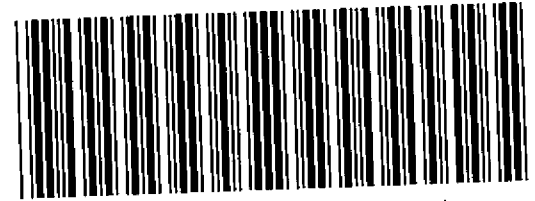


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**RESTATED DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR LOTS 1 THROUGH 62
CAREFREE SENTINEL ROCK ESTATES**

Carefree, Arizona

The following Restated Declaration of Covenants, Conditions, and Restrictions ("Declaration") for Lots 1 through 62, inclusive, Carefree Sentinel Rock Estates, Carefree, Arizona, is made and dated December 28, 1998, by the Carefree Sentinel Rock Estates Homeowners Association, a State of Arizona non-profit corporation (the "Association"), and has been approved by a majority of those owning Lots 1 through 62 inclusive (collectively, "Lot Owners"), as property owners representative of the following described premises situated in the County of Maricopa, State of Arizona, to-wit:

Lots 1 through 62 inclusive, Carefree Sentinel Rock Estates, according to the plat of record of the County Recorder of Maricopa County, Arizona, in Book 243 of Maps, Page 12.

Lots 1 through 62 inclusive, Carefree Sentinel Rock Estates, hereinafter is referred to as the "Property."

REPEAL OF EXISTING DECLARATION

By the adoption of this Declaration, the Association and the Lot Owners for Lots 1 through 62, inclusive, do hereby repeal and revoke the Declaration of Restrictions for Lots 1 through 62, inclusive, Carefree Sentinel Rock Estates, as amended, originally filed and recorded with the County Recorder, Maricopa County, Arizona, on June 29, 1982, at Docket Number 82-16121.

NOW, THEREFORE, the Association and the Lot Owners desire to establish the nature of the use of each Lot within the Property and recognize that the unique conditions of desert, mountain, and alluvial home sites require slightly more stringent covenants in order to maintain privacy, both visual and acoustical, and protection of views by having the residences constructed on the Property blend with the desert. The Association and the Lot Owners now do hereby declare that

the following restrictions and stipulations shall apply to each Lot within the Property and that conveyances of Lots within the Property, or any part thereof, shall be made subject to the following restrictions and stipulations:

ARTICLE 1. GENERAL PROVISIONS

SINGLE FAMILY RESIDENCES

- 1.1 All of the Lots within the Property are described as single family residential lots.

GENERAL COMMUNITY GUIDELINES

1.2 Consideration should be given to the design of houses and the development of building sites, to avoid unnecessary destruction of the natural growth and terrain. Therefore, raw spill banks will not be permitted. Spill banks that occur from the development of driveways, patio areas, or building sites must be reduced to a gentle slope and totally landscaped or completely covered with a rock rip-rap (all-decomposed granite, natural shale, and boulders of a color compatible with other Lots within the Property or indigenous to the northern Sonoran Desert shall be used). Retaining walls will be permitted up to six (6) feet. Natural habitat will not be disturbed or altered outside Building Envelope areas. All areas damaged by construction shall be fully restored before a Town of Carefree Certificate of Occupancy is issued. All front yard landscaping and that portion of the Lot between the residence and/or fences to the edge of the street curbing shall be completed no later than six (6) months following the date of final inspection by the Town of Carefree. Landscape design shall be submitted to the Architectural Committee for written approval. All unimproved Lots within the Property shall be at all times free of rubbish and litter, so as to present a tidy appearance. The yards and grounds in connection with all improved Lots shall be at all times kept in a neat condition. During prolonged absence, the Lot Owner is responsible for the care of his Lot.

LAND USE/BUILDING CRITERIA

1.3 No structure other than one private, single-family residential dwelling, together with a private garage for not more than four (4) cars, a guest house and servants quarters may be erected, placed, or permitted to remain on any of the Lots. Other accessory buildings will be considered by the Architectural Committee. Any decision made by the Architectural Committee regarding accessory buildings shall be final. A private garage or guest house shall not be erected until the residence has been completed, however, such additional buildings may be constructed simultaneously with the main residence. Such private garage, guest house, or approved accessory building must be attached to the main dwelling by either walls or a patio, so as to make one contiguous unit. However, variances from this requirement may be granted in writing by the Architectural Committee. If the Architectural Committee fails to approve or disapprove in writing a proposed structure within thirty (30) days after a written request to do so, then the proposed structure shall be deemed approved by the Architectural Committee. In such event, the design, location, and any kind of materials to be used

or structures to be built on said Lot shall be in harmony with existing homes within two hundred (200) feet of said Lot. In the event any home or structure is destroyed or partially destroyed by fire, act of God, or as a result of any act or thing, said damage must be repaired within eighteen (18) months after such damage. Reconstruction plans must be submitted to the Architectural Committee for written approval.

SUBDIVIDED LOTS

1.4 None of said Lots within the Property shall be divided into smaller lots nor conveyed in less than the full original dimension of such Lot as shown by the recorded plat of the Property, except as permitted by this paragraph. A Lot may be divided to make provision for the installation of public utilities, provided that the remaining portion of said Lot shall be no less in area than 35,000 square feet. A Lot Owner may convey part of his or her Lot to an adjacent Lot Owner, provided that the Lot which has been diminished is no less in area than 35,000 square feet. A Lot may be split if adjacent Lot Owners wish to preserve their views. The split Lot shall then be a part of each adjacent Lot and not a buildable Lot. Any conveyance of this nature must be approved in writing by the Architectural Committee. No further covenants, conditions, restrictions, or easements (except for utility easements) shall be recorded by any Lot Owner or occupant of a Lot without first obtaining the written approval of the Architectural Committee. No application for rezoning, variances, or use permits pertaining to any Lot shall be filed with any governmental authority by any Lot Owner or occupant of a Lot, unless the application has been approved in writing by the Architectural Committee or the proposed use complies with this Declaration.

ARTICLE 2. ARCHITECTURAL GUIDELINES

BUILDING PAD

2.1 As of the date of the recordation of this Declaration, the Building Pad for each Lot will consist of a minimum of 65% cut and fill from the Building Envelope, as shown on the recorded plat for the Property, plus 35% import to complete the Building Pad if needed. The height of the Building Pad will be the average between the high and low points of the Building Envelope. In no case shall the Building Pad exceed the mid-point average. The Building Pad may, however, be lower if desired. The angle of repose should be three (3) feet to one (1) foot (1 foot of rise to 3 feet of slope) limited to the interior of the Building Envelope. If this criteria cannot be met, retaining walls will be required. Retaining walls will have a maximum height of six (6) feet

DRAINAGE

2.2 No building, fence, wall, or other structure or landscaping shall be constructed, installed, placed, or maintained in any manner on any Lot that would obstruct, interfere with, or change the direction or flow of water in accordance with the approved drainage plans for the Property, or any part thereof, or for any Lots as shown on the drainage plans approved by the Town

of Carefree or Maricopa County.

EXTERIOR DESIGN

2.3 The construction or erection of a building, fence, wall, or other structure shall not be commenced until the plans, scheme, and location of such structure and the grading of the Lot have been submitted to and approved in writing by the Architectural Committee. The Architectural Committee has the right to refuse submitted plans. The harmony thereof with the surroundings and the effect the building or other structure as planned, including the exterior color scheme, shall be subject to the prior written approval of the Architectural Committee. As of the date of the recordation of this Declaration, all new and subsequent additions or changes or alterations in any building, fence, wall, or other structure, including exterior color schemes, shall be subject to prior written approval by the Architectural Committee.

EXTERIOR LIGHTING

2.4 Any lighting to be installed in the front yard of a Lot must be approved in writing by the Architectural Committee. All spot lights must be shielded and directed away from the street and surrounding Lots. Landscape lighting should be of the low voltage and low intensity type. Any other lighting is restricted to sixty (60) watts shielded as not to adversely affect surrounding Lots.

LAND AND BUILDING TYPE

2.5 All buildings, fences, walls, and other structures constructed or erected on Lots shall be of new construction, and no buildings or other structures shall be removed from other locations on to any Lot. No mobile home, manufactured home, or factory-built building, as defined by federal or Arizona law, shall be placed on any Lot. Any residence constructed on Lots purchased (i.e., escrow has closed) after the date of the recordation of this Declaration shall have a minimum floor space of 2,500 square feet (livable), exclusive of open patios, porches, or attached garages. Two story, single family dwellings will be permitted on any Lot with the prior written approval of the Architectural Committee. When there is a second story, the ground level must contain at least 1,800 square feet of livable area. The maximum height of all dwellings shall not exceed twenty four (24) feet from the finished floor first floor level or thirty (30) feet from natural grade.

TENNIS COURTS AND SPORT COURTS

2.6 Tennis courts and sport courts will not be permitted unless approved in writing by the Architectural Committee. If a tennis or sport court is approved, it may not be lighted for night time use, nor may it be detrimental to surrounding Lots or the overall environment of the Property. All approved tennis courts and sport courts must be screened by a wall or hedge to sufficiently conceal the courts from view of surrounding Lots, roads, or streets.

BUILDING SETBACKS

2.7 No building shall be erected on any Lot any wall of which is closer to the front or back property line of said Lot than forty (40) feet, or closer to any side property line than twenty (20) feet. The engineered Building Envelope must be adhered to unless a variance is granted in writing by the Architectural Committee. During construction, the Building envelope will be staked and roped at all times (see Exhibit A).

ROOFING MATERIAL

2.8 No asbestos shingle or cedar shake roofs will be allowed. Roofing materials shall consist of #1 heavy or medium grade Mexican tile, Mission tile, concrete tile, or similar materials approved in writing by the Architectural Committee. Roof pitches must be at least 3/12 and not exceed 12/12 unless otherwise approved in writing by the Architectural Committee. Flat roofs must have a parapet wall around the entire portion of the roof and be the same color as the house. All metal flashing, vents, gutters, downspouts, wires, and pipes must be matched to the roof and wall color and texture. White, light colored, or reflective roofing, either because of color or material will not be permitted in on any Lot within the Property. Any changes in the color or material of the roof after the home has been fully constructed must be approved in writing by the Architectural Committee.

LOT PLACEMENT/GARAGES

2.9 Residences may be placed on a Lot in any direction to take advantage of the views of the surrounding area. Following the recordation date of this Declaration, all newly constructed garages must be side entrance, unless a variance is obtained in writing from the Architectural Committee.

FENCES/WALLS

2.10 Privacy fences and walls must be in good taste and harmonize with the design of the structure. No boundary or chain link fences shall be allowed within the Property.

COOLING UNITS

2.11 No roof mounted air conditioning units or coolers, whether screened or unscreened, of any nature shall be allowed within the Property. All such equipment shall be ground mounted and screened from the view of surrounding Lots and streets.

CONSTRUCTION WORK LIMITS

2.12 Reasonable operating hours of 6 am to 7 pm must be adhered to. There will be no construction work permitted on Sundays or the following holidays: New Year's Day, Easter Sunday, the Fourth of July, Thanksgiving Day, or Christmas Day. Normal construction activities and parking

in connection with construction on a Lot shall not be considered a nuisance or otherwise be prohibited by this Declaration, but the Lot and the surrounding area shall be kept in a neat and tidy condition during construction periods, trash and debris shall not be permitted to accumulate, and supplies of bricks, block, lumber, and other building materials will be piled only in such areas as may be approved in writing by the Architectural Committee. In addition, any construction equipment and building materials stored or kept on any Lot during construction may be kept only in areas approved in writing by the Architectural Committee, which may also require screening of the storage areas.

TEMPORARY OCCUPANCY AND TEMPORARY STRUCTURES

2.13 No trailer, basement of any incomplete building, tent, shack, garage, or barn, and no temporary buildings or structures of any type, shall be used at any time for a residence, either temporary or permanent. Temporary buildings, trailers, or other structures used during construction must be approved in writing by the Architectural Committee and shall be removed immediately after the completion of construction. In no event shall any such buildings, trailer, or other structures be maintained or kept on any Lot for a period in excess of twelve (12) months without the prior written approval of the Architectural Committee.

WINDOWS

2.14 Foil or other reflective material may not be placed in the windows, skylights, or other glass areas of any building or other structure. A white fabric, such as sheets, may be used as a temporary window covering, however, permanent window coverings must be installed within thirty (30) days after the close of escrow.

SCREEN WALLS

2.15 Air conditioners, coolers, pool filters, pool heaters, storage sheds, firewood, repair material, lawn and yard tools, clotheslines, and any other temporary or permanent equipment must be screened. Screening shall be constructed of the same material as the adjacent building or wall.

ARTICLE 3. COMMUNITY RULES AND GUIDELINES

RUBBISH AND TRASH REMOVAL

3.1 No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste. No substance, animal, or material shall be kept upon a Lot that will emit a foul or obnoxious odor, or cause any unreasonable noise that might disturb the peace, quiet, comfort, or serenity of the occupants of the surrounding Lots. All equipment for the storage and disposal of waste materials shall be kept in a clean and sanitary condition and shall be enclosed so as not to be visible from any street or any other Lot except when placed at the curbing on days of regularly scheduled for the purpose of collection. All trash containers must be removed within fifteen (15)

hours of collection.

EXTERIOR REPAINT

3.2 If repainting of the exterior color remains the same, approval by the Architectural Committee is not necessary. If the color is changed without approval, or the reflective value does not meet the standards of the Town of Carefree Code and Zoning Ordinance, then the Lot Owner will repaint with an acceptable color, at his or her own expense, within sixty (60) days.

ANIMALS

3.3 No livestock or poultry, including horses, cows, mules, sheep, goats, chickens, turkeys, or pigeons shall be kept on any Lot. Dogs are not permitted at large. Pets may not unreasonably disturb the peace of neighbors by loud noises at any time of the day or night.

NOISE

3.4 Noise caused by improperly muffled vehicles (such as cars, motorcycles etc.) and machinery (such as gasoline power saws etc.) will not be permitted within the Property. Also, for noise prevention, heavy construction machinery must be operated within the manufacturer(s) recommendations and specifications.

SIGNS

3.5 No signs whatsoever (including, but not limited to, commercial, political, "for sale," "for rent," and similar signs) which are visible from surrounding Lots or the street shall be erected or maintained on any Lot, except: (1) signs required by legal proceedings; (2) residence identification or number signs; and (3) one "for sale" or "for rent" sign and/or sign identifying a construction company or licensed contractor. This prohibition does not include lot number signs or signs posted by security companies.

RENTING/LEASING

3.6 No guest house or portion of a dwelling unit located on a Lot may be rented. However, nothing herein shall prevent the Lot Owner from renting or leasing the entire dwelling unit and guest house to a single family.

COMMERCIAL ACTIVITIES

3.7 No trade or business may be conducted on any Lot or in or from any residence constructed on a Lot, except that the Lot Owner or other occupant of the residence may conduct a business activity within the residence so long as (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence, (2) the business activity conforms to all applicable ordinances of the Town of Carefree, (3) the business activity does

not involve persons coming on to the Lot or the door-to-door solicitation of other Lot Owners or occupants of other Lots within the Property, and (4) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use or threaten the security or safety of other residents of the Property, as may be determined from time to time by the Board of Directors. The terms "business" and "trade" as used in this paragraph shall be construed to have ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other forms of consideration, regardless of whether (1) such activity is engaged in full or part time, (2) such activity is intended or does generate a profit, or (3) a license is required for such activity. The leasing of a residence by a Lot Owner shall not be considered a trade or business within the meaning of this paragraph.

MISCELLANEOUS FACILITIES

3.8 Structures, including pet facilities, play houses, swing sets, etc., must be reasonably screened from the view of surrounding Lots and street areas. Specific approval must be obtained, in writing from the Architectural Committee, prior to construction or installation.

SPORTS EQUIPMENT

3.9 Basketball hoops and backboards are permitted, but may not be secured to the residence or any other structure on the Lot. Nor may they be placed in a position as to use the public streets within the Property as a playing area. Hours of use will be from 7 am to 9 pm. Specific approval must be obtained in writing from the Architectural Committee before any basketball hoop or backboard is constructed or installed.

RADIO TOWERS

3.10 Ham radio towers are permitted but must be of the electrically or automated type, raised when in use and lowered from view (below roof level) when not in use. All radio towers, of any type, must be approved in writing by the Architectural Committee. In addition, before any such radio tower is erected, the Lot Owner or occupant of the Lot must obtain any permit required by the Town of Carefree.

ANTENNAS/SATELLITE DISHES

3.11 All satellite dishes and television antennas, greater than eighteen (18) inches (diameter or diagonal measurement), must be mounted or located so as not to be visible from surrounding Lots or from the street in front of the residence. If an eighteen inch dish is mounted on the residence, it must be of the same color as the residence or screened from the view of surrounding Lots and the street in front of the residence.

RECREATIONAL VEHICLES

3.12 No travel trailer, camper, boat, or other recreational vehicle may be maintained or parked for longer than seventy two (72) hours on the front or side yard of any Lot. Parking of these vehicles will be permitted in the rear yard of said Lot, provided they are stored in such a manner as not to be seen from any other Lot or from any streets within the Property. At no time may a commercial vehicle be parked overnight within the Property.

PARKING

3.13 No parking is to be allowed on any natural terrain or vegetation, either at a residence or upon the Property street medians. At no time shall any person drive through or on the street medians within the Property. Any destruction of said medians will be repaired at the sole cost and expense of the violator.

MOTOR VEHICLE REPAIR

3.14 Repairs to any motor powered vehicle, including, but not limited to, automobiles, trucks, recreational vehicles, boats, and all-terrain vehicles, shall take place only inside the garage area of a Lot. Any vehicle being repaired or which is non-operational shall not be kept within view of the street or surrounding Lots.

YARD SALES

3.15 There will be no yard, garage, lawn, or patio sales held within the Property at any time.

VARIANCES

3.16 The Architectural Committee shall have the power to grant a variance from the restrictions set forth in this Article 3 if the Committee determines in its discretion that (1) a restriction would create an unreasonable hardship or burden on the Lot Owner or other occupant of a Lot or a change in circumstances since the recordation of this Declaration has rendered such restriction obsolete, and (2) that the activity permitted under the variance will not have any substantial adverse effect on surrounding Lots or the environment of the Property and is consistent with the high quality of life intended for residents of the Property. However, a request for a variance shall require the approval of any Lot Owner whose lot is within 200 feet of the Lot boundaries of the Lot requesting the variance.

GRANDFATHER CLAUSE

3.17 Any building, fence, wall, or other structure or improvement to any Lot in existence or in the process of being constructed, installed, or erected as of the recordation date of this Declaration shall not be deemed to be in violation of Articles 1 or 2 of this Declaration. Following

the recordation of this Declaration, all existing Lots and residences otherwise shall be required to adhere to all Articles of this Declaration. All buildings, fences, walls, and other structures and improvements to be built after the recordation date of this Declaration shall be constructed, erected, or installed in accordance with Articles 1 and 2 of this Declaration.

DECLARATION OF INTENT

3.18 This Declaration is intended to coincide with the Site Development Guidelines attached as Exhibit A. This Declaration is inclusive of the Codes and Ordinances of the Town of Carefree, Arizona, which must also be complied with. The decisions of the Architectural Committee and/or the Board of Directors are final.

ARTICLE 4. THE ASSOCIATION; ORGANIZATION; MEMBERSHIP; AND VOTING RIGHTS

RIGHTS, POWERS, AND DUTIES

4.1 The Carefree Sentinel Rock Estates Homeowners Association (the "Association") is a nonprofit Arizona corporation, which was incorporated on July 31, 1997, charged with the duties and invested with the powers prescribed by law and set forth in the Association's Articles of Incorporation, the Association's Bylaws, and in this Declaration. The membership of the Association includes all Lot Owners and all those persons owning Lots 63 through 133, inclusive, Carefree Sentinel Rock Estates. All references in this Article 4 only to "Lot Owners" are to the Lot Owners and those persons owning Lots 63 through 133, inclusive, Carefree Sentinel Rock Estates. In the event of any conflict or inconsistency between this Declaration and the Articles of Incorporation or Bylaws, this Declaration shall control. Approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board of Directors.

BOARD OF DIRECTORS AND OFFICERS

4.2 The affairs of the Association shall be conducted by the Board of Directors and such officers or committees as the Board of Directors may elect or appoint in accordance with the Articles of Incorporation and Bylaws.

THE ASSOCIATION RULES

4.3 The Board of Directors, in its discretion, may, from time to time, and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations (the "Association Rules") pertaining to any subject within the jurisdiction of the Association. In the event of any conflict or inconsistency between the provisions of this Declaration and the Association Rules, the provisions of this Declaration shall prevail.

PERSONAL LIABILITY

4.4 No member of the Board of Directors, the Architectural Committee, or of any committee of the Association, no officer of the Association, and no manager or employee of the Association shall be personally liable to any Lot Owner, or to any person or entity, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board of Directors, the Architectural Committee, the manager, any representative or employee of the Association, or any committee, committee member, or officer of the Association; provided, however, the limitations set forth in this paragraph shall not apply to any person who has failed to act in good faith or has engaged in wilful or intentional misconduct.

IDENTITY OF MEMBERS

4.5 Membership in the Association shall be limited to Lot Owners. A Lot Owner shall automatically, upon becoming the owner thereof, be a member of the Association and shall remain a member of the Association until such time as his or her ownership ceases for any reason, at which time his or her membership in the Association shall automatically cease.

VOTING RIGHTS

4.6 Each Lot Owner shall be entitled to one vote for each Lot owned.

VOTING PROCEDURES

4.7 No change in the ownership of a Lot shall be effective for voting purposes unless and until the Board of Directors is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that a Lot is owned by more than one person or entity and such owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Lot Owner casts a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or she was acting with the authority and consent of all other owners of the same Lot unless objection thereto is made at the time the vote is cast.

TRANSFER OF MEMBERSHIP

4.8 The rights and obligations of any Lot Owner shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon transfer of ownership of a Lot Owner's Lot, and then only to the transferee of ownership to the Lot. A transfer of ownership to a Lot may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership of a Lot shall operate to transfer the membership in the Association appurtenant

to said Lot to the new Lot Owner. Each purchaser of a Lot shall notify the Association of his or her purchase within ten business days after he or she becomes the Lot Owner.

SUSPENSION OF VOTING RIGHTS

4.9 If any Lot Owner fails to pay any Assessments or other amounts due to the Association under this Declaration within fifteen (15) days after such payment is due or if any Lot Owner violates any other provision of this Declaration and such violation is not cured within fifteen (15) days after the Association provides the Lot Owner with notice of the violation, the Board of Directors shall have the right to suspend such Lot Owner's right to vote until such time as all payments, including interest and attorneys' fees, are brought current, and until any other inactions or violations of this Declaration are corrected.

ARCHITECTURAL COMMITTEE

4.10.1 The Association shall have a committee to perform the functions of the Architectural Committee set forth in this Declaration. The Architectural Committee shall be a separately elected committee which reports to the Board of Directors. The Architectural Committee shall consist of such number of regular members as may be provided for in the Bylaws. The Architectural Committee shall enforce Articles 1, 2, and 3 of this Declaration and the Site Development Guidelines attached as Exhibit A hereto. The Site Development Guidelines are hereby incorporated herein and shall be deemed to be a part of this Declaration and shall be binding on all Lot Owners. The decision of the Architectural Committee shall be final on all matters submitted to it pursuant to this Declaration and the Bylaws. The Board of Directors may retain and compensate such consultants or professional managers as deemed necessary to act as or assist the Architectural Committee. The Architectural Committee may establish a reasonable processing fee to defer the costs of the Association in considering any requests for approvals submitted to the Architectural Committee, which fee shall be paid at the time the request for approval is submitted.

4.10.2 Plans and specifications shall be approved by the Architectural Committee as to style, exterior design, appearance, and location, and are not approved for engineering design or for compliance with zoning and building ordinances, and by approving such plans and specifications neither the Architectural Committee nor any member thereof shall be liable to the Association or to any Lot Owner or other person for any damage, loss, or prejudice suffered or claimed on account of (1) the approval or disapproval of an plans or specifications, whether or not defective, (2) the construction or performance of any work, whether or not pursuant to approved plans and specifications, or (3) the development or manner of development of any Lot within the Property; provided, however, that such member has, with the actual knowledge possessed by him or her, acted in good faith. Approval of plans and specifications by the Architectural Committee is not and shall not be deemed to be a representation or warranty that such plans and specifications comply with applicable governmental ordinances or regulations, including but not limited to zoning ordinances and building codes.

IMPROPER MAINTENANCE AND USE OF LOTS

4.11 In the event any portion of any Lot is 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 which are substantially affected thereby or related thereto, or in the event any portion of Lot is being used in a manner which violates this Declaration, or in the event the Lot Owner is failing to perform any of its obligations under this Declaration, the Board of Directors may make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Lot Owner that unless corrective action is taken within fourteen (14) business days, the Board of Directors may cause such action to be taken at said Lot Owner's cost. If at the expiration of said fourteen (14) day period of time the requisite corrective action has not been taken, the Board of Directors shall be authorized and empowered to cause such action to be taken and the cost thereof shall be added to and become a part of the Assessment to which the offending Lot Owner and the Lot are subject and shall be secured by the Assessment Lien.

ARTICLE 5. COVENANT FOR ASSESSMENTS AND CREATION OF LIENS

CREATION OF LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS

5.1 Each Lot Owner hereby covenants and agrees to pay Assessments to the Association in accordance with this Declaration. All Assessments shall be established and collected as provided in this Declaration. The Assessments, together with all costs, including but not limited to reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such Assessment is made. Each Assessment, together with all costs, including but not limited to reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not suit is filed, shall also be the personal obligation of the person who was the Lot Owner when the Assessment became due. The personal obligation for delinquent Assessments shall not pass to the successors in title of the Lot Owner unless expressly assumed by them.

ANNUAL ASSESSMENTS

5.2.1 In order to provide for the operation and management of the Association and to provide funds for the Association to perform its duties and obligations under this Declaration and the Bylaws, the Board of Directors, for each Assessment Period, shall assess against each Lot an Annual Assessment.

5.2.2 The Board of Directors shall give notice of the Annual Assessment to each Lot Owner at least thirty (30) days prior to the beginning of each Assessment Period, but the failure to serve such notice shall not affect the validity of the Annual Assessment established by the Board of Directors nor

relieve any Lot Owner from its obligation to pay the Annual Assessment. If the Board of Directors determines during any Assessment Period that the funds budgeted for that Assessment Period are, or will, become inadequate to meet the Association's expenses for any reason, including, without limitation, nonpayment of Assessments by Lot Owners, it may increase the Annual Assessment for that Assessment Period and the revised Annual Assessment shall commence on the date designated by the Board of Directors. Notwithstanding anything in this Declaration to the contrary, the Annual Assessment shall not exceed one hundred dollars (\$100.00) without the approval of a majority of the Lot Owners.

RATE OF ASSESSMENT

5.3 The amount of the first Annual Assessment shall be one hundred dollars (\$100.00) per Lot. Unless increased by a majority vote of the Lot Owners as provided in paragraph 5.2.2 above, the Annual Assessment shall remain at one hundred dollars (\$100.00) per Lot.

SPECIAL ASSESSMENTS

5.4 The Board of Directors shall have no power to levy any special assessment upon the Lot Owners for any purpose.

ASSESSMENT PERIOD

5.5 The period for which the Annual Assessment is to be levied (the "Assessment Period") shall be the calendar year. The Board of Directors in its sole discretion from time to time may change the Assessment Period.

RULES REGARDING BILLING AND COLLECTION

5.6 Annual Assessments shall be collected on an annual basis or such other basis as may be selected by the Board of Directors. The Board of Directors shall have the right to adopt rules and regulations setting forth procedures for the purpose of making Assessments and for the billing and collection of the Assessments, provided that the procedures are not inconsistent with the provisions of this Declaration. The failure of the Association to send a bill to a Lot Owner shall not relieve any Lot Owner of his or her liability for any Assessment or charge under this Declaration, but the Assessment Lien therefor shall not be foreclosed or otherwise enforced until the Lot Owner has been given not less than thirty (30) days written notice prior to such foreclosure or enforcement that the Assessment is or will be due and of the amount owing. Such notice may be given at any time prior to or after delinquency of such payment. The Association shall be under no duty to refund any payments received by it even though the ownership of a Lot changes during an Assessment Period; successor Lot Owners shall be given credit for payments made by their predecessors.

EFFECT OF NONPAYMENT; REMEDIES OF ASSOCIATION

5.7.1 The Association shall have a lien on each Lot for (1) all Assessments levied against

the Lot, (2) all lien fees and other fees and charges assessed against the Lot or payable by the Lot Owner, and (3) all attorney fees, court costs, title report fees, costs, and fees charged by any collection agency either to the Association or to a Lot Owner and any other fees or costs incurred by the Association in attempting to collect Assessments or other amounts due to the Association by a Lot Owner. Recording of this Declaration constitutes record notice and perfecting of the Assessment Lien. The Association may, at its option, record a Notice of Lien setting forth the name of the delinquent Lot Owner as shown in the records of the Association, the legal description or street address of the Lot against which the Notice of Lien is recorded and the amount claimed to be past due as of the date of the recording of the Notice, including lien recording fees and reasonable attorneys' fees. Before recording any Notice of Lien against a Lot, the Association shall make a written demand to the defaulting Lot Owner for payment of the delinquent Assessments, together with reasonable attorneys' fees, if any. The demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand, but any number of defaults may be included within the single demand. If the delinquency is not paid within ten (10) business days after delivery of the demand, the Association may proceed with recording a Notice of Lien against the Lot.

5.7.2 The Assessment Lien shall have priority over all liens or claims except for (1) tax liens for real property taxes, (2) assessments in favor of any municipal or other governmental body, and (3) the lien of any first mortgage. Any first mortgagee or other person acquiring title or coming into possession of a Lot through foreclosure of the first mortgage, purchase at a foreclosure sale or trustee sale, or through any equivalent proceedings, such as, but not limited to, the taking of a deed in lieu of foreclosure, shall acquire title free and clear of any claims for unpaid Assessments and charges against the Lot which became payable prior to the acquisition of such Lot by the first mortgagee or other person. Any Assessments and charges against the Lot which accrue prior to such sale or transfer shall remain the obligation of the defaulting Lot Owner.

5.7.3 The Association shall not be obligated to release the Assessment Lien until all delinquent Assessments, lien fees, reasonable attorneys' fees, court costs, collection costs, and all other sums payable to the Association by the Lot Owner have been paid in full.

5.7.4 The Association shall have the right, at its option, to enforce collection of any delinquent Assessments together with lien fees, reasonable attorneys' fees, and any other sums due to the Association in any manner allowed by law including, but not limited to, (1) bringing an action at law against the Lot Owner personally obligated to pay the delinquent Assessments and such action may be brought without waiving the Assessment Lien securing the delinquent Assessments or (2) bringing an action to foreclose the Assessment Lien against the Lot in the manner provided by law for the foreclosure of a realty mortgage. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any and all Lots purchased at such sale.

EVIDENCE OF PAYMENT OF ASSESSMENTS

5.8 Upon receipt of a written request by a Lot Owner or any other person, the

Association, within a reasonable time thereafter, shall issue to such Lot Owner or other person a written certificate stating (1) that all Assessments and other fees and charges have been paid with respect to any specified Lot as of the date of such certificate, or (2) if all Assessments have not been paid, the amount of such Assessments, fees, and charges due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matters therein stated as against any bona fide purchaser of, or lender on, the Lot in question.

PURPOSE FOR WHICH ASSOCIATION'S FUNDS MAY BE USED

5.9 The Association shall apply all funds and property collected and received by it (including the Assessments, fees, loan proceeds, surplus funds, and all funds and property received by it from any other source) for the common good and benefit of the Property and the Lot Owners by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision, and operation, by any manner or method whatsoever, of an and all land, properties, improvements, facilities, services, projects, programs, studies, and systems, within or without the Property, which may be necessary, desirable, or beneficial to the general common interests of the Property and the Lot Owners. The following are some, but not all, of the areas in which the Association may seek to aid, promote, and provide for such common benefit: social interaction among Lot Owners, maintenance of landscaping on the community medians and at the entrances to the Property, recreation, liability insurance, communications, education, transportation, health, utilities, public services, safety, and indemnification of officers and directors of the Association.

SURPLUS FUNDS

5.10 The Association shall not be obligated to spend in any year all the Assessments and other sums received by it in such year, and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of the Annual Assessment in the succeeding year if a surplus exists from a prior year, and the Association may carry forward from year to year such surplus as the Board of Directors in its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes.

NO OFFSETS

5.11 All Assessments and other amounts payable to the Association shall be payable in accordance with the provisions of this Declaration and the Bylaws, and no offsets against such Assessments or other amounts shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in this Declaration and the Bylaws.

ARTICLE 6. INSURANCE

SCOPE OF COVERAGE

6.1.1 Commencing no later than thirty (30) days from the recordation of this Declaration, the Association shall maintain, to the extent reasonably available, the following insurance coverage:

6.1.2 Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors, but not less than \$500,000.00. Such insurance shall cover all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use or maintenance of the community medians and the entrances to the Property.

6.1.3 Workmen's compensation insurance to the extent necessary to meet the requirements of the laws of the State of Arizona.

6.1.4 Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association or the Lot Owners.

6.1.5 The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions: (1) that there shall be no subrogation with respect to the Association, its agents, servants, and employees, with respect to Lot Owners and members of their households; (2) no act or omission by any Lot Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery on the policy; (3) that the coverage afforded by such policy shall not be brought into contribution or proration with any insurance which may be purchased by Lot Owners or their mortgagees or beneficiaries under deeds of trust; (4) a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Lot Owner because of the negligent acts of the Association or other Lot Owners the Association; and (5) statement of the name insured as the Association.

CERTIFICATES OF INSURANCE

6.2 An insurer that has issued an insurance policy under this Article shall issue a certificate or a memorandum of insurance to the Association and, upon request, to any Lot Owner. If reasonably available, any insurance obtained pursuant to this Article shall include a provision that it may not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association and each Lot Owner to whom certificates of insurance have been issued.

PAYMENT OF PREMIUMS

6.3 The premiums for any insurance obtained by the Association pursuant to this Article shall be included in the budget of the Association and shall be paid by the Association.

ARTICLE 7. GENERAL PROVISIONS

ENFORCEMENT

7.1 The Association or any Lot Owner shall have the right to enforce this Declaration against any Lot Owner. The failure of the Association or a Lot Owner 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 or any Lot Owner to enforce this Declaration in the future. In the event of any litigation or arbitration by or against the Association, the prevailing party in such litigation or arbitration shall be entitled to recover from the nonprevailing party all attorneys' fees, costs, and expert witness fees incurred by the prevailing party.

TERM; METHOD OF TERMINATION

7.2 This Declaration shall continue in full force and effect for a term of twenty (20) years from the date this Declaration is recorded. After such twenty-year period, this Declaration shall be automatically extended for successive periods of ten (10) years each. This Declaration may be terminated at any time if such termination is approved by the affirmative vote or written consent, or any combination thereof, of the Lot Owners representing ninety per cent (90%) or more of the total number of Lot Owners entitled to vote or so consent. If the necessary votes and consents are obtained, the Board of Directors shall cause to be recorded with the County Recorder of Maricopa County, Arizona, a Certificate of Termination, duly signed by the President or Vice President and attested to by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. Thereupon this Declaration shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in the Articles of Incorporation.

AMENDMENTS

7.3.1 This Declaration may only be amended by the written approval or the affirmative vote, or any combination thereof, of Lot Owners representing not less than a majority of the Lots entitled to vote.

7.3.2 Any amendment to this Declaration approved pursuant to paragraph 7.3.1 shall be signed by the President or Vice President of the Association and shall be recorded with the County Recorder of Maricopa County, Arizona. Any such amendment shall certify that the amendment has been approved as required by paragraph 7.3.1.

INTERPRETATION

7.4 Except for judicial construction, the Association 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 this Declaration. In the event of an conflict between this Declaration and the Articles of Incorporation, Bylaws, Association Rules, or Site Development Guidelines, this Declaration shall control. In the event of any conflict between the Articles of Incorporation and the Bylaws, the Articles shall control. In the event of any conflict between the Bylaws and the Association Rules or the Site Development Guidelines, the Bylaws shall control.

SEVERABILITY

7.5 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.

RULE AGAINST PERPETUITIES

7.6 If any interest purported to be created by this Declaration 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 (1) those which would be used in determining the validity of the challenged interest, plus (2) those of the issue of Senator John McCain and Senator Jon Kyl who are living at the time the period of perpetuities starts to run on the challenged interest.

CHANGE OF CIRCUMSTANCES

7.7 Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate, or modify any of the provisions of this Declaration.

LAWS, ORDINANCES, AND REGULATIONS

7.8.1 The covenants, conditions, and restrictions set forth in this Declaration and the provisions requiring Lot Owners and other persons to obtain the approval of the Board of Directors and the Architectural Committee with respect to certain actions are independent of the obligation of the Lot Owners and other persons to comply with all applicable laws, ordinances, and regulations, and compliance with this Declaration shall not relieve any Lot Owner or any other person from the obligation to also comply with all applicable laws, ordinances, and regulations.

7.8.2 Any violation of any state, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, or use of any Lot within the Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

REFERENCES TO THIS DECLARATION IN DEEDS

7.9 Deeds to and instruments affecting any Lot or any part of the Property may contain

the covenants, conditions, and restrictions herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any deed or instrument, each and all of the provisions of this Declaration shall be binding upon the grantee-Lot Owner or other person claiming through any instrument and his or her heirs, executors, administrators, successors, and assigns.

GENDER AND NUMBER

7.10 Wherever the context of this Declaration 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.

CAPTIONS AND TITLES

7.11 All captions, titles, or headings of the Articles and paragraphs in this Declaration 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.

NOTICES

7.12 Notices provided for in this Declaration shall be in writing and shall be addressed to the Association at the address specified in the Bylaws. The Association may designate a different address or addresses for notice by giving written notice of such change of address to all Lot Owners. All notices to Lot Owners shall be to their respective Lots or to the last address shown on the records of the Association. Any Lot Owner may designate a different address or addresses for notices to him or her by giving written notice of the change of address to the Association. Notices addressed as above shall be deemed delivered three (3) days after being mailed by regular first class United States mail or when delivered in person with written acknowledgment of the receipt thereof.

REMEDIES CUMULATIVE

7.13 Each remedy provided herein is cumulative and not exclusive.

SURVIVAL OF LIABILITY

7.14 The termination of membership in the Association shall not relieve or release any such former Lot Owner from any liability or obligations incurred under or in any way connected with the Association during the period of such membership, or impair any rights or remedies which the Association may have against such former Lot Owner arising out of, or in any way connected with such membership and the covenants and obligations incident thereto.

JOINT AND SEVERAL LIABILITY

7.15 In the case of joint ownership of a Lot, the liabilities and obligations of each of the joint owners set forth in or imposed by this Declaration shall be joint and several.

ATTORNEYS' FEES

7.16 In the event any party employs an attorney to enforce any lien granted to it under the terms of this Declaration or to collect any Assessments or other amounts due from a Lot Owner or to enforce compliance with or recover damages resulting from any violation or noncompliance with this Declaration, the prevailing party in any such action shall be entitled to recover from the other party its reasonable attorneys' fees incurred in any such action.

IN WITNESS WHEREOF, this Declaration has been executed by the Lot Owners effective on the day and year first set forth above by execution of the Consent(s) and Approval(s) attached hereto and by this reference incorporated herein.

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12/27/98-1

EXHIBIT A
SITE DEVELOPMENT GUIDELINES

<http://recorder.maricopa.gov/recdocdata/verify/cent.aspx?id=307979> [19981171829] 79 Pages

**CAREFREE SENTINEL ROCK ESTATES
ARCHITECTURAL COMMITTEE**

SITE DEVELOPMENT GUIDELINES

AS OUTLINED BELOW, EACH LOT CONSISTS OF THE NATURAL AREA AND THE BUILDING ENVELOPE, WHICH INCLUDES A TRANSITIONAL AREA AND A PRIVATE AREA. THE FOLLOWING SITE DEVELOPMENT STANDARDS DEAL WITH ISSUES OF SITING, GRADING, EXCAVATION AND LANDSCAPING.

A-1 **BUILDING ENVELOPE**

The Building Envelope acts as a limit beyond which no construction activity may take place or materials be stored. This envelope must be staked and roped during the construction phase. Roping must be 1/2" diameter and attached to metal rods only.

A-2 **NATURAL AREA**

The Natural Area is that portion of the lot which lies outside of the Building Envelope and must remain as natural desert. The intent is that the natural area be natural desert free from any improvements or scars resulting from construction. Plants saved from the construction area shall be placed in the transitional area or nature area if it has been scarred. No lawns are permitted in these areas nor in the front of the residence.

A-3 **TRANSITIONAL AREA**

The Transitional Area is that part of the Building Envelope which lies between the Natural Area and the wall of Residence or Improvement and is visible from the adjacent properties and streets. This Transitional Area must contain Carefree Town approved natural vegetation. No grass may be incorporated.

A-4 **PRIVATE AREA**

The Private Area is that part of the Building Envelope which is not visible from adjacent properties or streets, because it is hidden behind walls or structures. The Private Area is the least restrictive in terms of what plants, shrubs, lawns and trees can be planted therein. However, the plants must still be from the Town of Carefree approved list.

A-5

PROTECTED PLANTS

A native plant identification and location sheet must be provided before construction. Protected Plants are those desert plants which are protected pursuant to Town of Carefree regulations. In addition, all plants in the Natural Area will be protected, after the Building Envelope has been surveyed and staked. Protected Plants in the Building Envelope must be moved to a designated nursery, watered regularly and then relocated upon completion of construction.

A-6

SITE WORK

While the natural topography varies considerably from Lot to Lot, the following general limitations will apply in the absence of special circumstances justifying exceptions as may be approved by the Architectural Committee:

(a) No change in natural or existing drainage patterns for surface waters shall be made upon any Lot that could adversely affect another lot.

(b) Cut and fill may not be exposed upon completion of construction.

(c) No Protected Plants shall be damaged, destroyed or removed from any Lot, although such plants outside the Natural Area may be relocated.

(d) Retaining walls and other walls not directly supporting a building structure, shall not exceed 8 feet in height, measured from the lowest natural grade adjacent to the wall. The appearance of such walls over 6 feet in height must be softened by landscaping with trees or large shrubs. Screen walls may not exceed 4 feet 8 inches in height measured from natural grade in the manner described above for retaining walls.

In the event of any violation of (a) or (b) above, the Architectural Committee may cause the Lot to be restored to its' natural state existing immediately prior to such violation; or, in the event of any violation of (c) above, cause to be replaced any Protected Plant which has been improperly removed or destroyed with a plant of similar type and size or with such other plant as the Architectural Committee may deem appropriate. The Owner of said Lot shall reimburse the Carefree Sentinel Rock Estates Homeowners Association for all expenses incurred by them in performing their obligations under this paragraph provided however that, with respect to the replacement of any plant, the Owner shall not be obliged to pay an amount in excess of the expenses which would have

been incurred by the Homeowners Association had they elected to themselves replace the damaged, destroyed, or removed Protected Plant with a plant similar in type and size. The Architectural Committee shall have the right to require complete or partial restoration of cut areas.

A-7 **BUILDING PAD**

The pad will consist of a minimum of 65% cut and fill from the building envelope, plus 35% import to complete the pad if needed. The height of the pad will be the average between the HIGH and LOW points of the building envelope. In no case shall the pad exceed the mid-point average. The pad may however, be lower if desired.

The angle of repose should be 3 feet to one foot (1 foot of rise to 3 feet of slope) limited to the interior of the building envelope. If this criteria cannot be met, retaining walls will be required. Retaining walls will have a maximum height of 6 feet.

A-8 **SITE DRAINAGE AND GRADING**

Site Drainage and grading must be done with minimum disruption of the Lot. Surface drainage shall not drain to adjoining lots or open areas except as established by natural drainage patterns. It is the intent of these Guidelines to discourage excessive cuts and fills and no grading may be done outside the Building Envelope.

A-9 **GARAGES AND DRIVEWAYS**

All garage doors must be entered from the side elevation of the home and not visible from the front of the home. Driveways shall be of concrete, concrete material or decomposed granite only. No blacktop or asphalt will be permitted

SECTION B

ARCHITECTURAL DESIGN GUIDELINES

B-1 **NO REFLECTIVE FINISHES**

No highly reflective finishes except glass, which may not be mirrored or opaque.

B-2 **LIGHTING**

Any lighting in the front of the house shall be approved by the Architectural Committee. Spot lights must be shielded and

directed away from the street and surrounding lots. Landscape lighting should be of the low voltage and low intensity type. Any other lighting is restricted to 60 watts shielded as not to adversely effect other homes in the area.

B-3 **BUILDING SIZES**

The residence shall contain not less than 2500 square feet of livable area exclusive of garages, storage areas, patios and overhangs.

B-4 **BUILDING HEIGHTS**

When there is a second story, the ground level must contain at least 1800 square feet of livable area. The maximum height of said two story shall not exceed 24 feet from the finished floor level to the top of the roof line or 30 feet from natural grade.

B-5 **ROOFS**

Roofing materials shall consist of #1 heavy or medium grade Mexican Tile, Mission Tile, Concrete Tile or other similar materials approved by the Committee.

If a roof can be seen from the street or adjacent lots, it must not be of a dominant color but must blend with other residences in the Community.

Roof pitches must be at least 3/12 and not exceed 12/12 unless otherwise approved by the Committee.

All flat roofs shall have parapet walls on all exposed sides to the street or adjacent lots.

B-6 **BUILDING PROJECTIONS**

All projections from a building including, but not limited to, chimney caps, vents, gutters, down spouts, utility boxes, porches, railings and exterior stairways shall match the color of the surface from which they project, unless otherwise approved by the Architectural committee. all building projections must be contained within the Building Envelope.

B-7 **SKYLIGHTS/ATRIUMS/WINDOWS**

Skylights must be located so as to minimize their visibility from the street and adjacent lots. Aluminum framed windows may not be white or natural aluminum in color, but must harmonize with the house color.

Windows shall be recessed at least 2" from outside walls.

B-8

SOLAR APPLICATIONS

Solar ray panels or collectors can only be approved if they are integrated into the structures or landscaping on a Lot. and are not visible from adjacent lots or streets.

B-9

SCREEN WALLS

All walls (up to 6 feet) should be a visual extension of the architectural design of the residence. They may be used to separate the Private Areas from the rest of the Building envelope and as screening for parking and service areas. They may not be used to delineate property lines or to arbitrarily delineate the Building envelope.

Finish materials on all building walls and screen walls must be continued down to finish grade, thereby eliminating unfinished foundation walls.

B-10

SERVICE YARD

All above-ground garbage and trash containers, clotheslines, mechanical equipment, pool equipment and other outdoor maintenance and service facilities must be screened by walls and not visible from the street and adjacent lots.

B-11

GUEST HOUSES AND GUEST SUITES

Such structures must be designed as a visual element with the Residence and should be visually related to it by walls, courtyards or major landscape elements. The Guest House must comply with Town zoning regulations. A Guest suite may be incorporated into any Residence.

B-12

COLORS

Colors must be muted tones chosen to blend with the natural colors of the vegetation and mountains. Colors must conform to the Town of Carefree approved color list. Wood trim and columns must be of natural desert tones.

B-13

ARCHITECTURAL DESIGN

Overall design of the house shall be in harmony with those homes within the community.

B-14

EXTERIOR/MATERIAL SURFACES

Exterior surfaces must be stone, masonry colored slump

block, stucco or similar type material.

B-15

MISCELLANEOUS

1. Any revisions to the approved plan and/or landscaping must be submitted to the Architectural Committee for review prior to construction.

2. The granting of any governmental variance does not relieve the Owner of responsibilities for compliance with the restrictive covenants and architectural standards.

3. Approval of plans by the Architectural Committee must be in writing and does not constitute certification that the plans and specifications are in compliance with the Declaration of Restrictions, applicable statutes, codes, ordinances regulations or professional standards. These matters are solely the Owner's responsibility.

SECTION C

CONSTRUCTION STANDARDS

C-1

TEMPORARY STRUCTURES

No temporary structures or portable trailers shall be used during construction. No construction equipment may be stored on the building site any for longer than said equipment is needed at any given time.

C-2

OSHA COMPLIANCE

All applicable OSHA regulations and guidelines must be strictly observed at all times by the Builder and all subcontractors.

C-3

DEBRIS AND TRASH REMOVAL

A metal roll off dumpster (20 yard min.) must be provided by the Owner/Builder at commencement of construction. Builders shall clean up all trash and debris on the construction site at the end of each day. Trash and debris shall be removed from each construction site frequently and not be permitted to accumulate. Builders are prohibited from dumping, burying or burning trash at any time in Carefree Sentinel Rock Estates. During the construction period, each construction site shall be properly policed to prevent it from becoming a public eyesore or affecting other lots or open spaces. Unsightly dirt, mud or debris

resulting from activity on each construction site shall be promptly removed and the general area cleaned up.

C-4 **SANITARY FACILITIES**

The Builder shall be responsible for providing sanitary facilities for his construction workers such as portable toilets or similar toilet facilities.

C-5 **VEHICLE AND PARKING AREAS**

Construction crews shall not park on, or otherwise use, other lots or any open space. Construction vehicles and machinery shall be parked only within the Building Envelope.

C-6 **CONSERVATION OF LANDSCAPING MATERIAL**

Builders are advised that the Lots and open areas of these sites contain valuable native plants and other natural features such as topsoil, rock outcropping and boulders that should be absolutely protected at all times during construction.

C-7 **EXCAVATION MATERIALS**

All excess excavation materials must be hauled away from Carefree Sentinel Rock Estates.

C-8 **RESTORATION OR REPAIR OF OTHER PROPERTY**

Damage and scarring to other property incurred by construction operations, including, but not limited to, open area, other lots, roads, driveways and/or other improvements will not be permitted. If such damage occurs, it must be repaired and/or restored, promptly at the expense of the Builder.

C-9 **MISCELLANEOUS AND GENERAL PRACTICES**

All Owners will be absolutely responsible for the conduct and behavior of their agents, representatives, contractors and subcontractors while on the premises of Carefree Sentinel Rock Estates. The following practices are strictly prohibited:

1. Changing oil on any vehicle or machinery on the site itself or at any other location within Carefree Sentinel Rock estates other than at a location designated for that purpose by the Architectural Committee.

2. Concrete suppliers will not clean out their machinery on the construction site or within Carefree Sentinel Rock Estates. All other subcontractors will clean their equipment at the construction site.

3. Removing any rocks, plant material, topsoil or similar items from any other property within the subdivision.

4. Careless treatment or removal of any desert plant materials not previously approved for removal by the Architectural Committee.

C-10

CONSTRUCTION ACCESS

The only approved construction access during the time a Residence or other improvement is under construction will be over the approved driveway for the Lot unless the Architectural Committee approves an alternative access point. In no event shall more than one construction access be permitted on any Lot.

C-11

DUST AND NOISE

The Builder shall be responsible for the controlling dust and noise including without limitation music, from the construction site.

C-12

CONSTRUCTION

A total of 2 temporary construction signs shall be approved as per Town Ordinance.

C-13

DAILY OPERATION

Daily working hours for each construction site shall be from 6:00 am till 7:00 pm, Monday through Saturday. Hours will be restricted between 10:00 am and 7:00 pm on Sundays and national holidays.

C-14

TIME LIMITATIONS FOR CONSTRUCTION

All phases of construction will be completed with an 18 month time frame, starting with Permit issuance date. Fines of \$20 per day will be levied against the Builder. Fines will be subject to review by the Architectural Committee.

C-15

ARCHITECTURAL FEES

A non-refundable fee, as determined by the Architectural Committee, will be made payable to the Sentinel Rock Estates Homeowners Association for architectural reviews.

C-16

REVEGETATION AND CLEANUP

A \$2,000, refundable deposit, made payable to the Carefree Sentinel Rock Estate Homeowners Association will be required prior to construction. The purpose of this deposit is to insure the integrity and protection of the Building Envelope, adjoining lots, the Natural Areas and subdivision streets.

C-17

FIRES

Fires are strictly forbidden at building sites at any time within the subdivision of Carefree Sentinel Rock Estates.

C-18

YEARLY DUES

No plans will be approved unless all past Homeowner Association dues have been paid and brought up to date.

VIOLATIONS

Violations of Design Guidelines will be subject to a construction delay and/or fine. These decisions will be decided by the Architectural Committee in conjunction with the Board of Directors and will be final with no recourse.

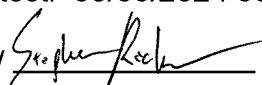
**RESOLUTION OF THE CAREFREE SENTINEL ROCK ESTATES
HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS
APPROVING ADOPTION OF THE RESTATED DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR LOTS 1 THROUGH 62 CAREFREE SENTINEL ROCK ESTATES**

The Board of Directors of the Carefree Sentinel Rock Estates Homeowners Association (the "Association"), on behalf of the Association, by this Resolution hereby approves the adoption of the foregoing Restated Declaration of Covenants, Conditions, and Restrictions for Lots 1 through 62 Carefree Sentinel Rock Estates, which is located in the Town of Carefree, Maricopa County, State of Arizona.

19981171829
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
STEPHEN RICHER



The foregoing instrument is an
electronically prepared
full, true and correct copy
of the original record in this
office.
Attest: 05/06/2024 08:49:19 PM

By  Recorder

To Verify this purchase visit
<http://recorder.maricopa.gov/recdocdata/verifycert.aspx?id=307979>