The amount of such charges and expenses to be paid by each Owner shall bear the same relation to the total amount of such charges and expenses as the number of Lots owned by such Owner shall bear to the total number of Lots in the Subdivision. Notwithstanding the above, the Owners of Lots 25 and 27-46, inclusive, of Lone Mountain, shall pay only 75% of the line item budget assessment amount for the maintenance and operation of the Roads as set forth in the Use and Maintenance Agreement (Relating to Lone Mountain Village) recorded at recording number 95-0286045, records of Maricopa County Recorder, Maricopa County, Arizona. These Owners shall pay 100% of the amounts for all other assessments. All Owners shall pay to the Committee and the Association their respective shares of such charges and expenses at times established by the Association. If any Owner should fail to make any such payment of his share of said charges and expenses when due, the amount thereof shall constitute an assessment and lien on such Owner's Lot. Such lien shall be subordinate to the lien of a prior recorded first mortgage on, or the right, title and interest of the trustee and beneficiary under a prior recorded first deed of trust in and to, the Owner's property, except for the amount of the proportionate share of charges and expenses which may accrue after the date on which the holder of the mortgage or the trustee or beneficiary under the trust deed, either takes possession of the Owner's property, accepts a conveyance of any interest therein (other than as security) or otherwise obtains title to the property, or causes a receiver to be appointed for the property. All such assessments collected in a given fiscal year of the Committee or the Association but not spent in such year shall be automatically deemed to be held in trust by the Committee or the Association for the purpose of paying its expenses for the next successive year.

In addition to all other assessments set forth herein, each Owner, upon acquiring a Lot, shall pay to the Association a transfer fee assessment. The transfer fee assessment shall be at least equal to an amount that covers the Board's administrative costs involved in the transfer, and shall not be considered a prepayment of any other assessments owed.

The liens provided for in this Declaration may be foreclosed by the Board, its successors and assignees in the same manner as provided for the foreclosure of realty mortgages in the State of Arizona.

2.19 AMENDMENT AND ENFORCEMENT. The covenants, conditions and restrictions in this Declaration constitute covenants running with the land and shall remain in full force and effect, being binding on all Lots in the Subdivision and on all Owners and all persons claiming under them. These covenants, conditions and restrictions may be revoked or amended at any time and from time to time by recording in the office of the recorder, Maricopa County, Arizona, an instrument reciting said revocation or amendment. Such instrument must be approved by two-thirds (2/3) of those Owners voting (in person or by absentee ballot), at a meeting where quorum is established. For purposes of this Section only, the Owners of a majority of the Lots shall constitute a quorum. This Declaration may be amended by the Board without a vote of the Members, for the sole purpose of updating the Declaration to comply with the law.

The Association shall have the right, but not the obligation, to enforce the provisions of this Declaration. The failure to enforce any of the provisions of this Declaration shall not constitute an abandonment or a waiver of any right to enforce such provision or any of the other provisions herein set forth.

2.20 INTERPRETATION. Except for judicial construction, the Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefitted or bound by the Covenants and provisions hereof.

2.21 SEVERABILITY. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

2.22 ATTORNEYS' FEES. In the event the Board employs an attorney or attorneys for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, or for any other purpose in connection with the breach of this Declaration, Articles of Incorporation, Bylaws, or any Rules and Regulations of the Association, whether or not a lawsuit is filed, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred, and all other expenses incurred by the Association, in addition to any other amounts due from the Owner or any other relief or remedy obtained against said Owner. Said amounts shall be considered an assessment against the Owner's Lot, subject to an assessment lien, and collectible in the same manner as assessments. In the event of a default in payment of any such assessment when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Board may enforce each such obligation in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures (and the exercise by the Association of one or more of the remedies set forth below shall not prevent the Association from exercising any other remedy available):

(a) The Board may bring a suit at law against each Owner to enforce each such assessment obligation. Each Owner agrees that any judgment rendered in any such action shall include all attorneys' fees and costs incurred by the Association, as set forth above, plus all court costs and necessary expenses and accounting fees incurred by the Association, plus interest on the amount of said assessment at the maximum legal rate allowed by law from the date the assessment becomes delinquent until paid in full.


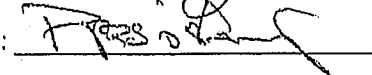
(b) The Board may foreclose the assessment lien against the Lot in accordance with the then prevailing Arizona law relating to the foreclosure of realty mortgages (including the right to recover any deficiency), and the Lot may be redeemed after foreclosure sale as provided by law. Each Owner agrees that any judgment rendered in any such action shall include all attorneys' fees and costs incurred by the Association, as set forth above, plus all court costs, title search fees, interest, and all other costs and expenses to the extent permitted by law, and such costs and expenses shall be added to the lien.

2.23 NON-WAIVER OF ASSOCIATION'S RIGHT OF ENFORCEMENT. All rights and remedies of the Association under this Declaration or at law or equity are cumulative, and the exercise of one right or remedy shall not waive the Association's right to exercise another right or remedy. The failure of the Association to take enforcement action with respect to a violation of this Declaration shall not constitute or be deemed a waiver of the right of the Association to enforce the Declaration in the future.

2.24 PERSONAL LIABILITY. No director or officer of the Association, no member of the Design Review Committee or of any committee of the Association, and no other person acting on behalf of the Board shall be personally liable to any Owner, or to any other person for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence in the discharge of such person's duties and responsibilities under the Declaration, provided that such person acted in good faith.

The President of the Association certifies that this Amended, Restated and Consolidated Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for The Carefree Ranch has been approved by an instrument in writing signed by the Owners of at least sixty-six and two-thirds percent (66 2/3%) of the Lots in Lone Mountain and the Owners of at least sixty-six and two-thirds percent (66 2/3%) of the Lots in Ranch Highlands

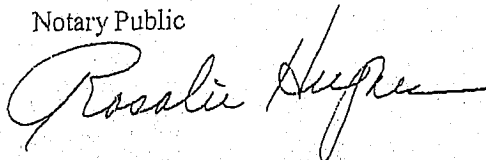
Carefree Ranch Owners Association ^

By: 
Its: 

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 27 day of JUNE, 2006, before me the undersigned Notary Public, personally appeared ED HARRISON, who acknowledged to me that s/he is the President of the Association and that s/he executed the foregoing agreement on behalf of the Association for the purposes expressed therein.

Notary Public



10-31-09
Notary Expiration Date

