

When recorded, return to:

225-724458

T. Neal Burton, II, Secretary & Treasurer
McCormick Ranch Property Owner's Assoc.
7001 N. Scottsdale Road
Scottsdale, AZ 85253

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PROP. RSTR (PR)

DECLARATION OF RESTRICTIONS

This Declaration of Restrictions is made this 13 day of
November, 1979, by AL & C REALTY HOLDINGS CORPORATION,
a Connecticut corporation (hereinafter sometimes termed "Declarant").

W I T N E S S E T H :

WHEREAS, Declarant owns land in and around the existing town
of Scottsdale, in Maricopa County, Arizona, and may acquire additional
lands in the same area; and

WHEREAS, Declarant desires to develop, in stages, the aforesaid
lands now owned or hereafter acquired by it into a series of new and
uniquely planned residential, office, resort and other communities to be
within an area bounded by Shea Boulevard on the north, 112th street (East
section line of Section 28, Township 3 North, Range 5 East, Gila and Salt
River Base and Meridian) on the east, Indian Bend Road on the south, and
Scottsdale Road on the west, collectively known as "McCormick Ranch";
and

WHEREAS, Declarant desires as part of its plan for development
of McCormick Ranch to restrict the use of the following described real
property comprising a part thereof, to-wit: See Exhibit "A" attached hereto
and by this reference made a part hereof.

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STATE OF ARIZONA }
County of Maricopa } ss

I hereby certify that the within
instrument was filed and re-
corded at request of

Angela Little

In Docket 014037
on page 30-40

Witness my hand and official
seal this day and year aforesaid.

Bill Henry

County Recorder

By Caroline King
Deputy Recorder

600

together with each additional property as may by reference hereto in a deed of conveyance or by a Supplemental Declaration of Restrictions, be subjected to this Declaration of Restrictions, all of which said property is hereinafter termed "The Property".

NOW, THEREFORE, AL & C REALTY HOLDINGS CORPORATION, a Connecticut corporation, hereby declares:

ARTICLE I
DEFINITIONS

The following words, phrases or terms used in this Declaration shall have the following meanings:

A. "Association" shall mean the association created pursuant to the Master Declaration as hereinafter defined, which association, it is intended, will be named McCormick Ranch Property Owners' Association, Inc., and any Subsidiary Association having jurisdiction over the property.

B. "Master Declaration" shall mean that certain Declaration of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations and Easements for McCormick Ranch recorded in the office of the County Recorder of Maricopa County, Arizona on December 29, 1971, in Docket 9148 at pages 706 through 756.

C. "Property" shall mean the real property hereinabove specifically described and such additional real property within McCormick Ranch as is hereafter conveyed subject to this Declaration of Restrictions or rendered subject to this Declaration of Restrictions together with the Permanent Improvements thereon.

D. Except as hereinbefore otherwise provided, or unless inconsistent with the context thereof, the words, phrases or terms defined in Article I of the Master Declaration shall have the meanings attributed to them therein, but with regard to the property herein.

ARTICLE II
USE RESTRICTIONS

Section 1. All Properties. All of the Property is hereby restricted as follows:

A. Storage. No exterior storage of any items of any kind shall be permitted, except with prior written approval and authorization of the Declarant. Any such storage, as is approved and authorized shall be in areas attractively screened or concealed (subject to all required approvals as to architectural control) from view of neighboring property, dwelling units, pathways and streets.

B. Garbage. No garbage or trash shall be placed on the exterior of any building, except in containers meeting the specifications of the City of Scottsdale and the Declarant, and the placement, maintenance and appearance of all such containers shall be subject to reasonable rules and regulations of the Declarant. All rubbish, trash and garbage shall be regularly removed from each lot and shall not be allowed to accumulate thereon.

C. Outside Speakers and Amplifiers. No radio, stereo, broadcast or loudspeaker units and no amplifiers of any kind shall be placed on or outside, or be directed to the outside of any building without prior written approval and authorization of the Declarant.

D. Resubdivision. Without the prior written authorization and approval of the Declarant, no lot shall be further subdivided except by Declarant, and no portion less than all of any such lot, or any easement or any other interest therein, shall be conveyed by any Owner other than Declarant.

E. Diseases and Insects. No Owner shall permit any thing or condition to exist upon any lot which shall induce, breed or harbor plant disease or noxious insects.

F. Machinery, Fixtures and Equipment. No machinery, fixtures or equipment of any type, including without limitation heating, air conditioning or refrigeration equipment, shall be placed, allowed or maintained upon the ground on any lot, except with prior written approval and authorization of the Declarant in areas attractively screened or concealed (subject to all required approvals as to architectural control) from view of neighboring property, dwelling units, pathways and streets; and no such machinery, fixtures, or equipment shall be placed, allowed or maintained anywhere other than on the ground (such as on the roof) except if screened or concealed (subject to all required approvals as to architectural control) in such manner that the screening or concealment thereof appears to be part of the integrated architectural design of the building and does not have the appearance of a separate piece or pieces of machinery, fixtures or equipment.

G. Utility and Service Lines. No gas, electric, power, telephone, water, sewer, cable television or other utility or service lines of any nature or kind shall be placed, allowed or maintained upon or above the ground on any lot, except to the extent, if any, underground placement thereof may be prohibited by law or would prevent the subject line from being functional. The foregoing shall not prohibit service pedestals and above ground switch cabinets and transformers where required.

H. Burning and Incinerators. No open fires or burning shall be permitted on any lot at any time and no incinerators or like equipment shall be placed, allowed or maintained upon any lot.

I. Signs. No exterior signs or advertisements of any kind may be placed, allowed or maintained on any lot without prior approval and authorization of the Declarant.

J. Repairs. No repairs of any detached machinery, equipment or fixtures, including without limitation motor vehicles, shall be made upon any portion of any lot within view of neighboring property, dwelling units, pathways and streets, without prior written approval and authorization of the Declarant.

K. Mineral and Drilling Activity. No oil exploration, drilling, development or refining operations and no quarrying or mining operations of any kind including oil wells, surface tanks, tunnels, or mineral excavations or shafts shall be permitted upon or under any lot; and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any lot.

L. Change in Intended Use or Business. No portion of the property may be developed or redeveloped otherwise than in accordance with its original intended use and for its original intended business, without the prior written authorization and approval of the Declarant.

M. Misuse and Mismaintenance. No lot shall be maintained or utilized in such manner as to present an unsightly appearance, or as to unreasonably offend the morale of or as to constitute a nuisance or unreasonable annoyance to, or as to endanger the health of, other owners or residents of McCormick Ranch; and no noxious or otherwise offensive condition or activity shall be allowed to exist or conducted thereon.

N. Violations of Statutes, Ordinances and Regulations. No lot shall be maintained or utilized in such manner as to violate any applicable statute, ordinance or regulation of the United States of America, the State of Arizona, the County of Maricopa, the City of Scottsdale, or any other governmental agency or subdivision having jurisdiction in the premises.

O. New and Permanent Construction. All buildings and other structures on the property shall be of new and permanent construction; and no structure shall be moved from any location on or off the property onto any portion of the property, provided, however, that temporary structures may be placed and maintained on the property in connection with the construction of buildings, structures or improvements

thereon if previously approved and authorized in writing by the Declarant. Any such temporary structure shall be promptly removed upon completion of the construction to which it relates.

P. Prosecution of Construction, Maintenance and Repairs. All construction, maintenance and repair work shall be prosecuted diligently from commencement until completed.

Q. Roofs. Mineral and composition roofs, and roofs made of corrugated plastic or sheet metal are prohibited, unless authorized and approved in writing by the Declarant.

R. Antennas. No exterior television, radio or other antenna of any type shall be placed, allowed or maintained upon any lot without prior written approval and authorization of the Declarant.

S. Parking and Loading. Facilities for parking, loading and unloading reasonably sufficient to serve the business conducted on the property without using adjacent streets therefor shall be maintained thereon, and no use should be made of the property which shall require offsite parking other than in areas specifically set aside or provided therefor.

T. Underground Sprinklers. Underground sprinkler systems shall be installed in all landscape areas sufficient to provide full coverage thereof.

U. Maintenance. In no event shall any portion of the property be so maintained as to present a public or private nuisance or as to substantially detract from the appearance or quality of the surrounding lots or other areas of the property, or of McCormick Ranch, which are substantially affected thereby or related thereto. All portions of the property shall be maintained to the highest standard of similar properties located within Scottsdale, Arizona.

V. Sidewalk Encroachments. No tree, shrub, or plant of any kind on any lot shall be allowed to overhang or otherwise encroach upon any sidewalk or any other pedestrian way from ground level to a height of seven (7) feet without the prior written approval and authorization of the Association.

Section 2. Exemption for Purpose of Construction, Development and Sale. Declarant shall be exempt during the period of subdivision, construction, development and sale from these restrictions and shall have the right during said period to grant reasonable and specifically limited exemptions from these restrictions to any other developer or contractor. Any such exemptions shall be granted only upon specific written request, itemizing the exemption requested, the location thereof, the need therefor and the anticipated duration thereof; and any authorization and approval thereof shall be similarly itemized. No such exemption shall be broader in terms of activity, location or time than is reasonably required.

Section 1. Enforcement. Declarant, as the developer of McCormick Ranch, shall have the primary right to enforce the restrictions set forth in this Declaration until December 31, 1991, or until McCormick Ranch is fully developed and sold by Declarant, whichever occurs sooner, after which said right shall vest in any owner or association of owners of McCormick Ranch property; and, except for judicial construction, Declarant 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, Declarant's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and properties benefited or bound by the restrictions herein. In granting authorization or approval for variances from the restrictions set forth herein, and otherwise, Declarant shall have the power to promulgate written rules and regulations and to make reasonable classification of the property on the basis of intended use, actual use, location, density and the overall plan for the development of McCormick Ranch. Declarant shall have, and each lot shall be subject to, reasonable rights of entry and inspection for the purpose of determining compliance or verifying noncompliance with these restrictions.

Section 2. Successors and Assigns of Declarant. Declarant shall have the right to assign any of the rights and powers herein granted or reserved to Declarant; and, in the event of any such assignment, the term Declarant shall be deemed to include the assignee of Declarant and any subsequent assignee. Any such assignment must be expressed in writing and recorded in the office of the Maricopa County, Arizona Recorder. No such assignment shall be deemed to arise by implication. The term Declarant shall likewise be deemed to include, irrespective of any express assignment, any successor of Declarant to the entire remaining development rights and interests of Declarant relative to the McCormick Ranch property.

Section 3. Delegation. The rights and powers hereby vested in Declarant may in its discretion from time to time be delegated to a committee, including without limitation the Board of Directors of McCormick Ranch Property Owners' Association, Inc., appointed, empowered and constituted by it, whose members shall serve and may be replaced at the pleasure of AL & C REALTY HOLDINGS CORPORATION.

Section 4. Relation to Architectural Control. Nothing contained in this Declaration of Restrictions is intended to limit the nature or extent of, or to be otherwise in derogation of, architectural control reserved to any person or entity by any other document or instrument of record with reference to the property, including without limitation the rights and powers of Declarant, its successors, assigns and delegates reserved by that certain Reservation of Architectural Control recorded in the Office of the County Recorder of Maricopa County, Arizona on December 29, 1971, in Docket 9148 at pages 701 through 705, or to waive or to suggest standards with reference to the requirements thereof. In addition to any applicable provisions hereof, such items as, by way of example only and not by way of limitation, fencing and building set-back requirements from streets and adjacent property, height limitations, landscaping, open space requirements, surfacing, signing and lighting shall be governed by the provisions of such documents or instruments.

Section 5. Term. These restrictions shall be binding upon the property and each owner thereof from the date hereof until December 31, 2021; and they shall thereafter be automatically renewed and extended for successive periods of ten (10) years each, unless within the six (6) months preceding the expiration of the initial term or any extended term hereof, there is placed of record in the office of the County Recorder of Maricopa County, Arizona, a written Declaration of Termination signed and acknowledged by seventy-five percent (75%) of the owners, both in number and with respect to full cash value as defined in the Master Declaration.

Section 6. Amendments. Until December 31, 1991, no amendment of this Declaration shall be valid or effective unless consented to in writing and acknowledged by Declarant. Otherwise this Declaration may be amended by a Declaration of Amendment signed and acknowledged by eighty percent (80%) of the owners, both in number and with respect to full cash value as defined in the Master Declaration. Any such amendment shall be effective only from and after the date of recording thereof in the office of the County Recorder of Maricopa County, Arizona.

Section 7. Waivers and Permissions. Any waiver of, or permission for variance from, any restriction granted by the Declarant must be in writing to be effective; and no such waiver or permission shall constitute a general waiver with reference to other or different occasions, lots or activities.

Section 8. 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.

Section 9. Rule Against Perpetuities. If any interest purported to be created by this Declaration of Restrictions is challenged under the Rule against Perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be (a) those which would be used in determining the validity of the challenged interest, plus (b) those of the issue of the Board who are living at the time the period of perpetuities starts to run on the challenged interest.

Section 10. Change of Circumstances. Except as otherwise expressly provided in this Declaration of Restrictions, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions hereof.

Section 11. Rules and Regulations. In addition to the right to adopt rules and regulations on the matters expressly mentioned elsewhere in this Declaration of Restrictions, the Declarant shall have the right to adopt rules and regulations with respect to all other aspects of the Association's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions hereof.

Section 12. Declarant's Disclaimer of Representations. Anything to the contrary in this Declaration of Restrictions notwithstanding, and except as otherwise may be expressly set forth on a recorded plat or other instrument recorded in the office of the County Recorder of Maricopa County, Arizona, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of the community can or will be carried out, or that any land now owned or hereafter acquired by it is or will be subject to this Declaration of Restrictions, or that any such land (whether or not it has been subjected to this Declaration of Restrictions) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect.

Section 13. References to the Restrictions and Deeds. Deeds to any lot or any part of the property may contain the Restrictions herein set forth by reference to this Declaration of Restrictions; but regardless of whether any such reference is made in any Deed, each and all of the Restrictions shall run with the land, be binding upon and for the benefit of the grantee-owner and his heirs, executors, administrators, successors and assigns. Said restrictions are also for the benefit of the owners and residents of other properties within McCormick Ranch.

Section 14. Successors and Assigns of Declarant. Any reference in this Declaration of Restrictions to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder.

Section 15. Gender and Number. Wherever the context of this Declaration of Restrictions so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

Section 16. Captions and Titles. All captions, titles or headings of the Articles and Sections in this Declaration of Restrictions are for the purpose of reference and convenience only, and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.

IN WITNESS WHEREOF, AL & C REALTY HOLDINGS CORPORATION, a Connecticut corporation, has hereunto caused its name to be signed by the signature of its duly authorized official as of the day and year first above written.

IN WITNESS WHEREOF, AL & C REALTY HOLDINGS CORPORATION, a Connecticut corporation, has hereunto caused its name to be signed and the same to be attested by the signatures of its duly authorized officials as of the day and year first above written.

AL & C REALTY HOLDINGS CORPORATION,
A Connecticut corporation



Donald F. Louser
Donald F. Louser
Vice President and General Manager
McCORMICK RANCH

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 13th day of November, 1979, by Donald F. Louser, Vice President and General Manager, McCormick Ranch, of AL & C REALTY HOLDINGS CORPORATION, a Connecticut corporation, on behalf of the corporation.

WITNESS my hand and official seal.

Carol K. [Signature]
Notary Public

My commission expires;
My Commission Expires Oct. 11, 1982

DESCRIPTION

DET 14037PG 40

A portion of the Southwest quarter of Section 2, Township 2 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the Southwest corner of the said Section 2;
thence North $0^{\circ} 30' 40''$ West, along the West line of said Section 2 for a distance of 930.66 feet;
thence North $89^{\circ} 29' 20''$ East for a distance of 65.00 feet;
thence South $0^{\circ} 30' 40''$ East parallel to and 65.00 feet East of the said West line of Section 2, for a distance of 85.00 feet;
thence North $78^{\circ} 10' 54''$ East for a distance of 76.48 feet;
thence North $89^{\circ} 29' 20''$ East for a distance of 374.14 feet;
thence South $0^{\circ} 30' 40''$ East for a distance of 340.00 feet;
thence South $45^{\circ} 30' 40''$ East for a distance of 21.21 feet;
thence North $89^{\circ} 29' 20''$ East for a distance of 776.00 feet;
thence North $0^{\circ} 30' 40''$ West for a distance of 425.00 feet;
thence North $89^{\circ} 29' 20''$ East for a distance of 260.31 feet;
thence South $13^{\circ} 08' 50''$ East for a distance of 562.33 feet;
thence South $22^{\circ} 12' 00''$ East for a distance of 240.85 feet;
thence South $29^{\circ} 48' 00''$ East for a distance of 237.70 feet to a point on the South line of said Section 2;
thence North $89^{\circ} 01' 27''$ West along the said South line for a distance of 1894.40 feet to the true point of beginning.

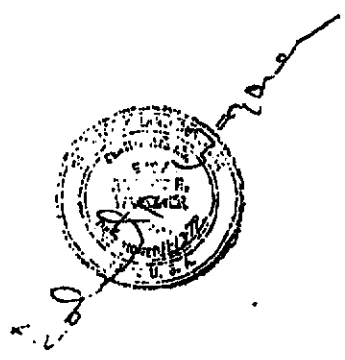


EXHIBIT "H"